

City of Antioch, California

Comprehensive Annual
Financial Report



For the Fiscal Year Ended
June 30, 2012

CITY OF ANTIOCH, CALIFORNIA

**Comprehensive Annual Financial Report
For the Fiscal Year Ended
June 30, 2012**

**Prepared By
Department of Finance**

City of Antioch Comprehensive Annual Financial Report

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December 5, 2012

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Antioch:

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2012.

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 it has 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.

Badawi & Associates, Certified Public Accountants, have issued an unqualified ("clean") opinion on the City of Antioch's financial statements for the year ended June 30, 2012. The independent auditor's report is presented as the first component of the financial section of this report.

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. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City of Antioch, incorporated in 1872, is located in the western part of the state and is the third largest city in Contra Costa County. California State Highway 4, connecting San Francisco-Oakland with Stockton and Central Valley points, bisects the City. Connecting with this freeway east of Antioch is State Highway 160, running north to Sacramento, across the Nejedly Bridge, offering access to Solano County and the Sacramento area. The City of Antioch currently occupies a land area of approximately 29 square miles and serves a population of about 103,833 residents. The City of Antioch receives property taxes levied on real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which it has done from time-to-time.

The City of Antioch has operated under the Council-Manager form of government since 1872. Policy-making and legislative authority are vested in a City Council consisting of the Mayor and four other Council members. The four Council members are elected to four-year overlapping terms. The Mayor, who sits on the Council, is elected directly by the people and serves a term of four years. The City Clerk and City Treasurer are also elected for terms of four years. The City Council is responsible, among other duties, for passing ordinances, adopting the budget, appointing committees, and hiring both the City Manager and City Attorney. The Antioch's City Manager is responsible for carrying out the policies and ordinances of the City Council and all management functions of the City, including the budget, delivery of services, hiring of all Department Directors, and implementation of capital projects.

The City of Antioch provides a wide range of municipal services, including police protection; recreational activities; community and economic development; street improvements and maintenance services; parks maintenance; water; sewer; general administrative and support services. The City does not provide fire services.

The annual budget serves as the foundation for the City of Antioch's financial planning and control. All departments of the City of Antioch are required to submit requests for appropriations to the City Manager by April 1. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents the proposed budget to the City Council for review prior to June 30. The City Council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than June 30, the close of the City of Antioch's fiscal year. At mid-period of the budget cycle, the City Council reviews the budget and makes adjustments as needed to the appropriations.

The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department managers may make transfers of appropriations within a department. The level of budgetary control, that is, the level at which expenditures cannot legally exceed the appropriated amount, is established at the individual fund level. Expenditures above the appropriated amount require the special approval of the City Council.

Local economy: Overall, the local economy remains relatively sluggish after multiple years of rapid growth in the retail and employment sectors. Vacancies in many of the strip malls and the City's downtown business core continue. A positive sign, however, is the Lakeview Center on the NW corner of Lone Tree Way at Golf Course Rd., which is located on the drive-side for commuters returning home along the heavily-traveled Lone Tree corridor. This development project by Reynolds & Brown – which previously completed its Bluerock Business Center across the street – has resulted in the completion of a CVS and the 2012 opening of a Fresh & Easy Neighborhood Market, a chain owned by the British grocer Tesco.

Continuing through 2015, more than \$1 billion from various sources will continue to be spent on the current Highway 4 widening and the approved eBART project at the Hillcrest Station area in Antioch. The Water Emergency Transportation Authority has completed its environmental assessment, with the report slated to be presented to the City Council in January 2013, of the proposed Ferry Terminal station location in Downtown Antioch in a project envisioned to connect commuters to San Francisco, with a potential stop in Martinez and/or Hercules.

The Contra Costa County region, which includes the City of Antioch, has a civilian unemployment rate of 8.50% while the City's current unemployment rate is 9.60%. Antioch's population grew about 7.34% between 2002 and 2012 while the overall Contra Costa County growth rate during this corresponding time period was about 6.67%.

Current period financial information: The City continues to be challenged by the economic uncertainties felt nationwide and throughout the world. The City continues to experience declines in General Fund revenue particularly property taxes at 9.8% over two years. The City continues to face the task of bringing significantly reduced revenues in line with General Fund Budget expenditures to address the budgetary difficulties brought on by the struggling economy. Some of the ways in which the City has addressed this issue include: utilization of one-time revenues; successful pursuit of grant monies; concessions from employee bargaining units; workforce reductions; furloughs; mandatory reductions in departmental supplies, services and training budgets; and use of reserve funds. The City's steadfast goal is to reduce expenditures and align those costs with the existing revenue stream, which will allow the City to provide a basic level of services and continue to maintain General Fund reserves that meet City Council policy.

Long-term financial planning: Job development and expansion of the City's retail sales tax base are important factors for Antioch's economic health. With flat property and moderate increases in sales taxes projected in the upcoming fiscal year, the City has continued its efforts to attract companies with high-paying jobs. Employment within the City is estimated to consist of approximately 22,680 jobs.

The City Council recognizes the importance of maintaining a serviceable network of local and regional roads. Like most cities in the state, Antioch is dependent on a combination of local, state and federal revenue to support that work. An analysis of the current condition of all roads in Antioch, along with a recommendation regarding the level at which the roads can be maintained in the long term, is an annual undertaking that maintains our eligibility for continued federal road-repair funding; in addition to federal funding, other funding sources are continually being reviewed and sought after when appropriate.

In addition to the City's roads, water processing and distribution facilities, sidewalks, parks, medians, trails, open space, sanitary sewers, storm water sewers, street lights, traffic signals, fiber optic cabling, marina, the Prewett Water Park and other public buildings provide the framework and infrastructure that contributes to Antioch's quality of life. The better-maintained and adequately sized they are, the greater the opportunity for commerce, health, recreation and mobility within the community. Budgets include contributions toward the maintenance of these facilities and staff continues to look for new opportunities for funding of maintenance and replacement of infrastructure.

The most fundamental expectation of any community is public safety for its people and their property. An adequately staffed, well-trained and equipped police department is one of the keys to meeting that expectation. Historically, the Police Department has accounted for the most significant expenditure of General Fund revenues.

Strategies for increasing revenues and reducing expenditures in the General Fund are under continuous development and review. The City will aggressively focus on these strategies in the upcoming fiscal year as the state and nation continue to face turbulent financial times that ultimately trickles down to all local agencies.

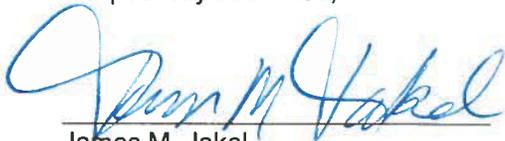
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Antioch for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2011; this was the twenty-second consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

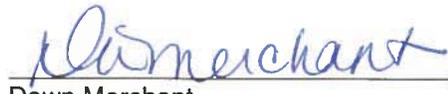
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance department, particularly Dawn Merchant and Jo Castro. I would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and the City Council for their unfailing support for maintaining the highest standards of professionalism in the financial management of the City of Antioch.

Respectfully submitted,



James M. Jakel
City Manager



Dawn Merchant
Finance Director

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**CITY OF ANTIOCH
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**ELECTED OFFICIALS AND
ADMINISTRATIVE PERSONNEL**

JUNE 30, 2012

ELECTED OFFICIALS

**Jim D. Davis, Mayor
Wade Harper, Mayor Pro-Tem
Brian Kalinowski, Council Member
Mary Helen Rocha, Council Member
Gary Agopian, Council Member
Donna Conley, City Treasurer
Denise Skaggs, City Clerk**

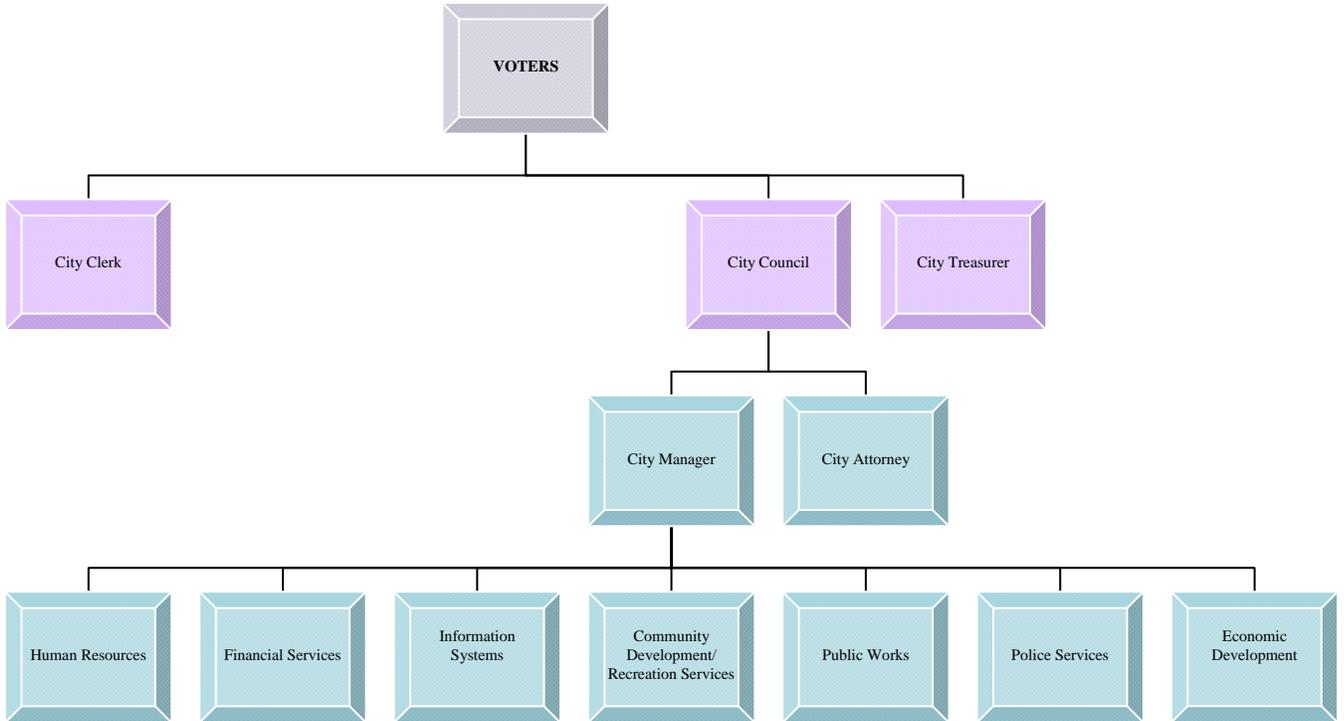
ADMINISTRATIVE PERSONNEL

City Manager
City Attorney
Public Works Director
Chief of Police
Community Development Director
Finance Director
Human Resources Director
Information Services Director

James M. Jakel
Lynn Tracy Nerland
Ron Bernal
Allan Cantando
Tina Wehrmeister
Dawn Merchant
Deborah McHenry
Alan Barton

City of Antioch
Third & "H" Streets, P.O. Box 5007
Antioch, California 94531-5007
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City of Antioch-Organization of City Government





Location Map



Area Map

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Antioch
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

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



Linda C. Dandson

President

Jeffrey R. Enev

Executive Director



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
of the City of Antioch
Antioch, California

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 City Antioch, California (City), as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

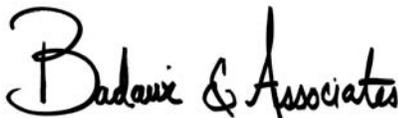
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2012, 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 and should be considered in assessing the results of our audit.

To the Honorable Mayor and Members of the City Council
of the City of Antioch
Page 2

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information for major governmental funds, and funded status of pension and other post-employment benefit plans on pages 3 through 10, pages 79 through 84 and page 85 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 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, budget comparison information for non-major governmental funds and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and the budget comparison information for non-major governmental funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections 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.



Badawi and Associates
Certified Public Accountants
Oakland, California
December 5, 2012

CITY OF ANTIOCH
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012

As management of the City of Antioch, we offer readers of the City of Antioch's financial statements this narrative overview and analysis of the financial activities of the City of Antioch for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-ix of this report.

Financial Highlights

- The assets of the City of Antioch exceeded its liabilities at the close of the most recent fiscal year by \$550,509,812 (net assets). Of this amount, \$54,298,355 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$8,784,852 due mainly to the abolishment of redevelopment with the passage of AB 1X 26. Removal of the assets and liabilities of the former Antioch Development Agency resulted in a positive extraordinary item recognized in the financial statements.
- As of the close of the current fiscal year, the City of Antioch's governmental funds reported ending fund balances of \$42,470,337, an increase of \$2,800,498 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$8,036,561, or 21.3% of total General Fund expenditures, and 21.9% of total General Fund revenues.
- The City of Antioch's total long-term obligations for governmental activities decreased by \$11,363,537 and total long-term obligations for business-type activities increased by \$3,900,286.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Antioch's basic financial statements. The City of Antioch's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Antioch's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the City of Antioch's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Antioch is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Antioch that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Antioch include general government, public works, public safety, parks and recreation and community development. The business-type activities of the City of Antioch include water and sewer utilities; a marina and a water park facility.

The government-wide financial statements include not only the City of Antioch itself (known as the primary government), but also a legally separate development agency and a legally separate public financing authority. Financial information for these component units is blended with the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 13-17 of this report.

CITY OF ANTIOCH
Management's Discussion and Analysis, Continued
For the Fiscal Year Ended June 30, 2012

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Antioch, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Antioch can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Antioch maintains fifty-five individual funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, and three special revenue funds (Housing and Community Development, Gas Tax and Housing Successor Fund) all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The governmental fund financial statements can be found on pages **21-28** of this report.

The City of Antioch adopts an annual appropriated budget for all its funds. A budgetary comparison schedule has been provided for the general fund and major special revenue funds to demonstrate compliance with this budget.

Proprietary funds. The City of Antioch maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Antioch uses enterprise funds to account for its Water, Sewer, Marina and Prewett Water Park funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City of Antioch's various functions. The City of Antioch uses internal service funds to account for its vehicle repair and replacement, office equipment replacement, post employment medical benefits and loss control functions. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Sewer, Marina and Prewett Water Park funds. The Water, Sewer, Marina and Prewett Water Park funds are considered to be major funds of the City of Antioch. All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The proprietary fund financial statements can be found on pages **29-32** of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Antioch's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statements can be found on page **33** of this report.

CITY OF ANTIOCH
Management's Discussion and Analysis, Continued
For the Fiscal Year Ended June 30, 2012

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages **37-75** of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Antioch, assets exceeded liabilities by \$550,509,812 at the close of the most recent fiscal year.

By far the largest portion of the City of Antioch's net assets (82%) reflects its investment in capital assets (e.g., infrastructure (including water and sewer pipes), land, structures and improvements and equipment), less any related debt used to acquire those assets that are still outstanding. The City of Antioch uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Antioch's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

	Governmental Activities		Business-type Activities		TOTAL	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 77,315,351	\$ 72,577,605	\$ 42,943,324	\$ 35,782,711	\$ 120,258,675	\$ 108,360,316
Capital assets	333,573,486	338,980,121	153,919,289	155,638,224	487,492,775	494,618,345
Total assets	410,888,837	411,557,726	196,862,613	191,420,935	607,751,450	602,978,661
Current and other liabilities	9,843,639	7,397,854	3,018,647	2,013,244	12,862,286	9,411,098
Long-term obligations	34,411,663	45,775,200	9,967,689	6,067,403	44,379,352	51,842,603
Total liabilities	44,255,302	53,173,054	12,986,336	8,080,647	57,241,638	61,253,701
Net assets:						
Invested in capital assets,						
net of related debt	302,098,856	295,764,119	149,127,290	150,007,843	451,226,146	445,771,962
Restricted	43,431,026	48,610,708	1,554,285	1,476,245	44,985,311	50,086,953
Unrestricted	21,103,653	14,009,845	33,194,702	31,856,200	54,298,355	45,866,045
Total net assets	\$ 366,633,535	\$ 358,384,672	\$ 183,876,277	\$ 183,340,288	\$ 550,509,812	\$ 541,724,960

An additional portion of the City of Antioch's net assets (8.2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$54,298,355) may be used to meet the government's ongoing obligations to citizens and creditors.

The government's total net assets increased by \$8,784,852 mainly due to the abolishment of redevelopment with the passage of AB 1X 26 by the California state legislature. Assets and liabilities of the former redevelopment were transferred to a private purpose trust fund and resulted in a net extraordinary gain in the current fiscal year. At the end of the current fiscal year, the City of Antioch is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its business-type activities.

Current and other assets increased by \$11,898,359 primarily due to increases in cash and investment balances and a balance due from the Successor Agency trust.

Current and other liabilities increased by \$3,451,188 due mainly to increased accounts payable, unearned revenue and net OPEB obligation.

Long-term obligations decreased \$7,463,251 due to the net of the removal of redevelopment agency debt of \$9,661,132 due to the abolishment of redevelopment and scheduled debt service payments. The debt of the former redevelopment agency is now accounted for in a private purpose trust fund.

Governmental and Business-Type Activities. Governmental activities increased the City of Antioch's net assets by \$8,248,863. There was an increase of \$535,989 in net assets reported in connection with the City of Antioch's business-type activities.

CITY OF ANTIOCH
Management's Discussion and Analysis, Continued
For the Fiscal Year Ended June 30, 2012

CHANGE IN NET ASSETS

	Governmental Activities		Business-type Activities		TOTAL	
	2012	2011	2012	2011	2012	2011
Revenue:						
Program revenues:						
Charges for services	\$ 7,876,259	\$ 7,706,301	\$ 29,440,175	\$ 27,704,814	\$ 37,316,434	\$ 35,411,115
Operating grants and contributions	9,801,496	9,845,834	-	-	9,801,496	9,845,834
Capital grants and contributions	1,895,647	8,567,822	1,331,886	2,163,621	3,227,533	10,731,443
General revenues:						
Property tax	10,638,137	14,425,200	-	-	10,638,137	14,425,200
Sales tax	10,475,632	9,340,439	-	-	10,475,632	9,340,439
Motor vehicle in lieu	5,024,855	5,822,731	-	-	5,024,855	5,822,731
Other	8,952,617	8,611,551	1,405,962	2,060,489	10,358,579	10,672,040
Total revenues	54,664,643	64,319,878	32,178,023	31,928,924	86,842,666	96,248,802
Expenses:						
General government	6,735,782	6,640,163	-	-	6,735,782	6,640,163
Public works	13,670,642	16,147,160	-	-	13,670,642	16,147,160
Public safety	25,637,518	26,376,173	-	-	25,637,518	26,376,173
Parks and recreation	4,133,612	4,203,244	-	-	4,133,612	4,203,244
Community development	3,203,590	7,012,771	-	-	3,203,590	7,012,771
Interest on long-term debt	1,864,886	2,315,654	-	-	1,864,886	2,315,654
Water	-	-	25,244,162	18,947,222	25,244,162	18,947,222
Sewer	-	-	3,112,128	3,117,614	3,112,128	3,117,614
Marina	-	-	1,049,990	1,005,859	1,049,990	1,005,859
Prewett Water Park	-	-	1,762,448	1,740,365	1,762,448	1,740,365
Total expenses	55,246,030	62,695,165	31,168,728	24,811,060	86,414,758	87,506,225
Increase in net assets-before transfer	(581,387)	1,624,713	1,009,295	7,117,864	427,908	8,742,577
Contribution from Successor Agency Trust	638,023	-	-	-	638,023	-
Extraordinary items						
Redevelopment Dissolution	7,718,921	-	-	-	7,718,921	-
Transfers	473,306	68,630	(473,306)	(68,630)	-	-
Increase in net assets	8,248,863	1,693,343	535,989	7,049,234	8,784,852	8,742,577
Net assets - July 1	358,384,672	356,691,329	183,340,288	176,291,054	541,724,960	532,982,383
Net assets - June 30	\$ 366,633,535	\$ 358,384,672	\$ 183,876,277	\$ 183,340,288	\$ 550,509,812	\$ 541,724,960

Governmental activities. General Fund and Antioch Development Agency property tax revenues decreased due to lower assessed valuations (assessed valuation is \$6,560,872,164, a 7.2% decrease from the prior year). Capital grants and contributions decreased significantly due to less reimbursement received from the Antioch Area Public Facilities Financing Agency for the Prewett Community Center Project than in prior year.

Business-type activities. Business-type activities increased the City of Antioch's net assets by \$535,989 accounting for growth in the government's net assets. The increase was mainly attributable to savings in personnel costs and contractual services.

Financial Analysis of the Government's Funds

As noted earlier, the City of Antioch uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City of Antioch's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Antioch's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

CITY OF ANTIOCH
Management's Discussion and Analysis, Continued
For the Fiscal Year Ended June 30, 2012

As of the end of the current fiscal year, the City of Antioch's governmental funds reported combined ending fund balances of \$42,470,337, an increase of \$2,800,498 in comparison with the prior year. About 18.9% of this total amount, \$8,036,561, constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is segregated into the following components: 1) *nonspendable* to indicate that it is not available for new spending because of its form (\$95,048) 2) *restricted* to indicate restrictions on use imposed by external parties, including enabling legislation (\$23,293,956) 3) *committed* to indicate restrictions on use as approved by the City Council (\$6,110,572), or 4) *assigned* for a variety of other purposes (\$4,934,200).

The following table presents the amount of revenues from various sources as well as increases or decreases from the prior year.

Revenues Classified by Source
Governmental Funds

Revenue by Source	FY 2011/2012		FY 2010/2011		Increase (Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent Change
Taxes	\$ 34,424,230	58.6%	\$ 37,383,875	55.3%	\$ (2,959,645)	(7.9)%
Licenses and permits	1,096,177	1.9%	797,729	1.2%	298,448	37.4 %
Fines and penalties	153,610	0.3%	188,803	0.3%	(35,193)	(18.6)%
Investment income and rentals	1,065,320	1.8%	1,063,848	1.6%	1,472	0.1 %
Revenue from other agencies	8,469,597	14.4%	14,699,639	21.8%	(6,230,042)	(42.4)%
Current service charges	8,322,639	14.2%	8,391,107	12.4%	(68,468)	(0.8)%
Special assessment revenue	2,879,111	4.9%	2,775,559	4.1%	103,552	3.7 %
Other	2,315,017	3.9%	2,252,513	3.3%	62,504	2.8 %
Total	\$ 58,725,701	100.0%	\$ 67,553,073	100.0%	\$ (8,827,372)	-13.1%

The following provides an explanation of revenues by source that changed significantly over the prior year.

- Taxes decreased significantly due to the abolishment of the Antioch Development Agency. Former tax increment funds are now received by the Successor Agency Trust.
- Licenses and permits increased significantly due to increased building permit revenue over prior year.
- Fines and penalties decreased significantly due to less vehicle code fines and non-traffic fines being collected than last year.
- Revenue from other agencies decreased significantly over the prior year due to less reimbursements received from the Antioch Area Public Facilities Financing Agency for the Prewett Park Community Center project as a result of decreased project costs from prior year.

The following table presents the amount of expenditures by function as well as increases or decreases from the prior year.

CITY OF ANTIOCH
Management's Discussion and Analysis, Continued
For the Fiscal Year Ended June 30, 2012

Expenditures by Function
Governmental Funds

Expenditures by Function	FY 2011/12		FY 2010/11		Increase (Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent Change
Current						
General government	\$ 5,701,499	10.4%	\$ 6,073,438	8.5%	\$ (371,939)	(6.12%)
Public works	6,651,410	12.1%	8,586,852	12.0%	(1,935,442)	(22.54%)
Public safety	26,065,314	47.6%	26,927,692	37.8%	(862,378)	(3.20%)
Parks and recreation	3,640,806	6.6%	3,594,294	5.0%	46,512	1.3%
Community development	3,967,829	7.2%	8,856,026	12.4%	(4,888,197)	(55.20%)
Capital outlay	4,614,331	8.4%	13,183,073	18.5%	(8,568,742)	(65.00%)
Debt service	4,132,504	7.5%	4,073,413	5.7%	59,091	1.5%
Total	<u>\$ 54,773,693</u>	<u>100.0%</u>	<u>\$ 71,294,788</u>	<u>100.0%</u>	<u>\$ (16,521,095)</u>	<u>-23.2%</u>

The following provides an explanation of the expenditures by function that changed significantly over the prior year.

- Public works expenditures decreased mainly due to a one-time payment made last year to Contra Costa Transportation Authority in the amount of \$1.3 million for the Hillcrest Bridge project and decreased personnel costs.
- Community development expenditures decreased mainly due to decreased housing and community development projects.
- Capital outlay expenditures decreased due to less being spent on construction of the Prewett Community Park project.
- Debt service expenditures increased as a result of scheduled debt service payments.

The General Fund is the chief operating fund of the City of Antioch. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$8,036,561, while total fund balance was \$8,489,101. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 21.3% of total General Fund expenditures, while total fund balance represents 22.6%.

The fund balance of the City of Antioch's General Fund increased by \$1,704,045 during the current fiscal year. This increase is primarily attributable to lower than anticipated expenditures (primarily contractual services for public works and community development departments).

The fund balance of the Housing and Community Development Fund increased by \$49,952 in the current year primarily due to loan repayments received.

The fund balance of the Housing Successor Fund increased by \$4,569,332 during the current fiscal year. This is due to an extraordinary item resulting from the abolishment of redevelopment. A housing asset for repayment of a deferred set aside was transferred from the former Low and Moderate Income Housing Fund to the Housing Fund of the City. Repayment of this deferred set aside will come from the Successor Agency Trust.

The fund balance of the Gax Tax Fund increased by \$2,112,478 during the current fiscal year. This increase is primarily attributable to increased grant reimbursements for capital projects.

Proprietary funds. The City of Antioch's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

CITY OF ANTIOCH
Management's Discussion and Analysis, Continued
For the Fiscal Year Ended June 30, 2012

Unrestricted net assets of the Water Fund at the end of the year amounted to \$20,577,401 and those of the Sewer Fund amounted to \$13,544,886. Unrestricted net assets of the Marina Fund at the end of the year amounted to \$811,984 and unrestricted net assets of the Prewett Water Park Fund amounted to \$5,580.

- Water Fund total net assets decreased \$1,167,052 during the current fiscal year, which is mainly due to the addition of a long term payable to Delta Diablo Sanitation District for the City's cost share of a recycled water project.
- Sewer Fund total net assets increased \$1,467,069 during the current fiscal year, which is mainly due to the net of increased charges for services due to a sewer rate increase effective July 1, 2011 and decreased expenditures for contractual services.
- Marina Fund total net assets increased \$912,263 during the current fiscal year, which is mainly due to the net of increased charges for services and decreased expenditures for contractual services.

Other factors concerning the finances of these four funds have already been addressed in the discussion of the City of Antioch's business-type activities.

General Fund Budgetary Highlights

Differences between the final amended budget and the actual results resulted in \$687,516 higher revenues than projected and \$19,156 variance from appropriations and can be briefly summarized as follows:

- \$449,087 more in taxes revenue than projected due mainly to unanticipated funds distributed to the City as a taxing entity as a result of redevelopment dissolution and higher than anticipated sales tax revenues.
- \$110,684 more in licenses and permits due to higher building permit and street and curb permit revenue than projected.
- \$84,694 more in current service charges primarily due to more plan checking fee revenue and billings to departments for services than anticipated.

Capital Asset and Debt Administration

Capital assets. The City of Antioch's investment in capital assets for its governmental and business-type activities as of June 30, 2012, amounts to \$487,492,775 (net of accumulated depreciation). This investment in capital assets includes land, infrastructure (including water and sewer pipes), structures and improvements, and equipment. The total net decrease in the City of Antioch's investment in capital assets for the current fiscal year was \$7,125,570.

Major capital asset events during the current fiscal year included the following:

- A variety of street construction projects such as Deer Valley road and Hillcrest avenue improvement and Lone Tree way improvement as well as expansion of Wilbur Avenue Bridge; Markley Creek Culvert Crossing and construction of turf fields at a community park. These made construction in progress for governmental activities as of the end of the current fiscal year reach \$3,111,274.
- Various building and system additions and improvements were completed in the Water, Sewer, Marina and Prewett Water Park funds at a cost of \$2,664,162. Work continued on the Marina Launch Ramp and various water and sewer system improvement projects causing construction in progress for business type activities at a cost of \$4,874,233 as of the end of the current fiscal year.
- Acceptance of donated infrastructure at an estimated value of \$326,354.

For government-wide financial statement presentation, all depreciable capital assets were depreciated from acquisition date to the end of the current fiscal year. Fund financial statements record capital asset purchases as expenditures.

CITY OF ANTIOCH
Management's Discussion and Analysis, Continued
For the Fiscal Year Ended June 30, 2012

Capital assets for the governmental and business-type activities are presented below to illustrate changes from the prior year.

	Governmental Activities		Business-type Activities		Total		Increase/ Decrease
	2012	2011	2012	2011	2012	2011	
Land	\$ 13,575,982	\$ 14,019,971	\$ 3,558,467	\$ 3,558,467	\$ 17,134,449	\$ 17,578,438	\$ (443,989)
Construction in Progress	3,111,274	5,204,214	4,874,233	4,954,540	7,985,507	10,158,754	(2,173,247)
Infrastructure Structures and Improvements	256,418,540	257,514,608	99,865,346	101,124,769	356,283,886	358,639,377	(2,355,491)
Equipment	56,881,667	58,426,635	45,029,238	45,531,193	101,910,905	103,957,828	(2,046,923)
Total	3,586,023	3,814,693	592,005	469,255	4,178,028	4,283,948	(105,920)
	\$ 333,573,486	\$ 338,980,121	\$ 153,919,289	\$ 155,638,224	\$ 487,492,775	\$ 494,618,345	\$ (7,125,570)

Construction Commitments. Among the significant construction commitments were \$1.7 million towards the Wilbur Avenue Bridge project; \$2.8 million towards the Nelson Ranch project and \$1 million towards the Markley Creek Culvert projects.

Additional information on the City of Antioch's capital assets can be found in **Note 7 on page 52**.

Long-term debt. At the end of the current fiscal year, the City of Antioch had total debt outstanding of \$36,357,582. Of this amount, \$29,520,000 represents bonds secured solely by specified revenue sources (i.e., revenue bonds), \$3,297,082 represents loans payable and \$3,540,500 represents leases payable.

The City of Antioch's total long-term obligations for governmental activities decreased by \$11,363,537, and total long-term obligations for business-type activities increased by \$3,900,286 during the current fiscal year.

State statutes limit the amount of general obligation debt a governmental entity may issue to 15% of its total assessed valuation. The current debt limitation for the City of Antioch is \$1,182,332,531. The City of Antioch has no outstanding general obligation debt.

Additional information on the City of Antioch's long-term debt can be found in **Note 8 on pages 55-58** of this report.

Economic Factors and Next Year's Budget

- The unemployment rate for the City of Antioch is currently 10.7%. This is the same as the state's average unemployment rate of 10.7% and higher than the national average rate of 8.40%
- The housing market continues to experience a slump, and foreclosure rates continue to rise.
- Assessed values in the City have declined approximately 1.01% for the 2012-13 tax year.
- AB 1X 26 as amended by AB 1484 was passed by the State legislature abolishing redevelopment agencies. As a result, assets and liabilities of the former Antioch Development Agency have been placed into a private purpose trust fund. The City now faces the challenge of providing economic development and housing assistance in blighted areas without redevelopment funding.

All of these factors were considered in preparing the City of Antioch's budget for the 2012-2013 fiscal year.

During the current fiscal year, General Fund net assets increased by \$1,704,045. The City of Antioch has appropriated \$14,051 of General Fund assigned fund balance for spending in the 2012-2013 fiscal year budget.

Requests for Information

This financial report is designed to provide a general overview of the City of Antioch's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, City of Antioch, P. O. Box 5007, Antioch, CA 94531-5007.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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City of Antioch
Statement of Net Assets
June 30, 2012

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 39,380,052	\$ 38,459,960	\$ 77,840,012
Receivables (net):			
Accounts	5,633,283	4,357,631	9,990,914
Taxes	2,554,411	-	2,554,411
Interest	261,305	7	261,312
Materials, parts and supplies	122,793	275,391	398,184
Internal balances	1,745,149	(1,745,149)	-
Prepaid items	283,221	21,846	305,067
Restricted cash and investments, held by fiscal agents	1,364,942	1,554,285	2,919,227
Loans receivable, net	20,057,838	-	20,057,838
Due from Successor Agency Trust	3,537,849	-	3,537,849
Deferred bond issuance costs	665,390	19,353	684,743
Net OPEB asset	1,709,118	-	1,709,118
Capital assets:			
Nondepreciable	16,687,256	8,432,700	25,119,956
Depreciable, net	316,886,230	145,486,589	462,372,819
Total assets	410,888,837	196,862,613	607,751,450
LIABILITIES			
Accounts payable	2,662,962	2,422,439	5,085,401
Accrued payroll	1,127,764	231,819	1,359,583
Interest payable	762,634	162,999	925,633
Deposits	3,158,477	167,650	3,326,127
Unearned revenue	722,846	33,740	756,586
Long-term obligations:			
Due within one year	1,692,394	1,180,449	2,872,843
Due beyond one year	32,719,269	8,787,240	41,506,509
Net pension obligation	354,764	-	354,764
Net OPEB obligation	1,054,192	-	1,054,192
Total liabilities	44,255,302	12,986,336	57,241,638
NET ASSETS			
Invested in capital assets, net of related debt	302,098,856	149,127,290	451,226,146
Restricted for:			
Debt service	1,364,843	1,554,285	2,919,128
Housing	24,729,554	-	24,729,554
Public safety	233,632	-	233,632
Public and capital facilities	-	-	-
Roads	14,745,424	-	14,745,424
Other	2,357,573	-	2,357,573
Total restricted net assets	43,431,026	1,554,285	44,985,311
Unrestricted net assets	21,103,653	33,194,702	54,298,355
Total net assets	\$ 366,633,535	\$ 183,876,277	\$ 550,509,812

See accompanying notes to the basic financial statements.

City of Antioch
Statement of Activities
For the Fiscal Year Ended June 30, 2012

Functions / Programs	Expenses	Indirect Costs	Program Revenues		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:					
General government	\$ 6,735,782	\$ 1,112,317	\$ 361,705	\$ 160,872	\$ -
Public works	13,670,642	279,519	2,149,510	6,621,755	1,853,147
Public safety	25,637,518	10,257	1,243,642	1,075,293	42,500
Parks and recreation	4,133,612	-	701,148	777,705	-
Community development	3,203,590	-	2,018,161	1,165,871	-
Interest on long-term liabilities	1,864,886	-	-	-	-
Total governmental activities	55,246,030	1,402,093	6,474,166	9,801,496	1,895,647
Business-type activities:					
Water	24,037,181	(1,206,981)	23,395,480	-	938,545
Sewer	2,964,671	(147,457)	4,452,983	-	393,341
Marina	1,002,335	(47,655)	681,233	-	-
Prewett Water Park	1,762,448	-	910,479	-	-
Total business-type activities	29,766,635	(1,402,093)	29,440,175	-	1,331,886
Total primary government	\$ 85,012,665	\$ -	\$ 35,914,341	\$ 9,801,496	\$ 3,227,533

General Revenues:

- Taxes:
 - Property taxes
 - Transient lodging tax
 - Franchise
 - Business license taxes based on gross receipts
 - Property transfer taxes
 - Sales and use tax
 - Other
 - Motor vehicle in lieu
 - Park in lieu
 - Investment income not restricted to specific programs
 - Other
 - Contribution from Successor Agency Trust
 - Extraordinary items - Redevelopment Dissolution
 - Transfers
- Total general revenues, extraordinary items and transfers**
- Change in net assets**
- Net assets - beginning of year**
- Net assets - end of year**

See accompanying notes to the basic financial statements

Net (Expense) Revenue
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (5,100,888)	\$ -	\$ (5,100,888)
(2,766,711)	-	(2,766,711)
(23,265,826)	-	(23,265,826)
(2,654,759)	-	(2,654,759)
(19,558)	-	(19,558)
(1,864,886)	-	(1,864,886)
<u>(35,672,628)</u>	<u>-</u>	<u>(35,672,628)</u>
-	(910,137)	(910,137)
-	1,734,196	1,734,196
-	(368,757)	(368,757)
-	(851,969)	(851,969)
<u>-</u>	<u>(396,667)</u>	<u>(396,667)</u>
<u>(35,672,628)</u>	<u>(396,667)</u>	<u>(36,069,295)</u>
10,638,137	-	10,638,137
120,260	-	120,260
4,165,958	-	4,165,958
1,048,271	-	1,048,271
283,190	-	283,190
10,475,632	-	10,475,632
-	1,090,566	1,090,566
5,024,855	-	5,024,855
215,374	-	215,374
354,549	315,396	669,945
2,765,015	-	2,765,015
638,023	-	638,023
7,718,921	-	7,718,921
473,306	(473,306)	-
<u>43,921,491</u>	<u>932,656</u>	<u>44,854,147</u>
8,248,863	535,989	8,784,852
<u>358,384,672</u>	<u>183,340,288</u>	<u>541,724,960</u>
<u>\$ 366,633,535</u>	<u>\$ 183,876,277</u>	<u>\$ 550,509,812</u>

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MAJOR GOVERNMENTAL FUNDS

General Fund - The General Fund is used to account for all of the general revenues of the City not specifically levied or collected for other City funds and the related expenditures. The General Fund accounts for all financial resources of the City which are not accounted for in another fund. For the City, the General Fund includes such activities as general government, public works, public safety, parks and recreation and community development.

Housing and Community Development Fund - This fund accounts for grant funds received from the Federal government for the purpose of developing viable urban communities.

Gas Tax Fund - This fund accounts for revenues and related expenditures received from the State under the Streets and Highway Code Sections 2105, 2106, 2107, and 2107.5. The allocations must be spent for street maintenance or construction and a limited amount for engineering.

Housing Successor Fund - This fund was established to account for the administration of housing assets transferred by the former Antioch Development Agency to the City as Housing Successor.

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

City of Antioch
Balance Sheet
Governmental Funds
June 30, 2012

	Special Revenue Funds			
	General Fund	Housing and Community Development	Gas Tax	Housing Successor Fund
ASSETS				
Cash and investments	\$ 9,333,410	\$ 8,235	\$ 7,035,411	\$ 995,189
Receivables (net):				
Accounts	1,331,124	605,261	1,200,459	-
Taxes	2,195,320	-	290,085	-
Interest	261,299	-	-	-
Due from other funds	879,276	-	-	-
Prepaid items	58,717	-	-	48,576
Restricted cash and investments	-	-	-	-
Loans receivable	1,122,165	6,298,582	-	14,497,867
Due from Successor Agency Trust	-	-	-	3,537,849
Total assets	\$ 15,181,311	\$ 6,912,078	\$ 8,525,955	\$ 19,079,481
LIABILITIES				
Accounts payable	\$ 1,362,248	\$ 390,561	\$ 50,671	\$ 9,465
Accrued payroll	995,432	-	2,272	2,817
Deposits	2,571,442	-	-	-
Due to other funds	-	120,552	-	-
Deferred revenue	1,763,088	6,298,582	-	14,497,867
Total liabilities	6,692,210	6,809,695	52,943	14,510,149
FUND BALANCES				
Nonspendable	60,337	-	-	-
Restricted	-	102,383	8,473,012	4,569,332
Committed	94,030	-	-	-
Assigned	298,173	-	-	-
Unassigned	8,036,561	-	-	-
Total fund balances	8,489,101	102,383	8,473,012	4,569,332
Total liabilities and fund balances	\$ 15,181,311	\$ 6,912,078	\$ 8,525,955	\$ 19,079,481

See accompanying notes to the basic financial statements.

Non-major Governmental		
Funds	Total	
\$ 19,260,619	\$ 36,632,864	
2,367,646	5,504,490	
69,006	2,554,411	
6	261,305	
-	879,276	
36,420	143,713	
1,364,942	1,364,942	
-	21,918,614	
-	3,537,849	
<u>\$ 23,098,639</u>	<u>\$ 72,797,464</u>	

\$ 739,355	\$ 2,552,300
95,092	1,095,613
587,035	3,158,477
758,724	879,276
81,924	22,641,461
<u>2,262,130</u>	<u>30,327,127</u>

34,711	95,048
10,149,229	23,293,956
6,016,542	6,110,572
4,636,027	4,934,200
-	8,036,561
<u>20,836,509</u>	<u>42,470,337</u>
<u>\$ 23,098,639</u>	<u>\$ 72,797,464</u>

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City of Antioch
Reconciliation of the Governmental Funds Balance Sheet to the
Government-Wide Statement of Net Assets - Governmental Activities
June 30, 2012

Fund Balances - Total Governmental Funds	\$ 42,470,337
<hr/>	
Amounts reported for governmental activities in the Statement of Net Assets were different because:	
Capital assets used in governmental activities are not current financial resources. Therefore they were not reported in the Governmental Funds Balance Sheet. Capital assets, net of Internal Service Funds assets \$1,662,912	<u>331,910,574</u>
Loans receivables are not available to pay for current-period expenditures and therefore are reported as deferred revenue in the fund financial statements, net of allowance.	<u>20,057,839</u>
Bond issuance costs are an expenditure in the governmental funds but are capitalized and amortized over the life of the bonds in the government-wide financial statements.	<u>665,390</u>
Internal service funds are used by management to charge the costs of vehicle repair and maintenance, stores, office equipment and replacement, and post employment medical benefits to individual funds. The assets and liabilities are included in governmental activities in the statement of net assets.	<u>6,983,587</u>
Certain liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental fund financial statements:	
Long-term debt:	
Due in one year, net of internal service funds liability of \$7,487	(1,684,907)
Due in more than one year, net of internal service funds liability of \$67,382	(32,651,887)
Net pension obligation	(354,764)
Accrued interest payable	<u>(762,634)</u>
Total long-term liabilities	<u>(35,454,192)</u>
Net Assets of Governmental Activities	\$ 366,633,535

See accompanying notes to the basic financial statements.

City of Antioch
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2012

	Special Revenue Funds			
	General Fund	Housing and Community Development	Gas Tax	Housing Successor Fund
REVENUES:				
Taxes	\$ 26,174,328	\$ -	\$ 2,875,700	\$ -
Licenses & permits	1,096,177	-	-	-
Fines and penalties	73,216	-	-	-
Investment income and rentals	462,671	531	55,290	18,490
Revenue from other agencies	909,801	950,022	3,681,838	-
Current service charges	6,951,544	12,928	1,050	-
Special assessment revenue	-	-	-	-
Other	939,981	379,290	2,826	52,054
Total revenues	36,607,718	1,342,771	6,616,704	70,544
EXPENDITURES:				
Current:				
General government	5,693,013	-	-	-
Public works	4,990,012	-	438,914	-
Public safety	25,176,810	-	-	-
Parks and recreation	-	-	-	-
Community development	1,760,471	1,292,819	-	84,126
Capital outlay	-	-	2,625,091	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	37,620,306	1,292,819	3,064,005	84,126
REVENUES OVER (UNDER) EXPENDITURES	(1,012,588)	49,952	3,552,699	(13,582)
OTHER FINANCING SOURCES (USES):				
Transfers in	3,687,512	-	-	1,045,065
Transfers (out)	(970,879)	-	(1,440,221)	-
Contribution from Successor Agency Trust	-	-	-	-
Total other financing sources (uses)	2,716,633	-	(1,440,221)	1,045,065
SPECIAL ITEMS:				
Extraordinary item	-	-	-	3,537,849
Net change in fund balances	1,704,045	49,952	2,112,478	4,569,332
FUND BALANCES:				
Beginning of year	6,785,056	52,431	6,360,534	-
End of year	\$ 8,489,101	\$ 102,383	\$ 8,473,012	\$ 4,569,332

Non-major Governmental			
Funds		Total	
\$ 5,374,202		\$ 34,424,230	
-		1,096,177	
80,394		153,610	
528,338		1,065,320	
2,927,936		8,469,597	
1,357,117		8,322,639	
2,879,111		2,879,111	
940,866		2,315,017	
<u>14,087,964</u>		<u>58,725,701</u>	
8,486		5,701,499	
1,222,484		6,651,410	
888,504		26,065,314	
3,640,806		3,640,806	
830,413		3,967,829	
1,989,240		4,614,331	
2,115,384		2,115,384	
2,017,120		2,017,120	
<u>12,712,437</u>		<u>54,773,693</u>	
<u>1,375,527</u>		<u>3,952,008</u>	
4,705,396		9,437,973	
(6,874,195)		(9,285,295)	
638,023		638,023	
<u>(1,530,776)</u>		<u>790,701</u>	
<u>(5,480,060)</u>		<u>(1,942,211)</u>	
(5,635,309)		2,800,498	
26,471,818		39,669,839	
<u>\$ 20,836,509</u>		<u>\$ 42,470,337</u>	

City of Antioch

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities - Governmental Activities For the Fiscal Year Ended June 30, 2012

Net Change in Fund Balances - Total Governmental Funds	\$	2,800,498
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report acquisition of capital assets as part of capital outlay as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets were allocated over their estimated useful lives as depreciation expense.

Capital outlay		4,614,331
Depreciation, net of internal service funds depreciation of \$407,526		(9,682,211)

In the Statement of Activities, capital assets donated to the City are reported as general revenue, whereas in the governmental funds, capital assets donated do not increase financial resources. Thus, the change in net assets differs from the change in fund balances by the value of the asset donated.

326,354

In the Statement of Activities, only the gain (loss) on the sale or disposal of capital assets in reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balances by the net cost of the asset sold.

(549,441)

Interest on deferred loans in the Statement of Activities do not provide current financial resources and are not reported as revenues in the funds.

312,603

Repayment of loans is reported as a revenue in governmental funds, and thus, has the effect of increasing fund balance because current financial resources have been received. For the City as a whole, however, the loan payments reduce the receivables in the Statement of Net Assets and do not result as a revenue in the Statement of Activities. The City's loan receivable was reduced because loan payments were received.

(1,009,308)

Governmental funds report expenditures pertaining to the establishment of certain deferred revenue related to long-term loans made. These deferred credits are not reported on the Statement of Net Assets and, therefore, the corresponding expense is not reported on the Statement of Activities.

630,386

Long term debt extinguishment due to the passage of AB 1X 26 abolishing redevelopment. The elimination of this debt reduces long-term liabilities in the Statement of Net Assets

Tax allocation bonds		9,661,132
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Bonds issuance cost are expensed on the fund statements. However, in the government-wide statement of activities, the bonds issuance cost are allocated over the life of the bonds. This amount represent the current year amortization of the bond issuance cost.

(35,790)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

Lease revenue bonds		470,000
Capital lease obligations		326,018
Tax allocation bonds		1,319,366

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues.

Increase in long-term claims liability		(254,807)
Increase in long-term compensated absences		(119,324)
Amortization of debt premium		10,375
Amortization of debt discount		(4,337)
Amortization of advance refunding difference		(41,182)
Increase in net pension obligation		(148,681)
Decrease in accrued interest payable		187,378

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net expense of certain activities of the internal service funds is reported with governmental activities.

(564,497)

Change in Net Assets of Governmental Activities

	\$	8,248,863
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See accompanying notes to the basic financial statements.

PROPRIETARY FUND FINANCIAL STATEMENTS

Water Fund - This fund accounts for the operation of the City's water utility, a self-supporting activity which provides services on a user charge basis to residences and businesses.

Sewer Fund - This fund accounts for the maintenance of the City's sewer lines and related facilities. It is a self-supporting activity which provides services on a user charge basis to residences and businesses.

Marina Fund - This fund accounts for the operation of the City's Marina, which includes renting berths and fueling boats.

Prewett Water Park - This fund accounts for the operation of the Prewett Water Park, an aquatic recreational park.

Internal Service Funds - These funds account for the maintenance and replacement of vehicles and equipment; the operational maintenance, and replacement of office equipment used by City departments; charges for workers' compensation expenses; charges for post retirement medical benefits and charges for loss control, on a cost-reimbursement basis.

City of Antioch
Statement of Fund Net Assets
Proprietary Funds
June 30, 2012

	Business-type Activities - Enterprise Funds					Governmental
	Water	Sewer	Marina	Non-major	Total	Activities
				Prewett		Internal
			Water Park		Service	Funds
ASSETS						
Current assets:						
Cash and investments	\$ 24,062,537	\$ 13,063,244	\$ 1,146,813	\$ 187,366	\$ 38,459,960	\$ 2,747,188
Accounts receivables, net	3,666,037	591,811	55,721	44,062	4,357,631	128,793
Interest receivables	7	-	-	-	7	-
Due from other funds	-	-	-	-	-	75,816
Materials, parts and supplies	265,361	-	10,030	-	275,391	122,793
Prepaid items	17,905	-	-	3,941	21,846	139,508
Deferred bond issuance costs	19,353	-	-	-	19,353	-
Restricted cash and investments	1,554,285	-	-	-	1,554,285	-
Total current assets	29,585,485	13,655,055	1,212,564	235,369	44,688,473	3,214,098
Noncurrent assets:						
Net OPEB asset	-	-	-	-	-	1,709,118
Capital assets:						
Nondepreciable:						
Land	1,002,231	14,553	469,953	2,071,730	3,558,467	-
Construction in progress	876,827	51,798	3,945,608	-	4,874,233	-
Depreciable:						
Water and sewer pipes	62,493,309	61,434,658	-	-	123,927,967	-
Structures and improvements	52,300,086	10,212,891	9,728,377	14,854,236	87,095,590	-
Vehicles and equipment	3,111,609	255,543	137,082	400,139	3,904,373	10,244,263
Less accumulated depreciation	(39,451,557)	(14,243,656)	(6,578,659)	(9,167,469)	(69,441,341)	(8,581,351)
Total capital assets	80,332,505	57,725,787	7,702,361	8,158,636	153,919,289	1,662,912
Total assets	109,917,990	71,380,842	8,914,925	8,394,005	198,607,762	6,586,128
LIABILITIES						
Current liabilities:						
Accounts payable	2,089,798	45,614	211,527	75,500	2,422,439	110,662
Accrued payroll	122,268	30,294	7,558	71,699	231,819	32,151
Interest payable	26,994	-	136,005	-	162,999	-
Deposits	91,840	-	41,066	34,744	167,650	-
Due to other funds	-	-	-	-	-	75,816
Deferred revenue	-	-	-	33,740	33,740	-
Compensated absences - due within one year	33,450	3,426	442	1,411	38,729	7,487
Long Term Payable-DDSD due within one year	252,026	-	-	-	252,026	-
Water revenue bonds - due within one year	745,000	-	-	-	745,000	-
Marina loans payable - due within one year	-	-	144,694	-	144,694	-
Total current liabilities	3,361,376	79,334	541,292	217,094	4,199,096	226,116
Noncurrent liabilities:						
Long Term Payable-DDSD	4,536,376	-	-	-	4,536,376	-
Compensated absences - due in more than one year	301,047	30,835	3,982	12,695	348,559	67,382
Net OPEB obligation	-	-	-	-	-	1,054,192
Water revenue bonds - due in more than one year	749,918	-	-	-	749,918	-
Marina loans - due in more than one year	-	-	3,152,387	-	3,152,387	-
Total noncurrent liabilities	5,587,341	30,835	3,156,369	12,695	8,787,240	1,121,574
Total liabilities	8,948,717	110,169	3,697,661	229,789	12,986,336	1,347,690
NET ASSETS						
Invested in capital assets, net of related debt	78,837,587	57,725,787	4,405,280	8,158,636	149,127,290	1,662,912
Restricted for debt service	1,554,285	-	-	-	1,554,285	-
Unrestricted	20,577,401	13,544,886	811,984	5,580	34,939,851	3,575,526
Total net assets	\$ 100,969,273	\$ 71,270,673	\$ 5,217,264	\$ 8,164,216	185,621,426	\$ 5,238,438

Some amounts reported for business-type activities in the statement of net assets are different because certain internal service fund assets and liabilities are included with business-type activities.

(1,745,149)
Net assets of business-type activities \$ 183,876,277

See accompanying notes to the basic financial statements

City of Antioch
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2012

	Business-type Activities - Enterprise Funds					Governmental
	Water	Sewer	Marina	Non-major	Total	Internal
				Prewett Water Park		Service Funds
OPERATING REVENUES:						
Charges for services	\$ 23,395,480	\$ 4,452,983	\$ 681,233	\$ 910,479	\$ 29,440,175	\$ 4,093,965
Revenue from other agencies	-	-	999,878	-	999,878	-
Other revenue	55,153	4,560	27,188	3,787	90,688	234,217
Total operating revenues	23,450,633	4,457,543	1,708,299	914,266	30,530,741	4,328,182
OPERATING EXPENSES:						
Wages and benefits	3,923,614	1,041,810	251,316	653,849	5,870,589	2,140,519
Utilities	1,781,315	-	31,875	138,234	1,951,424	-
Contractual services	8,234,763	609,675	157,469	145,257	9,147,164	1,973,709
Tools and supplies	8,820,360	147,719	151,951	210,000	9,330,030	556,621
Depreciation	2,193,389	1,235,110	306,497	567,794	4,302,790	407,526
Repairs and maintenance	163,788	14,032	4,267	53,427	235,514	302,834
Total operating expenses	25,117,229	3,048,346	903,375	1,768,561	30,837,511	5,381,209
OPERATING INCOME (LOSS)	(1,666,596)	1,409,197	804,924	(854,295)	(306,770)	(1,053,027)
NONOPERATING REVENUES (EXPENSES):						
Gain (loss) from disposal of capital assets	(79,296)	-	-	-	(79,296)	91,202
Investment income	201,634	105,292	7,886	584	315,396	33,223
Investment (expense)	(74,070)	-	(148,888)	-	(222,958)	-
Total nonoperating revenues (expenses)	48,268	105,292	(141,002)	584	13,142	124,425
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(1,618,328)	1,514,489	663,922	(853,711)	(293,628)	(928,602)
Capital contribution - connection fees	938,545	393,341	-	-	1,331,886	-
Capital contribution - City	-	4,810	-	-	4,810	9,704
Transfers in	-	-	250,000	295,000	545,000	306,007
Transfers (out)	(487,269)	(445,571)	(1,659)	(9,321)	(943,820)	(59,865)
CHANGE IN NET ASSETS	(1,167,052)	1,467,069	912,263	(568,032)	644,248	(672,756)
NET ASSETS:						
Beginning of year	102,136,325	69,803,604	4,305,001	8,732,248		5,911,194
End of year	\$ 100,969,273	\$ 71,270,673	\$ 5,217,264	\$ 8,164,216		\$ 5,238,438

Some amounts reported for business-type activities in the statement of activities are different because the net revenue (expense) of certain internal service funds is reported with business-type activities.

	(108,259)
Change in net assets of business-type activities	<u>\$ 535,989</u>

See accompanying notes to the basic financial statements.

City of Antioch
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2012

	Business-type Activities - Enterprise Funds					Governmental
	Water	Sewer	Marina	Non-major	Total	Internal
				Prewett Water Park		Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash receipt from customers	\$ 23,199,927	\$ 4,423,276	\$ 2,416,340	\$ 965,001	\$ 31,004,544	\$ -
Cash receipt from other funds	-	-	-	-	-	5,352,269
Cash paid to suppliers for goods and services	(13,303,330)	(876,570)	(152,752)	(543,014)	(14,875,666)	(2,922,287)
Cash paid to employees for services	(3,946,270)	(1,053,751)	(250,475)	(644,415)	(5,894,911)	(2,135,443)
Net cash provided by (used in) operating activities	5,950,327	2,492,955	2,013,113	(222,428)	10,233,967	294,539
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Transfers in	-	-	250,000	295,000	545,000	306,007
Transfers (out)	(487,269)	(445,571)	(1,659)	(9,321)	(943,820)	(59,865)
Net cash provided by (used in) noncapital financing activities	(487,269)	(445,571)	248,341	285,679	(398,820)	246,142
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Capital asset additions	(658,530)	(626,638)	(1,293,877)	-	(2,579,045)	(291,858)
Capital contributions	938,545	393,341	-	-	1,331,886	9,704
Proceeds from disposal of capital assets	(79,296)	-	-	-	(79,296)	91,202
Principal paid on bonds	(720,000)	-	(138,464)	-	(858,464)	-
Interest paid on bonds	(46,335)	-	(154,599)	-	(200,934)	-
Net cash provided by (used in) capital and related financing activities	(565,616)	(233,297)	(1,586,940)	-	(2,385,853)	(190,952)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest received	201,633	105,292	7,886	584	315,395	33,223
Net cash provided by (used in) investing activities	201,633	105,292	7,886	584	315,395	33,223
Net change in cash and cash equivalents	5,099,075	1,919,379	682,400	63,835	7,764,689	382,952
CASH AND CASH EQUIVALENTS:						
Beginning of year	20,517,747	11,143,865	464,413	123,531	32,249,556	2,364,236
End of year	<u>\$ 25,616,822</u>	<u>\$ 13,063,244</u>	<u>\$ 1,146,813</u>	<u>\$ 187,366</u>	<u>\$ 40,014,245</u>	<u>\$ 2,747,188</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS:						
Cash and investments	\$ 24,062,537	\$ 13,063,244	\$ 1,146,813	\$ 187,366	\$ 38,459,960	\$ 2,747,188
Restricted cash and investments	1,554,285	-	-	-	1,554,285	-
End of year	<u>\$ 25,616,822</u>	<u>\$ 13,063,244</u>	<u>\$ 1,146,813</u>	<u>\$ 187,366</u>	<u>\$ 40,014,245</u>	<u>\$ 2,747,188</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:						
Operating income (loss)	\$ (1,666,596)	\$ 1,409,197	\$ 804,924	\$ (854,295)	\$ (306,770)	\$ (1,053,027)
Adjustments to reconcile operating income (loss) to cash flows from operating activities:						
Depreciation	2,193,389	1,235,110	306,497	567,794	4,302,790	407,526
Decrease (increase) in:						
Accounts receivable	(268,884)	(34,242)	710,225	56,026	463,125	192,315
Materials, parts, and supplies	(17,371)	-	16,639	-	(732)	(74,351)
Other post employment benefit obligation	-	-	-	-	-	912,679
Prepaid items	1,312	13,912	-	(1,152)	14,072	(41,742)
Increase (decrease) in:						
Accounts payable	5,712,955	(119,056)	176,171	5,056	5,775,126	26,970
Accrued payroll	12,822	1,592	901	10,097	25,412	1,372
Deposits	18,178	(25)	(2,184)	5,710	21,679	-
Deferred revenue	-	-	-	(11,001)	(11,001)	-
Accrued compensated absences	(35,478)	(13,533)	(60)	(663)	(49,734)	3,704
Net cash provided by (used in) operating activities	\$ 5,950,327	\$ 2,492,955	\$ 2,013,113	\$ (222,428)	\$ 10,233,967	\$ 294,539
SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:						
Contributions (donations) of capital assets to/from the general government	\$ (79,296)	\$ 4,810	\$ -	\$ -	\$ (74,486)	\$ 9,704
Total noncash capital and related financing activities	\$ (79,296)	\$ 4,810	\$ -	\$ -	\$ (74,486)	\$ 9,704

See accompanying notes to the basic financial statements.

FIDUCIARY FUND FINANCIAL STATEMENTS

City of Antioch
Statement of Fiduciary Fund Assets and Liabilities
Fiduciary Funds
June 30, 2012

	Successor Agency Private Purpose Trust Fund	Agency Funds
ASSETS		
Cash and investments	\$ 6,466,667	\$ 935,192
Loans receivable	134,449	-
Interest receivable	2	57,959
Prepaid Items	-	1,958
Restricted cash and investments	245,438	9,963,651
Total assets	\$ 6,846,556	\$ 10,958,760
LIABILITIES		
Accounts payable	2,366,782	\$ 59,762
Accrued payroll	7,680	-
Due to City of Antioch	3,537,849	-
Due to bondholders	9,661,132	10,898,998
Total liabilities	\$ 15,573,443	\$ 10,958,760
NET ASSETS		
Held in trust for enforceable obligations of the former Antioch Development Agency	\$ (8,726,887)	

City of Antioch
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2012

	<u>Successor Agency Private Purpose Trust Fund</u>
ADDITIONS	
Contributions:	
Redevelopment Property Tax Trust Fund	\$ 2,625,655
Net assets received upon dissolution of redevelopment agency	(7,584,472)
Investment earnings:	
Investment income and rentals	31,038
Total additions	<u>\$ (4,927,779)</u>
DEDUCTIONS	
Administrative expenses	\$ 219,007
Remittance to County	2,361,757
Enforceable obligations	1,218,344
Total deductions	<u>\$ 3,799,108</u>
CHANGE IN NET ASSETS	(8,726,887)
NET ASSETS:	
Beginning of year	-
End of year	<u>\$ (8,726,887)</u>

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CITY OF ANTIOCH

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012

NOTE 1 - THE FINANCIAL REPORTING ENTITY

(a) Reporting Entity

The City of Antioch, California (the "City"), operates under the Council-Manager form of government and provides the following services: police, highways and streets, sanitation, health services, culture-recreation, public improvements, planning and zoning, general administration services, water, and redevelopment through the Antioch Development Agency.

The governmental reporting entity consists of the City (Primary Government) and its component units. Component units are legally separate organizations for which the City is financially accountable or other organizations whose nature and significant relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and (1) either the City's ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on the City.

The basic financial statements include blended component units. The blended component units, although legally separate entities are, in substance, part of the City's operations and so data from these units are combined with data of the primary government.

For financial reporting purposes, the City's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the City's Council. The financial statements of the individual component units may be obtained by writing to the City of Antioch, Finance Department, P.O. Box 5007, Antioch, CA 94531-5007.

(b) Blended Component Units

Antioch Development Agency

The former Antioch Development Agency (Agency) was created to prepare and implement plans for improvement, rehabilitation and development of certain areas within the City. The Agency and the City had a financial and operational relationship, which required that the Agency's basic financial statements be blended into the City's basic financial statements. The Agency's Board consisted exclusively of all five members of the City Council. As of February 1, 2012, all redevelopment agencies throughout California were abolished with the passage of AB 1X 26. Financial transactions through January 31, 2012 are presented in the accompanying financial statements. The City elected to become Successor Agency for the obligations of the former redevelopment agency. Those funds have been placed into trust. The City considers the trust to be a blended component unit.

Antioch Public Financing Authority

The Antioch Public Financing Authority (APFA) was formed for the purpose of financing the Water Treatment Plant Expansion, the Police Facilities Projects and other infrastructure improvements. The APFA and the City have a financial and operational relationship, which requires that the APFA's financial statements be blended into the City's financial statements. The APFA's Board consists exclusively of all five members of the City Council.

CITY OF ANTIOCH

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

Government-wide Financial Statements

The statement of net assets and statement of activities display information about the primary government (the City) and its component units. These statements include the financial activities of the overall 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, which normally are supported by taxes and intergovernmental revenues and other non exchange transactions, are reported separately from business-type activities, which rely to a significant extent on 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 1) fees, fines and charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead 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 governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as non major funds.

Proprietary funds distinguish operating revenues and expenses and non operating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the City's enterprise and internal service funds are charges for customer services including: water and sewer charges, marina and water park fees, equipment maintenance and usage fees, and support charges. Operating expenses for enterprise funds and internal service funds include the cost of services, administrative expenses and depreciation on capital assets. All other revenues and expenses not meeting this definition are reported as non operating revenues and expenses.

The City reports the following major governmental funds:

- The *General Fund* is used to account for all of the general revenues of the City not specifically levied or collected for other City funds and the related expenditures. The General Fund accounts for all financial resources of the City which are not accounted for in another fund. For the City, the General Fund includes such activities as general government, public works, public safety, parks and recreation and community development.
- The *Housing and Community Development Fund* accounts for grant funds received from the Federal government for the purpose of developing viable urban communities.
- The *Gas Tax Fund* accounts for funds received from the State under the State Street and Highways Code. Gas tax funds are limited to research, planning, construction, improvement, maintenance and operation of public streets and streetlights.

CITY OF ANTIOCH

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

- The *Housing Successor Fund* was established by the City with when it elected to become the Housing Successor to the Antioch Development Agency with the abolishment of redevelopment under AB 1X 26. This fund accounts for the administration of housing activities of the former Low and Moderate Income Housing Fund of the redevelopment agency.

The City reports the following major enterprise funds:

- The *Water Fund* accounts for the operation of the City's water utility, a self-supporting activity, which provides services on a user charge basis to residences and businesses.
- The *Sewer Fund* accounts for the maintenance of the City's sewer lines and related facilities. It is a self-supporting activity, which provides services on a user charge basis to residences and businesses.
- The *Marina Fund* accounts for the operation of the City's Marina Complex, which includes renting berths and fueling boats to the public.

The City reports the following additional fund types:

- *Internal Service Funds* account for the maintenance and replacement of vehicles and equipment; the operation, maintenance, and replacement of office equipment used by City departments; charges for workers' compensation expenses; charges for post retirement medical benefits and charges for loss control, on a cost-reimbursement basis.
- *Agency Funds* account for assets held by the City in the capacity of agent for individuals (refundable cash bonds and employee benefits), other governmental agencies (Fire Protection District and ECWMA) and special assessment debt without city commitment.
- *Private Purpose Trust Funds* account for the assets and liabilities held by the City as Successor Agency to the Antioch Development Agency.

(b) Measurement Focus, Basis of Accounting

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus. Agency funds have no measurement focus. The government-wide and proprietary fund financial statements are reported using the 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. Non exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and 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. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

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. Property and sales taxes, interest, certain state and federal grants and charges for services are accrued when their receipt occurs within sixty days after the end of the accounting period so as to be both measurable and available. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

CITY OF ANTIOCH

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues. With respect to the gas tax fund, it is the City's policy to first apply revenues other than the gas tax itself to expenditures incurred within that program.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and enterprise fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The City has elected not to follow subsequent private-sector guidance.

(c) Internal Investment Pool

The City maintains an internal investment pool that is available for use by all funds. Investments in non-participating interest earning contracts (including guaranteed investment contracts) are reported at cost, and all other investments at fair value. Fair value is determined annually and is based on current market prices. The method of allocating interest earned on pooled deposits and investments among funds is based on average cash balances.

For purposes of the accompanying statement of cash flows for the enterprise and internal service funds, cash equivalents are defined as investments with original maturities of 90 days or less, which are readily convertible to known amounts of cash. The City considers all pooled cash and investments (consisting of cash and investments and restricted cash and investments) held by the City as cash and cash equivalents because the pool is used essentially as a demand deposit account from the standpoint of the funds. The City also considers all non-pooled cash and investments (consisting of cash with fiscal agent and restricted cash and investments held by fiscal agent) as cash and cash equivalents because investments meet the criteria for cash equivalents defined above.

(d) Receivables

During the course of normal operations, the City carried various receivable balances for taxes, interest, services, loan, utilities and special assessments. Accounts receivables are shown net of an allowance for doubtful accounts of \$118,784 in the General Fund and \$299,319 in the Water Enterprise Fund.

(e) Materials, Parts and Supplies

Material, parts and supplies are valued at average cost. Material, parts and supplies recorded in the internal service funds consist of expendable supplies for consumption. The cost is recorded as an expense at the time individual inventory items are consumed. Material, parts and supplies recorded in the Marina Enterprise Fund consists primarily of merchandise held for resale to the public.

(f) Loans Receivable

For the purposes of the governmental funds financial statements, expenditures related to long-term loans arising from loan subsidy programs are charged to operations upon funding and the loans are recorded with an offset to a deferred revenue account. The balance of the long-term loans receivable includes loans that may be forgiven if certain terms and conditions of the loans are met. For purposes of the government-wide financial statements, long-term loans are not offset by deferred revenue accounts and are net of an allowance.

CITY OF ANTIOCH

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(g) Bond Issuance Costs, Original Issue Discounts and Premiums and Refunding of Debt

In the government-wide financial statements and the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and are amortized on a straight-line basis over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. Issuance costs, whether or not withheld from the actual debt proceeds received are reported as debt service expenditures.

Gains or losses occurring from advance refundings, completed subsequent to June 30, 1993, are deferred and amortized into expense for both business-type activities and proprietary funds. For governmental activities, they are deferred and amortized into expense if they occurred subsequent to June 30, 2001.

(h) Capital Assets

Capital assets (including infrastructure) are recorded at historical cost or at 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. Capital assets include public domain (infrastructure) general capital assets consisting of certain improvements including roads, bridges, water/sewer, lighting systems, drainage systems, and flood control. The City defines capital assets as assets with an estimated useful life in excess of one year and an initial, individual cost of \$5,000 or more.

Capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the government-wide statements and proprietary funds.

The estimated useful lives are as follows:

Infrastructure	20 to 50 years
Water and Sewer Pipes	75 years
Structures and Improvements	10-30 years
Equipment	5-20 years
Vehicles	5-15 years

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements, which significantly increase values, change capacities or extend useful lives, are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

CITY OF ANTIOCH

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(i) Property Taxes and Special Assessments Revenue

Revenue is recognized in the fiscal year for which the tax and assessment are levied. The County of Contra Costa levies, bills and collects property taxes and special assessments for the City; under the County's "Teeter Plan", the County remits the entire amount levied and handles all delinquencies, retaining interest and penalties.

Taxes are levied for each fiscal year on taxable real and personal property situated in the County. The levy is based on the assessed values as of the preceding January 1st, which is also the lien date. Property taxes on the secured roll are due in two installments: November 1st and February 1st and become delinquent after December 10th and April 10th, respectively. Supplemental property taxes are levied based on changes in assessed values between the date of real property sales or construction completion and the preceding assessment date. The additional supplemental property taxes are prorated from the first day of the month following the date of such occurrence. Property taxes on the unsecured roll are due on the lien date (January 1), and become delinquent if unpaid by August 31st.

Special assessment districts are established in various parts of the City to provide improvements to properties located in those districts. Properties are assessed for the cost of improvements; these assessments are payable over the term of the debt issued to finance the improvements.

(k) Accumulated Compensated Absences

The City accrues the cost for compensated absences (vacation, sick leave and comp time) when they are earned. City employees have a vested interest in accrued vacation time and all vacation hours will eventually either be used or paid by the City. Generally, employees earn and use their current vacation hours with a small portion being accrued or unused each year. As this occurs, the City incurs an obligation to pay for these unused hours. Sick leave benefits are only vested for employees with more than 10 years of service, up to a maximum of 40% of 800 hours.

(l) Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances". Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers within governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

(m) Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CITY OF ANTIOCH

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

(a) Expenditures in Excess of Budget

Expenditures in the funds below exceeded appropriations by the amounts indicated, largely because budgets were not revised for higher than anticipated expenditures. Sufficient resources were available to finance these expenditures, primarily in the form of higher revenues and transfers than expected or from available fund balance.

	Appropriated Final Budget	Actual Expenditures	Excess
<i>Nonmajor Special Revenue Funds:</i>			
Animal Control	\$ 813,357	\$ 814,649	\$ (1,292)
Abandoned Vehicle	4,161	7,311	(3,150)
Traffic Signal Fee	28,730	31,603	(2,873)
Asset Forfeiture	75,541	76,219	(678)
Traffic Safety	20	28	(8)

NOTE 4 - CASH AND INVESTMENTS

(a) Cash and Investment Balances

The City has the following cash and investments at June 30, 2012:

Cash and investments:	
Petty cash	\$ 4,970
Deposits in banks	8,020,661
Certificate of Deposit	2,604,567
U.S. Government securities	23,455,876
U.S. Government agencies	30,935,792
Medium-term corporate notes	10,978,506
Money market	61,116
California Local Agency Investment Fund	9,180,383
Total cash and investments	85,241,871
Restricted cash and investments:	
California Asset Management Program	8,757
Guaranteed investment contracts	4,427,561
Money market	8,269,248
Repurchase agreements	422,750
Total restricted cash and investments	13,128,316
Total	\$ 98,370,187

CITY OF ANTIOCH

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

NOTE 4 - CASH AND INVESTMENTS, Continued

Cash and investments are presented on the Statement of Net Assets as follows at June 30, 2012:

	Government-Wide Statement of Net Assets	Fiduciary Funds Statement of Assets and Liabilities	Total
Cash and investments	\$ 77,840,012	\$ 7,401,859	\$ 85,241,871
Restricted cash and investments	2,919,227	10,209,089	13,128,316
Total	<u>\$ 80,759,239</u>	<u>\$ 17,610,948</u>	<u>\$ 98,370,187</u>

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 amounts required to be held with fiscal agents, so that it can be safely invested at maximum yield and liquidity. Investment income is allocated among funds on the basis of average month-end cash balances.

Restricted cash and investments at June 30, 2012 was \$13,128,316, which was held by trustees or fiscal agents. These funds may only be used for specific capital outlay or for the payment of certain bonds or tax allocation bonds, and have been invested only as permitted by State statutes or applicable City ordinance, resolution or bond indentures.

(b) Cash Deposits

The carrying amount of the City's cash deposits was \$8,025,631 at June 30, 2012. The bank balance at June 30, 2012, was \$8,687,330, which was fully insured and/or was collateralized with securities held by the pledging financial institutions in the City's name as described in the following paragraph.

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name. The fair value of pledged government securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City has waived collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation or Savings Association Insurance Fund.

CITY OF ANTIOCH

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

NOTE 4 - CASH AND INVESTMENTS, Continued

(c) Investments

The City's investment policy, bond indentures, and Section 53601 of the California Government Code allow the City to invest in the following types of investments:

- Securities of the U.S. Government or its agencies
- Certificates of Deposit
- Bankers' Acceptances
- Commercial Paper
- Investment Grade Medium Term Corporate Notes
- Repurchase Agreements
- Local Agency Investment Fund Deposits
- Insured Savings Accounts or Money Market Accounts
- Guaranteed Investment Contracts
- Mutual funds as permitted by the Code

The City did not enter into reverse repurchase agreements during the year ended June 30, 2012.

At June 30, 2012, the City's investment position in the State of California Local Agency Investment Fund (LAIF) was \$9,180,383. This amount reflects the City's market value share in the pool. A factor of 100.1219643% was used to determine the market value. The total amount invested by all public agencies in LAIF at that day was \$60,612,199,285. Of that amount, 96.53% is invested in non derivative financial products and 3.47%, as compared to 5.01% in previous year, in structured notes and asset-backed securities. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The value of the pool shares in LAIF, which may be withdrawn, is determined on an amortized cost basis, which is different than the fair value of the City's position in the pool. Information is not available on whether the mutual funds in which the City has invested used, held or wrote derivative products during the fiscal year ended June 30, 2012.

As of June 30, 2012, the City's investment in the California Asset Management Program (CAMP) pool was \$8,758. A board of five trustees who are officials or employees of public agencies has oversight responsibility for CAMP. The value of the pool shares in CAMP, which may be withdrawn, is determined on an amortized cost basis, which is different than the fair value of the City's position in the pool.

(d) Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from interest rates, the City's investment policy limits investments to a maximum maturity of five years. At June 30, 2012, the City had the following investment maturities:

Investment Type	Fair Value	Investment Maturities (In Years)		
		Less than 1	1 to 2	2 to 3
U.S. Government securities	\$ 23,455,875	\$ -	\$ 9,434,514	\$ 14,021,361
U.S. Government agencies	30,935,792	3,452,395	16,371,202	11,112,195
Medium-term corporate notes	10,978,507	1,021,928	5,010,900	4,945,679
Certificate of Deposit	2,604,567	2,604,567	-	-
Total	\$ 67,974,741	\$ 7,078,890	\$ 30,816,616	\$ 30,079,235

CITY OF ANTIOCH

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

NOTE 4 - CASH AND INVESTMENTS, Continued

(e) Credit Risk

State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). It is the City's policy to limit its investments in these investment types to the top rating issued by NRSROs, including raters Standard & Poor's and Moody's Investor's Service. At June 30, 2012, the City's credit risks, expressed on a percentage basis, were as follows:

Credit Quality Distribution for Securities with Credit Exposure as a percentage of total investments

<u>Investment Type</u>	<u>S&P's Credit Rating</u>	<u>% of Investments</u>
U.S. Government securities	AA+	34.51%
U.S. Government agencies	AAA	1.17%
U.S. Government agencies	AA+	43.47%
U.S. Government agencies	AA	0.87%
Medium-term corporate notes	AAA	1.49%
Medium-term corporate notes	AA+	4.50%
Medium-term corporate notes	AA-	2.39%
Medium-term corporate notes	AA	0.61%
Medium-term corporate notes	A+	3.03%
Medium-term corporate notes	A	4.13%
Certificate of Deposit	A-+1	3.83%
Total		<u>100.00%</u>

(f) Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. None of the City's investments were subject to custodial credit risk.

NOTE 5 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

(a) Current Balances

Current balances are expected to be repaid in the normal course of business during the following fiscal year. The City's current balances represent loans to cover temporary shortages of cash in individual funds.

The composition of interfund balances as of June 30, 2012, is as follows:

	Due From Other Funds	
	General Fund	Internal Service Funds
Due to Other Funds		
Housing and Community Development	\$ 120,552	\$ -
Nonmajor Governmental Funds	758,724	-
Internal Service Funds	-	75,816
	<u>\$ 879,276</u>	<u>\$ 75,816</u>

CITY OF ANTIOCH

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

NOTE 5 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS, Continued

(b) Due from Successor Agency Trust Fund

At June 30, 2012, the Housing Fund has a receivable due from the Successor Agency Trust Fund in the amount of \$3,537,849. Prior to the dissolution of redevelopment, Health and Safety Code required Project Areas to annually set aside 20% of tax increment revenues for low and moderate income housing development. Project Area #1 was formed prior to the year this requirement was established and the Agency began repaying the unfunded set-aside in fiscal year 1997. With the dissolution of redevelopment pursuant to AB 1X 26 as amended by AB1484, this asset has been transferred to the Housing Fund and related liability of the former Project Area #1 to the Successor Agency Trust. The liability is included on the Successor Agency's Enforceable Obligations Schedule and repayment will resume once a new repayment plan is approved by both the Successor Agency and the Oversight Board to the Successor Agency.

(c) Transfers to/from Other Funds

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various City operations and re-allocations of special revenues. The following schedule summarizes transfers between funds.

Transfers In							
	Major Fund		Major Fund				Total
	General Fund	Housing Fund	Nonmajor Government Funds	Marina Enterprise	Prewett Water Park Enterprise	Internal Service	
Transfers Out	\$ -	\$ -	\$ 685,879	\$ -	\$ 285,000	\$ -	\$ 970,879
Gas Tax Fund	1,010,000	-	430,221	-	-	-	1,440,221
Nonmajor:							
Governmental	2,191,512	1,045,065	3,377,618	250,000	10,000	-	6,874,195
Water Enterprise	243,000	-	121,198	-	-	123,071	487,269
Sewer Enterprise	243,000	-	79,500	-	-	123,071	445,571
Marina Enterprise	-	-	1,659	-	-	-	1,659
Prewett Water Park	-	-	9,321	-	-	-	9,321
Internal Service	-	-	-	-	-	59,865	59,865
Total	\$3,687,512	\$1,045,065	\$4,705,396	\$ 250,000	\$ 295,000	\$ 306,007	\$ 10,288,980

CITY OF ANTIOCH

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 6 - LOANS RECEIVABLE

The composition of the City's governmental activities loans receivable including interest as of June 30, 2012, is as follows:

Multi-unit Rental Rehabilitation Loans:	
West Rivertown Apartments/Eden Housing Project	6,278,428
Terrace Glen Project	1,940,131
Pinecrest Apartment Project	1,166,098
Rivertown Senior Housing	242,750
Riverstone Apartment	2,252,244
Hillcrest Terrace Project	1,292,282
Habitat for Humanity	220,538
Tabora Gardens	2,354,711
NSP Loans	49,135
Lone Tree Golf Course	1,122,165
Other loans	1,723,980
Total governmental activities	<u>\$ 21,918,614</u>

(a) Rental and Housing Rehabilitation Loans

The City administers rental and home improvement revolving loan funds using federal Community Development Block Grant (CDBG) funds and prior to 2012, redevelopment funds. The program provides below market rate loans, secured by deeds of trust, to eligible participants for rental and housing rehabilitation. Although payments for most loans are amortized over an established payment schedule, some loans allow for deferred payment of accrued interest and principal until the homeowner's property is sold or transferred, primarily for seniors and very low-income families. Repayments received from the outstanding loans are used to make additional rental and housing rehabilitation loans. Principal and interest outstanding balances at June 30, 2012, are \$3,276,152.

(b) Multi-Unit Rental Rehabilitation Loans

The City administers the following multi-unit rental improvement revolving loan funds using federal CDBG funds and prior to 2012, Antioch Development Agency Housing Set Aside monies.

West Rivertown Apartments/Eden Housing Project

The City and Agency have entered into three loan agreements with Eden Housing for the development of the West Rivertown Apartments. The agreements are as follows:

CITY OF ANTIOCH

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012

NOTE 6 - LOANS RECEIVABLE, Continued

This project is the construction of a 57-unit, affordable housing townhouse development in the City's downtown with financing assistance from the Agency and several other agencies. In May 2000, the Agency entered into a disposition, development and loan agreement with Eden Rivertown Limited Partnership (the Developer). Under the terms of the loan agreement, the Developer must repay up to \$3,601,686 (maximum loan amount) to the Agency, which includes the purchase of the land from the Agency. The loan bears an interest rate of 3% per annum. The Developer is required to make annual payments of principal and interest to the Agency in the amount of 100% of residual receipts, less the portion of the residual receipts that is owed to Contra Costa County. Payments are to begin the July 1st after project completion and will end on the 55th anniversary date of the Agency promissory note dated February 11, 2002. Principal and interest outstanding at June 30, 2012 is \$4,655,158.

In 1994, the City loaned Community Housing Opportunities (CHOC) \$203,755 for the acquisition of property. CHOC determined that their planned development of this property was no longer feasible, and in November 2005, the City, the Agency, and CHOC agreed to the transfer of ownership of the property and loan to Eden Housing for the development of 40 units of affordable housing to expand the West Rivertown Project in the City's downtown. In order to complete the project, the Agency agreed to loan Eden Housing an additional \$1,458,400. The loan for \$203,755 is non-interest bearing and all principal and interest payments are deferred and will be forgiven at the expiration of the term. The loan for \$1,458,400 bears an interest rate of 3% per annum and will end on the 55th anniversary date of the issuance of certificates of occupancy by the City. Principal and interest outstanding on this loan at June 30, 2012 is \$1,419,515.

Terrace Glen Project

This project consists of a 32-unit, multifamily rental housing development. In August 1998, the City and former redevelopment agency made a commitment for \$850,000 in Community Development Block Grant (CDBG) funds, and \$547,625 in housing set-aside funds, respectively, towards this project. Commencing November 6, 1996, the loan accrues simple interest at 3% per annum. The 55-year term loan is secured by a deed of trust. Commencing on October 1, 1999, and on October 1 of each year thereafter, the developer will pay the City's/Agency's pro-rata percentage of the lender's share of residual receipts to the extent there are residual receipts. Payments will be first credited against accrued interest and then against principal. Any outstanding principal and interest is due and payable in full in March 2054. Principal and interest outstanding at June 30, 2012 is \$1,940,131.

Pinecrest Apartment Project

This project consists of a 24-residential unit development. In September 2000, the City and the former redevelopment agency made a commitment for \$570,000 in CDBG funds and \$300,000 in housing set-aside funds, respectively, towards this project. Commencing on the first date of disbursement, the loan accrues simple interest at 3% per annum. The 55-year term loan is secured by a deed of trust. Commencing on May 1, 2002, and on May 1 of each year thereafter, the developer will pay the City a pro-rate percentage of the lender's share of residual receipts to the extent there are residual receipts. Payments will be first credited against accrued interest and then against principal. Any outstanding principal and interest is due and payable in full in May 2055. Principal and interest outstanding at June 30, 2012 is \$1,166,098.

CITY OF ANTIOCH

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 6 - LOANS RECEIVABLE, Continued

Rivertown Senior Housing

This project consists of a fifty-unit, affordable senior housing project. In September 1992, the former redevelopment agency made a commitment for \$442,750 in housing set-aside funds toward this project. In September 2001, the loan was amended to reduce the principal amount by \$200,000 to reflect funds not borrowed for the project. The loan is noninterest bearing and secured by a deed of trust with affordable housing requirements for 40 years. The balance of the loan is due and payable on October 1, 2033. Principal outstanding at June 30, 2012 is \$242,750.

Riverstone Apartments

This project consists of acquisition and rehabilitation of 136 apartment rental units for low and very low income households. On July 1, 2007, the former redevelopment agency made a commitment for \$2,025,000 in housing set-aside funds toward this project. Commencing on the first date of disbursement, the loan accrues simple interest at 3% per annum. The 55-year loan term is secured by a deed of trust. Commencing on May 1st following the fifteenth anniversary of the first disbursement of the loan, and on May 1st of each year thereafter for the term of the loan, the developer will make repayments equal to the lesser of (i) the amount necessary to fully amortize the repayment of principal and interest on the loan for the remaining term or (ii) residual receipts. Payments will be first credited against accrued interest and then principal. Principal and interest outstanding at June 30, 2012 is \$2,252,244.

Hillcrest Terrace Project

This project consists of a 65-unit affordable senior housing project. In October 1998, the former redevelopment agency made a commitment for \$731,175 in housing set-aside funds towards this project. Commencing on the first date of disbursement, the loan accrues simple interest at 3% per annum. The 55-year term loan is secured by a deed of trust. Commencing on the June 1 after project completion, and on June 1 of each year thereafter, the developer will pay the Agency one-half of the residual receipts to the extent there is residual receipts. Payments will be first credited against accrued interest and then against principal. Any outstanding principal and interest is due and payable in full in June 2055. In September 2001, the Agency made a commitment of an additional \$200,000 due and payable October 1, 2038. Principal and interest outstanding for these loans at June 30, 2012 is \$1,292,282.

Habitat for Humanity

The City entered into an agreement with Habitat for Humanity East Bay (developer) to implement a Neighborhood Stabilization Program (NSP) under which the developer will acquire and rehabilitate approved vacant, single-family houses that are foreclosed and in need of renovation, located in qualifying neighborhoods in the City, and then sell the renovated houses to eligible low and moderate income purchasers. CDBG NSP funds made available to the developer for this program are in the form of loans. A loan agreement is entered into for each property purchased by the developer. The loans bear no interest, and are fully satisfied upon receipt of the net sales proceeds from the home. As of June 30, 2012, there was one loan outstanding for a property totaling \$220,538.

Tabora Gardens

This project consists of acquisition and development of 85 units of senior, multifamily housing affordable to low income households. On June 6, 2011, the former redevelopment agency made a commitment for \$300,000 in housing set-aside funds toward this project. Commencing on the first date of disbursement, the loan accrues simple interest at 3% per annum. The 58-year loan term is secured by a deed of trust. The loan is fully deferred and payment in full, including interest, is due upon expiration of the term. Principal and interest outstanding at June 30, 2012 is \$2,354,711.

CITY OF ANTIOCH

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

NOTE 6 - LOANS RECEIVABLE, Continued

NSP Loans

The City provides loans of CDBG Neighborhood Stabilization Program funds to low and moderate income eligible persons that purchase homes through the NSP program implemented by Heart and Hands of Compassion. The loans are to assist in the purchase of the properties. The loans expire 30 years from the date of the notes, and payments of principal and interest are deferred until the end of the term. The unpaid principal balance, plus any shared appreciation, is due and payable upon expiration of the term, transfer of the property, or default. As of June 30, 2012, there are four loans outstanding totaling \$49,135.

(c) Lone Tree Golf Course

During fiscal year 2004-05, the City loaned the Lone Tree Golf Course monies to complete various improvements at the golf course. Annual interest only repayments began August 23, 2005. The loan agreement was amended in December 2007. The new term is for a term of 25 years from December 11, 2007 with interest being calculated based on the City's earnings on idle funds. The City has agreed to defer payment of the loan until next fiscal year upon review of the finances of the Golf Course. Principal outstanding at June 30, 2012, is \$900,000. During fiscal year 2005-06, the City loaned an additional \$296,220 to the Golf Course for parking lot improvements. The loan is non-interest bearing and deferred until next fiscal year as well. Principal outstanding on this loan is \$1,122,165 at June 30, 2012.

(d) Other Loans

The Agency administers a first time homebuyer loan program for qualified applicants. Principal is due at the end of 30 years or upon default, refinancing, sale or transfer of the property. The Agency is also entitled to a pro-rata share of appreciation on the property when the principal is paid. As of June 30, 2012 there is \$1,723,980 of loans outstanding.

CITY OF ANTIOCH

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012 was as follows:

	Balance July 1, 2011	Additions	Reductions	Balance June 30, 2012
Governmental activities				
<i>Capital assets, not being depreciated</i>				
Land	\$ 14,019,971	\$ 572,254	\$ 1,016,243	\$ 13,575,982
Construction in progress	5,204,214	922,573	3,015,513	3,111,274
Total capital assets, not being depreciated	<u>19,224,185</u>	<u>1,494,827</u>	<u>4,031,756</u>	<u>16,687,256</u>
<i>Capital assets, being depreciated</i>				
Infrastructure	383,877,816	6,748,235	-	390,626,051
Structures and improvements	77,153,149	142,070	-	77,295,219
Equipment	13,724,956	430,378	483,726	13,671,608
Total capital assets, being depreciated	<u>474,755,921</u>	<u>7,320,683</u>	<u>483,726</u>	<u>481,592,878</u>
<i>Less accumulated depreciation for:</i>				
Infrastructure	(126,363,208)	(7,844,303)	-	(134,207,511)
Structures and improvements	(18,726,514)	(1,687,038)	-	(20,413,552)
Equipment	(9,910,263)	(558,397)	383,075	(10,085,585)
Total accumulated depreciation	<u>(154,999,985)</u>	<u>(10,089,738)</u>	<u>383,075</u>	<u>(164,706,648)</u>
Total capital assets, being depreciated, net	<u>319,755,936</u>	<u>(2,769,055)</u>	<u>100,651</u>	<u>316,886,230</u>
Governmental activities capital assets, net	<u>\$ 338,980,121</u>	<u>\$ (1,274,228)</u>	<u>\$ 4,132,407</u>	<u>\$ 333,573,486</u>
Business-type activities				
<i>Capital assets, not being depreciated</i>				
Land	\$ 3,558,467	\$ -	\$ -	\$ 3,558,467
Construction in progress	4,954,540	1,511,359	1,591,666	4,874,233
Total capital assets, not being depreciated	<u>8,513,007</u>	<u>1,511,359</u>	<u>1,591,666</u>	<u>8,432,700</u>
<i>Capital assets, being depreciated</i>				
Water and sewer pipes	123,535,019	392,950	-	123,927,969
Structures and improvements	85,025,379	2,070,211	-	87,095,590
Equipment	3,739,373	201,001	36,000	3,904,374
Total capital assets, being depreciated	<u>212,299,771</u>	<u>2,664,162</u>	<u>36,000</u>	<u>214,927,933</u>
<i>Less accumulated depreciation for:</i>				
Water and sewer pipes	(22,410,250)	(1,652,373)	-	(24,062,623)
Structures and improvements	(39,494,186)	(2,572,166)	-	(42,066,352)
Equipment	(3,270,118)	(78,251)	36,000	(3,312,369)
Total accumulated depreciation	<u>(65,174,554)</u>	<u>(4,302,790)</u>	<u>36,000</u>	<u>(69,441,344)</u>
Total capital assets, being depreciated, net	<u>147,125,217</u>	<u>(1,638,628)</u>	<u>-</u>	<u>145,486,589</u>
Business-type activities capital assets, net	<u>\$ 155,638,224</u>	<u>\$ (127,269)</u>	<u>\$ 1,591,666</u>	<u>\$ 153,919,289</u>

CITY OF ANTIOCH

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 7 - CAPITAL ASSETS, Continued

Construction in Progress

Construction in progress for governmental activities primarily represents work being performed on Deer Valley and Hillcrest Improvement, G Street Safety Improvement, Lone Tree Way Improvement, Wilbur Avenue Bridge, Markley Creek Culvert Crossing, Turf field, various parks security cameras, and water park renovations.

Construction in progress for business type activities primarily represents work performed on water main replacement, reclaimed water pipeline, reservoir rehabilitation and sewer main replacement and the marina launch ramp project.

Depreciation

Depreciation expense was charged to governmental functions as follows:

General government	\$ 892,353
Public works	7,880,755
Public safety	376,477
Parks and recreation	531,627
Community development	1,000
Depreciation of capital assets held by the City's Internal Service Fund is charged to the various functions based on their usage of the assets	407,526
Total depreciation expense - governmental functions	<u>\$ 10,089,738</u>

Depreciation expense was charged to governmental functions as follows:

Water	\$ 2,193,389
Sewer	1,235,110
Marina	306,497
Prewett Water Park	567,794
Total depreciation expense - business-type functions	<u>\$ 4,302,790</u>

CITY OF ANTIOCH

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

NOTE 8 - LONG-TERM OBLIGATIONS

(a) Long-Term Debt Composition

Long-term debt at June 30, 2012, consisted of the following:

Type of Indebtedness (Purpose)	Final Maturity	Annual Principal Installment	Interest Rates	Original Issue Amount	Outstanding at June 30, 2012
<u>Governmental Activities:</u>					
Lease Revenue Bonds:					
2001 Issue - ABAG Golf Course	7/1/31	\$85,000-400,000	3.00-5.25%	\$ 6,300,000	\$ 5,240,000
2002 Issue - APFA Municipal Facilities, Series A&B	1/1/32	\$495,000-9,740,000	4.375-5.63%	24,610,000	22,765,000
Total lease revenue bonds				30,910,000	28,005,000
Capital Lease:					
Honeywell Energy Retrofit	7/21/20	\$25,091-45,735	4.79%	4,050,000	3,540,500
Total governmental activities				34,960,000	31,545,500
<u>Business-type Activities:</u>					
Water Bonds:					
2003 Issue-APFA Revenue Refunding	7/1/13	\$140,000-770,000	1.25-3.625%	6,405,000	1,515,000
Total water bonds				6,405,000	1,515,000
Loans Payable:					
State of California Antioch Marina Loan	8/1/43	\$7,655-122,321	4.7-7.9%	6,500,000	3,297,082
Long Term Payable:					
Delta Diablo Sanitation District	12/31/30	\$248,176-251,638	0.077%	5,040,423	4,788,402
Total business-type activities				17,945,423	9,600,484
Total primary government				\$ 52,905,423	\$ 41,145,984

CITY OF ANTIOCH

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

NOTE 8 - LONG-TERM OBLIGATIONS, Continued

(b) Long-Term Obligation Activity

Changes in long-term obligations for the year ended June 30, 2012 are as follows:

	Balance July 1, 2011	Increases	Decreases	Balance June 30, 2012	Amount Due Within One Year
Governmental Activities					
Lease Revenue Bonds	\$ 28,475,000	\$ -	\$ (470,000)	\$ 28,005,000	\$ 525,000
Deferred Amount on Refunding	(205,914)	-	41,182	(164,732)	-
Unamortized Discount	(86,749)	-	4,337	(82,412)	-
Unamortized Premiums	186,649	-	(10,375)	176,274	-
Tax Allocation Bonds	10,980,498	-	(10,980,498)	-	-
Capital Lease Payable	3,866,518	-	(326,018)	3,540,500	348,592
Claims Liability (Note 13)	409,278	847,254	(592,447)	664,085	591,507
Compensated Absences	2,149,920	324,427	(201,399)	2,272,948	227,295
Total Governmental Activities	\$ 45,775,200	\$ 1,171,681	\$ (12,535,218)	\$ 34,411,663	\$ 1,692,394
Business-type Activities					
Water bonds	\$ 2,235,000	\$ -	\$ (720,000)	\$ 1,515,000	\$ 745,000
Deferred Amount on Refunding	(43,729)	-	21,864	(21,865)	-
Unamortized Premiums	3,565	-	(1,782)	1,783	-
Loans Payable	3,435,545	-	(138,464)	3,297,081	144,694
Long Term Payable	-	5,040,423	(252,021)	4,788,402	252,026
Compensated Absences	437,022	11,072	(60,806)	387,288	38,729
Total Business-type Activities	\$ 6,067,403	\$ 5,051,495	\$ (1,151,209)	\$ 9,967,689	\$ 1,180,449

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. For the governmental activities, claims and judgments are generally liquidated by the General Fund, and a majority of compensated absences are generally liquidated by the general fund.

(c) Debt Service Requirements

As of June 30, 2012, annual debt service requirements of governmental activities to maturity are as follows:

Year ending June 30:	Lease Revenue Bonds	
	Principal	Interest
2012	\$ 525,000	\$ 1,521,829
2013	585,000	1,494,602
2014	650,000	1,463,764
2015	720,000	1,429,266
2016	790,000	1,390,507
2017-2021	5,245,000	6,204,188
2022-2026	7,435,000	4,473,219
2027-2031	12,055,000	3,050,875
Total	<u>\$ 28,005,000</u>	<u>\$ 21,028,250</u>

Interest payments and lease revenue bond retirements are serviced by revenues generated by the General Fund and tax increment from the former redevelopment agency.

CITY OF ANTIOCH

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

NOTE 8 - LONG-TERM OBLIGATIONS, Continued

Principal and interest payments on the lease revenue bonds are payable from any revenue lawfully available to the City for the purpose of payment of Base Rental Payments. The total principal and interest remaining to be paid on the bonds is \$49,033,250. For the current year, principal and interest paid were \$2,519,931.

As of June 30, 2012 annual debt service requirements of business-type activities to maturity are as follows:

Year ending June 30:	Water Bonds		Marina Loans	
	Principal	Interest	Principal	Interest
2013	745,000	40,950	144,694	148,369
2014	770,000	13,956	151,206	141,857
2015	-	-	158,010	135,053
2016	-	-	165,108	127,943
2017	-	-	141,340	120,513
2018-2022	-	-	518,776	517,881
2023-2027	-	-	495,544	411,401
2028-2032	-	-	617,538	289,407
2033-2037	-	-	715,233	137,381
2038-2040	-	-	189,633	12,390
Total	<u>\$ 1,515,000</u>	<u>\$ 54,906</u>	<u>\$ 3,297,082</u>	<u>\$ 2,042,195</u>

Pursuant to the agreement, the annual principal and interest payments on the water bonds is solely from the net water revenues received and receivable. The total principal and interest remaining to be paid on the bonds is \$1,569,906. For the current year, principal and interest paid were \$794,070 and water net revenues were \$5,339,303. The water bonds required 15% of net revenues.

(d) Capital Lease

In October 2009, the City entered into a lease-purchase agreement in the amount of \$4,050,000 with Bank of America to finance the acquisition and retrofitting of interior building lighting in City facilities, street lights and park and site lighting fixtures throughout the City. The lease has an imputed interest rate of 4.79% and requires monthly payments beginning in August 2010 until July 2020, when the lease will terminate and the City will obtain title to the property. The project was completed in December 2010. As of June 30, 2012, the net book value of the assets completed has been recorded as Improvements other than Buildings in the amount of \$4,364,926.

CITY OF ANTIOCH

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

NOTE 8 - LONG-TERM OBLIGATIONS, Continued

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2012 were as follows:

Year Ending June 30:	Governmental Activities
2013	\$ 510,606
2014	516,139
2015	521,729
2016	527,374
2017	533,076
2018-2021	1,679,927
Total minimum lease payments	4,288,851
Less: amount representing interest	(748,351)
Present value of minimum lease payments	<u>\$ 3,540,500</u>

(e) Long Term Payable

The City entered into a Joint Powers Agreement with Delta Diablo Sanitation District (DDSD) in November 2003 for DDSD to develop a recycled water program within City limits. As part of this agreement, DDSD would design, construct, own, operate and regulate all recycled water facilities to provide recycled water within the City of Antioch. The City would be responsible for 50% of the project cost, up to \$5,000,000 in principal with associated interest, of a loan DDSD obtained from the State Water Resources Control Board to complete the project. The project was completed in July 2011 and the City began paying a proportionate share of the project costs in December 2011. The total due at June 30, 2012 is \$4,788,402 representing the total share of principal and interest outstanding on the loan DDSD obtained. Repayment requirements are as follows:

Year ending June 30:	Long Term Payable	
	Principal	Interest
2013	248,367	3,659
2014	248,559	3,468
2015	248,750	3,276
2016	248,941	3,085
2017	249,133	2,893
2018-2022	1,249,546	11,585
2023-2027	1,253,360	6,771
2028-2032	1,005,071	1,938
Total	<u>\$ 4,751,727</u>	<u>\$ 36,675</u>

CITY OF ANTIOCH

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 8 - LONG-TERM OBLIGATIONS, Continued

(f) Special Assessment Debt without City Commitment

The City is the collecting and paying agent for other special assessment debt, but has no direct or contingent liability or moral obligation for the payment of this debt. Therefore, this debt is not included in the City's financial statements. Cash held by the City on behalf of this district is recorded in the Agency Funds of the City. This district's outstanding debt balance at June 30, 2012 is as follows:

Lone Diamond Reassessment Revenue Bonds	<u>\$20,905,000</u>
Total	<u>\$20,905,000</u>

(g) Legal Debt Limit

As of June 30, 2012, the City's debt limit and legal debt margin (15% of valuation subject to taxation) was \$1,104,132,050.

NOTE 9 - NET ASSETS/FUND BALANCES

(a) Net Assets

The government-wide and proprietary fund financial statements utilize a net assets presentation. Net assets are categorized as invested capital assets (net of related debt), restricted and unrestricted.

Invested In Capital Assets, Net of Related Debt - This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

Restricted Net Assets - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Assets - This category represents net assets of the City, not restricted for any project or other purpose.

CITY OF ANTIOCH

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 9 - NET ASSETS/FUND BALANCES, Continued

(b) Fund Balances

Fund balances, presented in the governmental fund financial statements, represent the difference between assets and liabilities reported in a governmental fund. In fiscal year 2011, the City implemented the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. GASB 54 establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental funds. Fund balances are classified into categories based upon the type of restrictions imposed on the use of funds.

As of June 30, 2012 components of fund balance are described below:

- *Nonspendable* – portion of net resources that cannot be spent because of its form (i.e., long term loans, prepaids).
- *Restricted* – portion of net resources that are limited in use by grantors, laws or enabling legislation.
- *Committed* – portion of net resources that are limited to the use as established by formal action of the City Council. Committed fund balance can only be modified or rescinded by formal action of the City Council through resolution.
- *Assigned* – portion of net resources held for the use as established by the City Manager or his designee. The City Council has granted this authority to the City Manager through resolution.
- *Unassigned* – portion of net resources that represents amounts in excess of the other fund balance components. Only the General Fund can have a positive unassigned fund balance.

The City spends restricted fund balances first when expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available. Committed and assigned fund balances are considered to have been spent first before unassigned fund balances have been spent when expenditures are incurred for the purposes for which amounts in any of those unrestricted fund balance classifications could be used.

CITY OF ANTIOCH

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

NOTE 9 - NET ASSETS/FUND BALANCES, Continued

	Major Funds				Non-major Governmental Funds	Total
	General Fund	Housing and Community Development	Gas Tax	Housing Successor Fund		
Nonspendable:						
Petty cash and prepaids	\$ 60,337	\$ -	\$ -	\$ -	\$ 34,711	\$ 95,048
Total nonspendable	<u>60,337</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,711</u>	<u>95,048</u>
Restricted for:						
Housing & Development	-	102,383	-	4,569,332	-	4,671,715
Debt service	-	-	-	-	1,361,894	1,361,894
Streets	-	-	8,473,012	-	3,533,752	12,006,764
PEG Programming	-	-	-	-	500,101	500,101
Storm Channels	-	-	-	-	2,738,660	2,738,660
Landscape Maintenance	-	-	-	-	1,420,143	1,420,143
Tidelands Areas	-	-	-	-	104,057	104,057
Law Enforcement	-	-	-	-	95,153	95,153
Traffic Safety	-	-	-	-	34,995	34,995
Parks & Recreation	-	-	-	-	218,486	218,486
Animal Shelter	-	-	-	-	29,567	29,567
Abandoned Vehicle	-	-	-	-	112,421	112,421
Total restricted	<u>-</u>	<u>102,383</u>	<u>8,473,012</u>	<u>4,569,332</u>	<u>10,149,229</u>	<u>23,293,956</u>
Committed to:						
Compensated absences	94,030	-	-	-	-	94,030
Parks	-	-	-	-	4,245,072	4,245,072
Arts & Cultural Activities	-	-	-	-	15,058	15,058
Recreation Programs	-	-	-	-	16,372	16,372
Field Maintenance	-	-	-	-	20,125	20,125
Memorial Field Maintenance	-	-	-	-	36,698	36,698
Road Repair	-	-	-	-	149,935	149,935
Waste Reduction	-	-	-	-	313,604	313,604
Youth Activities	-	-	-	-	101,215	101,215
Traffic Signals	-	-	-	-	1,118,463	1,118,463
Total committed	<u>94,030</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,016,542</u>	<u>6,110,572</u>
Assigned to:						
Contractual Services	14,051	-	-	-	-	14,051
Parks & Recreation	-	-	-	-	21,552	21,552
Capital Projects	-	-	-	-	1,235,051	1,235,051
Community Benefit Programs	-	-	-	-	150,182	150,182
RDA Contingency	284,122	-	-	-	-	284,122
AD 26	-	-	-	-	374,452	374,452
AD 27	-	-	-	-	2,854,790	2,854,790
Total assigned	<u>298,173</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,636,027</u>	<u>4,934,200</u>
Unassigned	8,036,561	-	-	-	-	8,036,561
Total fund balances	<u>\$ 8,489,101</u>	<u>\$ 102,383</u>	<u>\$ 8,473,012</u>	<u>\$ 4,569,332</u>	<u>\$ 20,836,509</u>	<u>\$ 42,470,337</u>

CITY OF ANTIOCH

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012

NOTE 10 - PENSION PLAN

(a) Plan Description

All permanent employees are eligible to participate in the Public Employees' Retirement Fund (the Fund) of California Public Employees' Retirement System (CALPERS). The Fund is an agent multiple-employer defined benefit plan that acts as a common investment and administrative agent for various local and state governmental agencies within the State of California. The fund provides retirement, disability, and death benefits based on the employees' years of service, age and final compensation. Employees vest after five years of service and may receive retirement benefits at the age of 50 for public safety personnel or age 55 for miscellaneous employees. These benefit provisions and all other requirements are established by State statute and City ordinance. Copies of the Fund's annual financial report may be obtained from CALPERS' executive office: 400 P Street, Sacramento, CA 95814. A separate report for the City's plan within the Fund is not available.

(b) Funding Policy

Public safety employees and all other employees have an obligation to contribute 9% and 8%, respectively, of their salary to the Fund. The City contributes the entire 9% for sworn police safety employees, the entire 8% for non-sworn police safety employees, and 7% of the 8% of all other employees on their behalf and for their account. Beginning in fiscal year 2011, members of all bargaining groups began contributing a portion of the employer contributions with the amount increasing each year until 9%/8% is reached. The City is required to contribute at an actuarially determined rate. The required employer contribution rates for fiscal year 2011/12 were 20.038% for miscellaneous employees and 29.573% for safety employees of annual covered payroll. The contribution requirements of the plan members are established by State statute, and the employer contribution rate is established and may be amended by CALPERS.

(c) Annual Pension Cost

For fiscal year 2011/12, the City's annual pension cost of \$5,211,024 was equal to the required contributions. The required contribution was determined as part of the June 30, 2009, actuarial valuation using the entry age normal actuarial cost method. This is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future as well as those already accrued. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses); (b) projected salary increases that range from 3.55% to 14.45% (13.15% for safety plan) depending on age, service, and type of employment; (c) inflation of 3.0%; (d) payroll growth of 3.25%; and (e) individual salary growth based on a merit scale varying by duration of employment coupled with an assumed annual inflation component of 3.0% and an annual production growth of 0.25%. The actuarial value of the Fund's assets was determined using a technique that smoothes the effect of short-term volatility of the market value of investments over a three-year period. Unfunded actuarial accrued liability (UAAL) (or excess assets) is being amortized as a level percentage of projected payroll costs on a closed basis. The remaining amortization period as of June 30, 2009, was 29 years and 20 years for the miscellaneous and safety, respectively.

CITY OF ANTIOCH

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

NOTE 10 - PENSION PLAN, Continued

(d) Three-Year Trend Information

The following table shows the City's required contributions and the percentage contributed, for the current year and each of the preceding two years.

Miscellaneous Plan				Safety Plan			
Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation	Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2010	\$ 2,006,493	100.0%	-	6/30/2010	\$ 2,922,082	100.0%	-
6/30/2011	1,704,292	100.0%	-	6/30/2011	2,873,814	100.0%	-
6/30/2012	2,039,099	100.0%	-	6/30/2011	3,171,925	100.0%	-

(e) Status and Funding Progress

Miscellaneous Employees: As of June 30, 2010, the most recent actuarial valuation date, the plan was 63.6% funded. The actuarial accrued liability for benefits was \$124,265,203, and the actuarial value of assets was \$101,190,100, resulting in an unfunded accrued liability of \$23,075,103.

**Miscellaneous Employees Retirement System
Funded Status of Plan**

Valuation Date*	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded Liability	Funded Status		Annual Covered Payroll	Unfunded Liability As A % of Payroll
				AVA	MVA		
6/30/2010	\$ 124,265,203	\$ 101,190,100	\$ 23,075,103	81.4%	63.6%	\$ 13,473,039	171.3%

Public Safety Employees: As of June 30, 2010, the most recent actuarial valuation date, the plan was 64.5% funded. The actuarial accrued liability for benefits was \$99,099,170, and the actuarial value of assets was \$80,923,199, resulting in an unfunded accrued liability of \$18,175,971.

**Public Safety Employees Retirement System
Funded Status of Plan**

Valuation Date*	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded Liability	Funded Status		Annual Covered Payroll	Unfunded Liability As A % of Payroll
				AVA	MVA		
6/30/2010	\$ 99,099,170	\$ 80,923,199	\$ 18,175,971	81.7%	64.5%	\$ 11,014,417	165.0%

*most current information

The required schedule of funding progress immediately following the notes to the financial statements presents additional, multi-year, trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

CITY OF ANTIOCH

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

NOTE 11 – SUPPLEMENTARY RETIREMENT PLAN

(a) Plan Description

Employees are eligible to receive benefits under this plan if he or she meets the requirements under one of the three tiers of the plan. The fund is an agent multiple-employer defined benefit plan established under Section 401 (a) and tax-exempt under Section 501 (a) of the Internal Revenue Code of 1986 and meets the requirements of a pension trust under California Government Code Sections 53215-53224. The trust is maintained by Public Agency Retirement Services (PARS) and provides for retirement, survivor continuance, pre-retirement disability and pre-retirement death benefits based upon the tier the member qualifies within. Employee vesting is determined within each tier:

- Tier I – Designated eligible employee by Plan Administrator that has terminated from employment and applied for benefits under plan vest immediately.
- Tier II – Vest after five years of employment.
- Tier III – Employee vested if a full time Sworn Police Officer on or after September 1, 2007 and has terminated employment and concurrently retires under a disability or industrial disability retirement under CALPERS.

These benefit provisions and all other requirements are established by State Statute and City ordinance. Copies of the Fund's annual financial report may be obtained from PARS office: P.O. Box 12919, Newport Beach, CA 92658-2919. A separate report for the City's plan within the fund is not available.

(a) Funding Policy

There is no requirement imposed by PARS to contribute any amount beyond the pay as you go contributions. For the fiscal year 2012, the City made a total of \$76,015 in pay as you go contributions.

(b) Annual Pension Cost

The amount necessary to fund future benefits is based on projections from the June 30, 2011 Actuarial Study completed by Bartel and Associates, LLC 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 include (a) 4.0% investment rate of return; (b) projected salary increases at 3.25% in the aggregate; (c) inflation of 3.0% and (d) individual salary growth based on merit increases per the CalPERS 1997-2007 Experience Study. The remaining amortization period as of June 30, 2011 was eighteen years for the plan.

CITY OF ANTIOCH

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

NOTE 11 – SUPPLEMENTARY RETIREMENT PLAN, Continued

The following table shows the components of the City's annual pension cost for the year, the amount actually contributed to the plan, and changes in the City's net pension obligation to the Supplementary Retirement Plan:

Annual Required Contributions	\$ 235,000
Interest on net pension obligation	8,243
Adjustment to annual required contributions	<u>(18,547)</u>
Annual Pension Cost	224,696
Contributions Made	<u>(76,015)</u>
Increase in net pension obligation	148,681
Net pension obligation - beginning of year	<u>206,083</u>
Net pension obligation - end of year	<u><u>\$ 354,764</u></u>

(c) Trend Information

The following information shows the City's required contributions and the percentage contributed for the current year and prior two fiscal years.

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2010	\$176,000	42.3%	\$ 101,466
6/30/2011	179,805	41.8%	206,083
6/30/2012	224,696	33.8%	354,764

(d) Status and Funding Progress

As of June 30, 2011, the most recent actuarial valuation date, the plan was 2.2% funded. The actuarial accrued liability for benefits was \$1,731,000, and the actuarial value of assets was \$38,000, resulting in an unfunded accrued liability of \$1,693,000.

Valuation Date*	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded Liability	Funded Status	AVA	MVA	Annual Covered Payroll	Unfunded Liability As A % of Payroll
6/30/2011	\$ 1,731,000	\$ 38,000	\$ 1,693,000	2.2%	0.0%	\$ 7,897,000	21.4%	

*most current information

The required schedule of funding progress immediately following the notes to the financial statements presents additional, multi-year, trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

CITY OF ANTIOCH

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012

NOTE 12 - POST EMPLOYMENT MEDICAL BENEFITS

(a) Medical After Retirement Plan Trust

Plan Description. City of Antioch provides postretirement medical benefits to all eligible employees and their surviving spouses under the provisions of three formal City-sponsored plans (Miscellaneous Group, Management Group and Police Group). The effective date varies based upon the employee's classification and related memorandum of understanding (MOU). For all employees who retire from service (either regular retirement or disability retirement), the City shall pay a portion of their medical premiums based on their respective MOU currently in effect. The City's contributions are advanced-funded on an actuarially determined basis and recorded in the CalPERS Trust (CERBT). The Fund is a Section 115 Trust set up for the purpose of receiving employer contributions that will prefund health and other post employment benefit costs for retirees and their beneficiaries. As of June 30, 2012, there were 195 active participants and there were 171 retired participants eligible to receive post employment health care benefits. While the City currently maintains three Internal Service Funds to account for the payment of retiree medical benefits and reimbursements for these costs from the trust for each plan group, the CERBT accounts for the separate plans in one trust account. The City makes contributions to the CERBT based on a percentage of active employee payroll.

Funding Policy. There is no requirement imposed by CalPERS, to contribute any amount beyond the pay-as-you-go contributions. The cost of monthly insurance premiums may be shared between the retiree and the City. The cost sharing varies depending on: date of hire; the dependent status; and plan selected. A minimum employer monthly contribution requirement is established and may be amended by the CalPERS Board of Administration and applicable laws. Within the parameters of the law, individual contracting agencies, such as the City, are allowed to establish and amend the level of contributions made by the employer towards the monthly cost of the plans. Changes to the employer contribution amount towards retiree benefits are recorded in a resolution adopted by the City Council. The City has elected a five year amortization period for the Other Post Employment Benefits ("OPEB") plan assets deposited into the CERBT, permitted under GASB Statement 45 paragraph 13F, amortization periods allow for a maximum of 30 years with no minimum years.

The City has established a policy to make contributions, for the purpose of funding its calculated obligations over a period of time, enough to pay current benefits due, with the intent to make the full ARC contributions (9.7% of payroll for fiscal year 2012) as fiscal conditions improve, to the CERBT each year. The amount necessary to fund future benefits is based on projections from the January 1, 2011 Actuarial Study completed by Bickmore Risk Services in accordance with GASB Statement 45, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*.

For fiscal year 2012, the City made a total of \$1,119,472 in contributions.

Annual OPEB Cost and Net OPEB Obligation. The City's annual OPEB cost (expense) is calculated based on the Annual Required Contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City of Antioch annual OPEB costs for the year segregated to show amounts by each City sponsored plan(although combined in the trust), the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the City Retiree Health Plan: (In Thousands)

CITY OF ANTIOCH

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

NOTE 12 - POST EMPLOYMENT MEDICAL BENEFITS, Continued

	Miscellaneous	Management	Police	Total
Annual Required Contributions	\$ 392	\$ 366	\$ 1,209	\$ 1,967
Interest on net OPEB obligation	(78)	(48)	11	(115)
Adjustment to annual required contributions	67	41	(9)	99
Annual OPEB Cost	381	359	1,211	1,951
Contributions Made	279	543	298	1,120
Increase in net OPEB obligation	(102)	184	(913)	(831)
Net OPEB Obligation - beginning of year	1,005	622	(141)	1,486
Net OPEB Obligation - end of year	<u>\$ 903</u>	<u>\$ 806</u>	<u>\$ (1,054)</u>	<u>\$ 655</u>

The following shows the calculation of the Annual Required Contributions for FY 2012 (in thousands):

	Miscellaneous	Management	Police	Total
Normal Cost at Year End	\$ 168	\$ 49	\$ 472	\$ 689
Amortization of UAAL	209	304	694	1,207
Interest	15	13	43	71
Annual Required Contribution (ARC)	<u>\$ 392</u>	<u>\$ 366</u>	<u>\$ 1,209</u>	<u>\$ 1,967</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan (shown by City sponsored plan), and the net OPEB asset (obligation) for FY2012 and the two previous years were as follows:

Miscellaneous			
Fiscal Year Ended	Annual OPEB Cost	% of Annual OPEB Contributed	OPEB Asset
6/30/2010	\$ 699	35%	\$ 1,126
6/30/2011	357	66%	1,005
6/30/2012	381	73%	903

Management			
Fiscal Year Ended	Annual OPEB Cost	% of Annual OPEB Contributed	OPEB Asset
6/30/2010	\$ 700	40%	\$ 663
6/30/2011	343	88%	622
6/30/2012	359	151%	806

Police			
Fiscal Year Ended	Annual OPEB Cost	% of Annual OPEB Contributed	OPEB Asset (Obligation)
6/30/2010	\$ 893	24%	\$ 773
6/30/2011	1,101	17%	(141)
6/30/2012	1,211	25%	(1,054)

CITY OF ANTIOCH

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

NOTE 12 - POST EMPLOYMENT MEDICAL BENEFITS, Continued

Funded Status and Funding Progress. As of July 1, 2011, the most recent actuarial valuation date, the plan was 19.4% funded. The actuarial accrued liability for benefits was \$38,433 (in thousands), and the actuarial value of assets was \$7,455 (in thousands), resulting in an unfunded accrued liability of \$30,978 (in thousands).

**California Employers' Retiree Benefit Trust*
Funded Status of Plan**

Valuation Date:	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets	Unfunded Actuarial Accrued Liability (UAAL)	Funded Status		Annual Covered Payroll	Unfunded Liability As A % of Payroll
				AVA	MVA		
7/1/11	\$38,433*	\$7,455*	\$30,978*	19.4%	19.4%	\$18,787*	164.9%

*The three City sponsored plans are maintained in one CERBT account; amounts in 000's

The required schedule of funding progress immediately following the notes to the financial statements presents additional, multi-year, trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2011 actuarial valuation, the entry age normal cost method was used. The actuarial assumptions used include (a) a 4.80% investment rate of return; (b) projected salary increases at 3.25% per year; (c) inflation of 3.25% and (d) healthcare cost trend rates ranging between 5.50% and 9.00% between 2012 and 2018, with annual increases of 4.50% from 2019 and thereafter for City contributions linked to a specific medical plan and 0% between 2012 and 2014, with annual increases of 4.50% from 2015 and thereafter for City contributions that are capped. The Unfunded Actuarial Accrued Liability (UAAL) is being amortized as a level percentage of projected payroll over 30 years on a closed basis. The remaining amortization period as of June 30, 2012 was 26 years for the plan.

(b) Medical After Retirement Plan Account

Employees hired after September 1, 2007 are not eligible for post employment medical benefits as defined in the previous plan. The City has created a medical after retirement program in which the City will contribute 1.5% of the employee's base monthly salary into an account established for the employee to be used for future medical benefits. This plan is being administered by Operating Engineers Local 3. The City will match an additional amount of up to 1.0% of the employee contribution, for a total City contribution not to exceed 2.5%. Employees have the right to their individual plan upon separation of employment. As of June 30, 2012, there were 38 participants in the plan. During the year, the City contributed \$14,773 towards employee accounts.

CITY OF ANTIOCH

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

NOTE 13 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The City currently reports its risk management activities in its General Fund and Loss Control Internal Service Fund.

The City participates in the Municipal Pooling Authority (MPA), a joint powers agency (risk-sharing pool) established to provide an independently managed self-insurance program for members. The purpose of MPA is to spread the adverse effect of losses among the member agencies and to purchase excess insurance as a group, thereby reducing its expense.

The City's deductibles and maximum coverage follow:

<u>Coverage</u>	<u>Deductible</u>	<u>MPA</u>	<u>Excess Liability</u>
General liability	\$50,000	\$50,001-\$1,000,000	\$1,000,001-\$29,000,000
Workers compensation	\$0	\$0-\$500,000	\$500,001-\$50,000,000
Property damage	\$5,000 5%, min.	\$0	\$500 million at risk

The City contributes its pro rata share of anticipated losses to a pool administered by MPA. Should actual losses among participants be greater than the anticipated losses, the City will be assessed retrospectively its pro rata share of that deficiency. Conversely, if the actual losses are less than anticipated, the City will be refunded its pro rata share of the excess. The City paid premiums of \$905,654 during the year ended June 30, 2012. MPA has obtained excess coverage in the amount of \$28,000,000 for total coverage of \$29,000,000 through participation in the California Joint Powers Risk Management Association. MPA has also purchased excess property damage coverage through various commercial carriers. Settled claims have not exceeded this excess liability coverage in any of the past three fiscal years.

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated and includes incremental claim expenses. Allocated and unallocated claims adjustment expenditures are included in the liability balance. These losses include an estimate of claims that have been incurred but not reported. The claim liability balances at June 30, 2012 are discounted at 4.0%. This liability is the City's best estimate based on available information. Changes in the reported liability resulted from the following:

	<u>Beginning of Fiscal Year Liability</u>	<u>Deductibles and Charges in Estimates</u>	<u>Payments</u>	<u>End of Fiscal Year Liability</u>
2009-2010	\$ 642,325	\$ 823,417	\$ 819,212	\$ 646,530
2010-2011	646,530	289,536	526,788	409,278
2011-2012	409,278	847,254	592,447	664,085

CITY OF ANTIOCH

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012

NOTE 14 – JOINTLY GOVERNED ORGANIZATIONS

(a) Antioch Area Public Facilities Financing Agency

The City and Antioch Unified School District (School District) are members of the Antioch Area Public Facilities Financing Agency (AAPFFA), a community facilities district comprising part of the City and the School District. The AAPFFA was formed to finance construction and acquisition of school facilities for the School District and public facilities for the City. The AAPFFA is controlled by a governing board consisting of seven members: two members of the City Council, two members of the District Board and three members from the general public. The board controls the operation and finances of the AAPFFA independent of influence by the City, and the AAPFFA is therefore excluded from the City's reporting entity.

The AAPFFA has issued Special Tax Bonds to finance various school district and City projects. These bonds are to be repaid out of a special tax levied on property owners of the community facilities district comprising the AAPFFA. During the fiscal year ended June 30, 2012 the AAPFFA contributed \$102,711 of bond proceeds to the City to finance construction of the City's Prewett Community Park. This contribution has been recorded as revenue from other agencies in the City's Capital Projects Funds. The City acts as fiscal agent for the AAPFFA. The City's Finance Department maintains accounting records and processes receipts and disbursements. The AAPFFA's financial statements are available by contacting the City of Antioch, Finance Department, P.O. Box 5007, Antioch, CA 94531-5007, 925-779-7055.

(b) Contra Costa County Home Mortgage Finance Authority

The City and Contra Costa County are members of the Contra Costa Home Mortgage Financing Authority (Home Mortgage). The Home Mortgage issued 1984 Home Mortgage Revenue Bonds for the purpose of facilitating the financing of low-income home mortgages in the City and County. The City made no contributions to the Home Mortgage during the fiscal year ended June 30, 2011. The Home Mortgage is governed by a board consisting of representatives of the County and City. The board controls the operations and finances of the Authority, independent of influence by the City. Therefore, the Home Mortgage is excluded from the City's reporting entity. The Home Mortgage's financial statements are available by contacting the Contra Costa County Community Development Department, 651 Pine Street, Martinez, CA 94553-1229, 925-646-4208.

NOTE 15 - COMMITMENTS AND CONTINGENCIES

(a) Grants

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

(b) Pending Litigation

The City is a defendant in a number of lawsuits, which have arisen in the normal course of business. While substantial damages are alleged in some of these actions, their outcome cannot be predicted with certainty. In the opinion of the City Attorney, these actions when finally adjudicated will not have a material adverse effect on the financial position of the City.

CITY OF ANTIOCH

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012

NOTE 15 - COMMITMENTS AND CONTINGENCIES, Continued

(c) Slatten Ranch

Slatten Ranch Regional Retail Shopping Center Agreements - When the Slatten Ranch regional retail shopping center was contemplated, the City and developers recognized the significant street and traffic improvements would be necessary to make the project possible. Slatten Ranch developers and retailers were encouraged to locate in Antioch due to the City's announced intention to participate in the infrastructure costs. The City agreed to pay the shopping center developers \$2,000,000 in ten annual installment payments of \$200,000 each (no interest). The first payment was made on June 18, 2005, and the final payment is due on June 18, 2014. The second reimbursement agreement required the City to pay Slatten Ranch Regional Retail Shopping Center a cash \$500,000 down payment toward the cost of the shopping center developers' extension of Lone Tree Way (\$741,964) upon the Target Store opening for business (October 6, 2003), followed by two annual payments thereafter of the remaining construction cost, plus 8% interest.

(d) Nokes

On December 3, 2002, the City of Antioch/Antioch Development Agency signed an agreement with Thomas Nokes of the Antioch Auto Center (Nokes). This agreement provided assistance for Nokes to purchase and remodel the auto dealership site at 1810 Somersville Road and various improvements on properties owned by Nokes that make up the Antioch Auto Center. The major improvements are the Nissan and Toyota dealerships. The transaction involved two separate agreements, one with the City and one with the Agency.

In order for Nokes to remain in the City, the Agency agreement offered incentives for Nokes to purchase the 1810 Somersville Road Toyota dealership. Nokes agreed not to move any of his dealerships from Antioch for at least 10 years. If this provision is violated, Nokes is obligated to repay the Agency all money received from the Agency, plus interest at the then current Bay Area CPI index. Under the Agency agreement, Nokes was required to purchase the 1810 Somersville location, upon which the Agency was required to pay Nokes \$600,000 upon receiving proof of ownership of the 1810 Somersville location. In addition, the City is obligated to make a maximum payment to Nokes of \$2.4 million. These payments are to be calculated from sales taxes generated by the Nokes dealerships, based upon 25% of such sales tax proceeds. Payments will continue until the maximum payment amount is reached. As of June 30, 2012, the City has paid \$2,268,571 towards this agreement.

(e) Construction Commitments

Among the significant construction commitments were \$1.7 million towards Wilbur Avenue Bridge, \$2.8 million towards the Nelson Ranch project, and approximately \$1 million towards Markley Creek Culvert Crossing.

CITY OF ANTIOCH

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012

NOTE 16 – SUCCESSOR AGENCY TRUST FOR ASSETS OF THE FORMER REDEVELOPMENT AGENCY

- (a) On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the City or another unit of local government will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. On January 24, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number 2012/07.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between the redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City’s position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

Prior to that date, the final seven months of the activity of the redevelopment agency continued to be reported in the governmental funds of the City. After the date of the dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City. The City considers the trust a blended component unit.

The transfer of the assets and liabilities of the former redevelopment agency as of February 1, 2012 (effectively the same date as January 31, 2012) from governmental funds of the City to fiduciary funds was reported in the governmental funds as an extraordinary loss (or gain) in the governmental fund financial statements. The receipt of these assets and liabilities as of January 31, 2012 was reported in the private-purpose trust fund as “net assets received upon dissolution of redevelopment agency”.

CITY OF ANTIOCH

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

**NOTE 16 – SUCCESSOR AGENCY TRUST FOR ASSETS OF THE FORMER REDEVELOPMENT AGENCY,
Continued**

Because of the different measurement focus of the governmental funds (*current financial resources measurement focus*) and the measurement focus of the trust funds (*economic resources measurement focus*), the extraordinary loss (gain) recognized in the governmental funds was not the same amount as the “net assets received upon dissolution of redevelopment agency” that was recognized in the fiduciary fund financial statements.

The difference between the extraordinary loss recognized in the fund financial statements and the “net assets received upon dissolution of redevelopment agency” in the fiduciary fund financial statements is reconciled as follows:

Total extraordinary loss reported in governmental fund – increase to net assets of the Successor Agency Trust Fund	\$1,942,211
Loans receivable reported in governmental fund – increase to net assets of the Successor Agency Trust Fund	134,449
Long-term debt reported in the government-wide financial statements – decrease to net assets of the Successor Agency Trust Fund	(9,661,132)
Net assets received upon dissolution of redevelopment agency	\$7,584,472

The government-wide statement of activities reflects an extraordinary item in the amount of \$7,718,921 for the effect of the dissolution of redevelopment. The \$134,449 difference between the private purpose trust of the Successor Agency and the government-wide statements is due to loans receivable (see b below) which were deferred by the Antioch Development Agency that are now recognized on the full accrual basis by the private purpose trust.

The City elected to become the housing successor of the former redevelopment agency and thus the housing assets of the former Low and Moderate Income Housing Fund were transferred to the Housing Successor Special Revenue Fund as of February 1, 2012.

(b) Loans Receivable

The composition of the Successor Agency’s loans receivable as of June 30, 2012 is as follows:

Bases Loaded Restaurant	\$99,698
Vineyard Business Park	34,751
	\$134,449

CITY OF ANTIOCH

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

**NOTE 16 – SUCCESSOR AGENCY TRUST FOR ASSETS OF THE FORMER REDEVELOPMENT AGENCY,
Continued**

(1) Bases Loaded Restaurant

The former redevelopment agency administered a restaurant incentive program to assist owners and operators of new restaurants to be located in the Rivertown District by assisting with payment of costs for certain capital improvements. The owner must intend to operate and maintain the restaurant in the Rivertown District and has to be determined by the City to be eligible for this program. This agreement made a loan available in the amount of \$300,000 to be used for expenditures relating to capital improvements, fixtures or equipment with a useful life of more than five years and payment of impact fees imposed by the City of Antioch, Delta Diablo Sanitation District and Contra Costa County Environmental Services. The term of the loan is three years from the issuance of the Certificate of Occupancy or from the date that the restaurant opens for business. Each year that this agreement is in effect, the City as Successor Agency will forgive one-third (33 1/3%) of the loan amount. Upon the restaurant having been in continuous operation for three years, the entire amount of the loan shall be forgiven and the funds shall be considered to have been a grant. Upon termination of this agreement prior to successful completion of three years, the owner shall be obligated to pay the City as Successor Agency interest of the principal owed at the average rate of interest received by the City on its funds deposited in LAIF. Principal outstanding on this loan is \$99,698 at June 30, 2012.

(2) Vineyard Business Park

In November 2000, the former Antioch Development Agency entered into an 18-month lease agreement for the Vineyard Business Park. The Agency was obligated to lease 33,000 square feet of space until new tenants were assigned, or the end of the agreement, whichever occurred first. The lessor was then obligated to repay rents collected from the Agency at 10% per year for 10 years following the end of the agreement. Repayment of the \$99,753 obligation began in March 2004. The balance outstanding at June 30, 2012 is \$34,751.

(c) Long-Term Obligations

The Successor Agency is responsible for three outstanding bonds of the former redevelopment agency. A description of the bonds, including a schedule of changes in long term obligations and debt service requirements to maturity follows.

(1) Long-Term Debt Composition

Type of Indebtedness (Purpose)	Final Maturity	Annual Principal Installment	Interest Rates	Original Issue Amount	Outstanding at June 30, 2012
Tax Allocation Bonds:					
1994 - ADA Project 2	1/14/14	\$30,000-585,000	6.70-7.125%	\$ 1,475,000	\$ 460,000
2000 - ADA Project 1 Refunding	9/1/17	\$200,000-1,380,000	4.2-5.0%	14,450,000	7,310,000
2009 - ADA Project 1	9/1/27	\$95,343-142,289	2.60%	2,080,841	1,891,132
Total tax allocation bonds				<u>\$ 18,005,841</u>	<u>\$ 9,661,132</u>

CITY OF ANTIOCH

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

**NOTE 16 – SUCCESSOR AGENCY TRUST FOR ASSETS OF THE FORMER REDEVELOPMENT AGENCY,
Continued**

(2) Long-Term Obligation Activity

Changes in long-term obligations for the year ended June 30, 2012 are as follows:

	Balance July 1, 2011	Increases	Decreases	Balance June 30, 2012	Amount Due Within One Year
1994 Tax Allocation Bonds	\$ 665,000	\$ -	\$ (205,000)	\$ 460,000	\$ 220,000
2000 Tax Allocation Bonds	8,330,000	-	(1,020,000)	7,310,000	1,070,000
2009 Tax Allocation Bonds	1,985,498	-	(94,366)	1,891,132	96,819
Total obligations held by the Successor Agency Trust	<u>\$ 10,980,498</u>	<u>\$ -</u>	<u>\$ (1,319,366)</u>	<u>\$ 9,661,132</u>	<u>\$ 1,386,819</u>

(3) Debt Service Requirements

As of June 30, 2012, annual debt service requirements of governmental activities to maturity are as follows:

Year ending June 30:	Tax Allocation Bonds	
	Principal	Interest
2013	\$ 1,386,819	\$ 412,540
2014	1,469,336	342,050
2015	1,286,919	266,329
2016	1,344,569	204,536
2017	1,412,288	138,931
2018-2022	1,959,760	177,145
2023-2027	659,152	62,222
2028-2032	142,289	1,850
Total	<u>\$ 9,661,132</u>	<u>\$ 1,605,603</u>

Interest payments and bond retirements are serviced by revenues generated by the tax increment from the former redevelopment agency. Contra Costa County remits funds from the Redevelopment Property Tax Retirement Trust Fund to the Successor Agency to pay enforceable obligations of the former agency every six months.

NOTE 17 – SUBSEQUENT EVENT

Management has evaluated subsequent events through December 5, 2012, the date the financial statements were available to be issued. No events requiring recognition or disclosure in the financial statements were identified other than those related to the dissolution of redevelopment as described below in the following paragraphs.

On June 27, 2012, the California State Legislature amended ABx1 26 (the Dissolution Act) with AB 1484. This primary purpose of this new bill is to make technical and substantive amendments to the Dissolution Act for redevelopment. As part of the new bill, successor agencies are required to have a review to determine available cash assets of the dissolved redevelopment agencies that can be remitted to the taxing entities. The review for low and moderate income funds (LMIHF) was required to be completed by October 1, 2012 and is due for all other funds by December 15, 2012.

CITY OF ANTIOCH

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

NOTE 17 – SUBSEQUENT EVENT, Continued

The California State Department of Finance (DOF) was required to provide all agencies a determination of the completed LMIHF reviews by November 9, 2012 as to whether the DOF concurred with the amount of available cash as reported in the review or if the amount was being adjusted. Agencies then had five business days to remit the amount due to the County Auditor-Controller's for their respective jurisdictions.

The review completed for the former Low and Moderate Income Housing Fund of the Antioch Development Agency listed the amount available for taxing entities as \$1,236,650. This amount was transferred to the Successor Agency Private Purpose Trust Fund to be held until disposition to Contra Costa County. The DOF adjusted the amount to \$1,342,974, as the DOF stated that the review did not demonstrate the need to retain the amount of funds requested to fund future enforceable obligations. The City as Housing Successor has submitted a meet and confer request to the DOF as the City does not agree with this determination. Therefore, the City only remitted \$1,236,650 in the required timeframe with notice to the Contra Costa County Auditor-Controller that the difference in the amount was in dispute. The City had a meet and confer meeting with the DOF on November 28, 2012. A determination letter regarding the meeting is expected by December 15, 2012.

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REQUIRED SUPPLEMENTARY INFORMATION

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City of Antioch
Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2012

Schedule of Revenues and Transfers In - General Fund

FUNCTION/ACTIVITY:	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
TAXES				
Property secured	\$ 6,578,185	\$ 6,106,506	\$ 6,102,215	\$ (4,291)
Property in lieu of VLF	5,356,292	4,973,853	4,974,259	406
Property unsecured	275,575	275,575	279,499	3,924
Property other	65,875	65,875	357,941	292,066
Sales and use tax	9,421,464	10,375,284	10,475,632	100,348
Motor vehicle in-lieu	370,000	50,983	50,983	-
Transient lodging tax	66,000	66,000	84,308	18,308
Franchises - other	7,000	7,350	7,351	1
Franchises - gas	180,000	183,892	183,892	-
Franchises - electric	355,000	343,403	343,403	-
Franchises - cable tv	1,050,000	1,050,000	1,114,212	64,212
Franchises - garbage	879,140	879,140	869,171	(9,969)
Business license tax (Gross Receipts)	1,134,000	1,047,380	1,048,272	892
Property transfer tax	330,000	300,000	283,190	(16,810)
Total taxes	26,068,531	25,725,241	26,174,328	449,087
LICENSES AND PERMITS				
Bicycle licenses	40	165	165	-
Building permits	600,000	740,000	812,737	72,737
Street & curb permits	140,000	145,000	170,417	25,417
Wide vehicle/overload	4,000	6,500	7,536	1,036
Technology fee	10,000	13,500	14,734	1,234
Energy Inspection Fee	10,000	12,337	13,551	1,214
Pool Safety Fee	50	440	650	210
Accessibility Fee (Non-Resident)	2,000	2,380	2,423	43
Green Bldg Verification & Compliance	-	65,171	73,964	8,793
Total licenses and permits	766,090	985,493	1,096,177	110,684
FINES AND PENALTIES				
Vehicle code fines	100,000	53,000	42,849	(10,151)
Non-traffic fines	30,000	26,000	30,367	4,367
Total fines and penalties	130,000	79,000	73,216	(5,784)
INVESTMENT INCOME AND RENTALS				
Investment income	50,000	50,000	52,698	2,698
Rent and concessions	371,400	404,350	409,973	5,623
Total investment income and rentals	421,400	454,350	462,671	8,321
REVENUE FROM OTHER AGENCIES				
Homeowners property tax relief	60,000	70,000	78,134	8,134
P.O.S.T. reimbursements	15,000	8,000	10,647	2,647
Grant reimbursements	730,580	738,123	738,123	-
EBART contributions/reimbursement	102,860	52,215	64,528	12,313
Community Foundation-GenOn	-	18,369	18,369	-
Total revenue from other agencies	908,440	886,707	909,801	23,094

(Continued)

City of Antioch
Required Supplementary Information, Continued
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2012

Schedule of Revenues and Transfers In - General Fund

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
FUNCTION/ACTIVITY, Continued:				
CURRENT SERVICE CHARGES				
Administrative services	92,300	84,000	85,623	1,623
Legal fees	-	1,129	1,129	-
Special police services	803,035	726,035	739,531	13,496
False alarm fees	45,000	56,000	63,525	7,525
Plan checking fees	361,000	367,000	391,299	24,299
Planning fees	71,600	41,834	48,095	6,261
Inspection fees	35,000	45,000	56,289	11,289
Special public works services	35,400	52,715	51,630	(1,085)
Other service charges	17,500	16,731	17,473	742
Assessment fees	10,000	43,511	38,264	(5,247)
Charges for services	5,208,059	5,221,294	5,195,827	(25,467)
Billings to Department	294,854	211,601	262,859	51,258
Total current service charges	6,973,748	6,866,850	6,951,544	84,694
OTHER REVENUES				
Miscellaneous revenue	323,520	911,590	939,981	28,391
OTHER FINANCING SOURCES				
Transfers in:				
Gas Tax Fund	1,010,000	1,010,000	1,010,000	-
Pollution Elimination	304,833	264,833	258,282	(6,551)
Street Impact	1,100,000	1,100,000	1,100,000	-
Street Light and Landscape Maintenance Districts	541,238	581,992	581,992	-
Supplementary Law Enforcement Grant	100,000	160,658	156,238	(4,420)
Local Law Enforcement Block Grant	40,000	-	-	-
Traffic Safety	140,000	45,000	45,000	-
ADA Project #1	50,000	50,000	50,000	-
Water Fund	243,000	243,000	243,000	-
Sewer Fund	243,000	243,000	243,000	-
Total transfers in	3,772,071	3,698,483	3,687,512	(10,971)
Total other financing sources	3,772,071	3,698,483	3,687,512	(10,971)
Total general fund revenues and other financing sources	\$ 39,363,800	\$ 39,607,714	\$ 40,295,230	\$ 687,516

(Concluded)

City of Antioch
Required Supplementary Information, Continued
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2012

Schedule of Expenditures and Transfers Out - General Fund

FUNCTION/ACTIVITY:	Budget		Actual	Variance With
	Original	Final		Final Budget Positive (Negative)
City Council	\$ 157,669	\$ 159,102	\$ 158,345	\$ 757
City Attorney	420,603	386,152	387,067	(915)
City Manager	397,999	367,749	365,993	1,756
City Clerk	103,383	230,401	225,079	5,322
City Treasurer	255,854	169,601	161,450	8,151
Personnel Services	422,957	393,469	391,743	1,726
Economic Development	688,283	734,985	744,812	(9,827)
Finance/Purchasing	1,857,639	1,828,316	1,819,654	8,662
Warehouse & Central Stores	11,965	12,055	11,950	105
Emergency Services	21,007	11,226	10,586	640
Non-Departmental	1,328,931	1,288,034	1,416,334	(128,300)
Total general government	5,666,290	5,581,090	5,693,013	(111,923)
PUBLIC WORKS				
Maintenance Administration	306,912	303,557	299,148	4,409
General Maintenance Services	82,019	77,194	74,768	2,426
Street Maintenance	1,439,993	1,158,001	1,122,472	35,529
Engineering and Land Development	786,901	802,742	783,372	19,370
Signal & Street Lighting	503,452	505,407	567,151	(61,744)
Striping & Signing	566,398	549,495	547,194	2,301
Facilities Maintenance	511,229	421,754	414,498	7,256
Park Maintenance	756,864	757,746	725,707	32,039
Median and General Landscape	382,936	331,353	342,415	(11,062)
Work Alternative	127,975	123,030	113,287	9,743
Total public works	5,464,679	5,030,279	4,990,012	40,267
PUBLIC SAFETY				
Administration	3,293,632	3,365,081	3,359,544	5,537
Police Reserve	6,180	6,611	7,372	(761)
Prisoner Custody	794,776	673,713	607,021	66,692
Community Policing Division	14,039,120	13,532,207	13,742,690	(210,483)
Traffic Division	793,934	823,229	825,212	(1,983)
Investigation	2,528,665	2,722,068	2,753,251	(31,183)
Special Operations Unit	1,027,458	1,049,274	1,052,502	(3,228)
Communications	2,393,444	2,282,215	2,268,442	13,773
Community Volunteer	79,737	67,462	64,775	2,687
Facility Maintenance	525,735	508,923	496,001	12,922
Total public safety	25,482,681	25,030,783	25,176,810	(146,027)

(Continued)

City of Antioch
Required Supplementary Information, Continued
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2012

Schedule of Expenditures and Transfers Out - General Fund

	Budget		Actual	Variance With
	Original	Final		Final Budget Positive (Negative)
COMMUNITY DEVELOPMENT				
Office of the Director	481,317	486,564	485,114	1,450
Land Planning Services	493,773	398,936	385,116	13,820
Neighborhood Improvement	110,770	132,654	125,706	6,948
Capital Improv/Engineering Administration	119,050	142,419	121,357	21,062
Engineering Services	108,176	107,016	83,302	23,714
Building Inspections	585,791	575,991	559,876	16,115
Total community development	1,898,877	1,843,580	1,760,471	83,109
Total current expenditures	38,512,527	37,485,732	37,620,306	(134,574)
OTHER FINANCING USES:				
Transfers out:				
Animal Control	436,226	490,425	485,993	4,432
Antioch WaterPark	40,000	299,523	285,000	14,523
Recreation	456,295	116,772	-	116,772
Downtown Street Light & Landscape District	77,000	77,000	69,000	8,000
Citywide 2A Maintenance District	100,000	100,000	90,000	10,000
Honeywell Capital Lease	40,889	40,889	40,886	3
Total transfers out	1,150,410	1,124,609	970,879	153,730
Total general fund expenditures and transfers out	\$ 39,662,937	\$ 38,610,341	\$ 38,591,185	\$ 19,156

(Concluded)

City of Antioch
Required Supplementary Information, Continued
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2012

Special Revenue Fund - Housing and Community Development

	Budget		Actual	Variance With
	Original	Final		Final Budget
				Positive (Negative)
REVENUES:				
Investment income and rentals	\$ 260	\$ 260	\$ 531	\$ 271
Revenue from other agencies	1,966,562	1,934,592	950,022	(984,570)
Current service charges	-	11,458	12,928	1,470
Other	200,000	389,200	379,290	(9,910)
Total revenues	2,166,822	2,335,510	1,342,771	(992,739)
EXPENDITURES:				
Current:				
Community development	2,083,126	2,332,916	1,292,819	1,040,097
Total expenditures	2,083,126	2,332,916	1,292,819	1,040,097
REVENUES OVER (UNDER) EXPENDITURES	83,696	2,594	49,952	47,358
OTHER FINANCING (USES):				
Transfers (out)	(80,000)	-	-	-
Total other financing (uses)	(80,000)	-	-	-
Net change in fund balances	\$ 3,696	\$ 2,594	49,952	\$ 47,358
FUND BALANCES:				
Beginning of year			52,431	
End of year			\$ 102,383	

City of Antioch
Required Supplementary Information, Continued
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2012

Special Revenue Fund - Gas Tax

	Budget		Actual	Variance With
	Original	Final		Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 2,756,497	\$ 2,637,577	\$ 2,875,700	\$ 238,123
Investment income and rentals	25,000	25,000	55,290	30,290
Revenues from other agencies	15,147,000	5,155,491	3,681,838	(1,473,653)
Current service charges	-	1,050	1,050	-
Other	-	2,826	2,826	-
Total revenues	17,928,497	7,821,944	6,616,704	(1,205,240)
EXPENDITURES:				
Current:				
Public works	581,538	582,345	438,914	143,431
Capital outlay	16,705,000	4,444,183	2,625,091	1,819,092
Total expenditures	17,286,538	5,026,528	3,064,005	1,962,523
REVENUES OVER (UNDER) EXPENDITURES	641,959	2,795,416	3,552,699	757,283
OTHER FINANCING (USES):				
Transfers (out)	(1,440,237)	(1,440,237)	(1,440,221)	16
Total other financing (uses)	(1,440,237)	(1,440,237)	(1,440,221)	16
Net change in fund balances	\$ (798,278)	\$ 1,355,179	2,112,478	\$ 757,299
FUND BALANCES:				
Beginning of year			6,360,534	
End of year			\$ 8,473,012	

City of Antioch
Required Supplementary Information, Continued
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2012

Special Revenue Fund - Housing Successor Fund

	Budget		Actual	Variance With
	Original	Final		Final Budget
				Positive
				(Negative)
REVENUES:				
Investment income and rentals	\$ 4,000	\$ 11,500	\$ 18,490	\$ 6,990
Other	15,000	53,054	52,054	(1,000)
Total revenues	19,000	64,554	70,544	5,990
EXPENDITURES:				
Current:				
Community development	1,954,420	310,272	84,126	226,146
Total expenditures	1,954,420	310,272	84,126	226,146
REVENUES OVER (UNDER) EXPENDITURES	(1,935,420)	(245,718)	(13,582)	232,136
OTHER FINANCING SOURCES:				
Transfers in	1,504,937	775,347	1,045,065	269,718
Total other financing sources	1,504,937	775,347	1,045,065	269,718
SPECIAL ITEMS:				
Extraordinary item	-	-	3,537,849	3,537,849
Net change in fund balances	\$ (430,483)	\$ 529,629	4,569,332	\$ 501,854
FUND BALANCES:				
Beginning of year			-	
End of year			\$ 4,569,332	

City of Antioch
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2012

REQUIRED SUPPLEMENTARY INFORMATION UNFUNDED LIABILITY

Miscellaneous Employees Retirement System
Funded Status of Plan

Valuation Date	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded Liability	Funded Status		Annual Covered Payroll	Unfunded Liability as a % of Payroll
				AVA	MVA		
				6/30/2008	\$ 107,642,813		
6/30/2009	120,714,384	97,456,257	23,258,127	80.7%	58.8%	15,984,932	145.5%
6/30/2010	124,265,203	101,190,100	23,075,103	81.4%	63.6%	13,473,039	171.3%

Public Safety Employees Retirement System
Funded Status of Plan

Valuation Date	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded Liability	Funded Status		Annual Covered Payroll	Unfunded Liability as a % of Payroll
				AVA	MVA		
				6/30/2008	\$ 84,605,111		
6/30/2009	93,154,520	75,898,795	17,255,725	81.5%	59.7%	12,284,277	140.5%
6/30/2010	99,099,170	80,923,199	18,175,971	81.7%	64.5%	11,014,417	165.0%

Supplementary Retirement Plan
Funded Status of Plan

Valuation Date	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded Liability	Funded Status		Annual Covered Payroll	Unfunded Liability as a % of Payroll
				AVA	MVA		
				6/30/2009	\$ 1,026,000		
6/30/2011	1,731,000	38,000	1,693,000	2.2%	0.0%	7,897,000	21.4%

California Employers' Retiree Benefit Trust
Funded Status of Plan

Valuation Date	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets	Unfunded Actuarial Accrued Liability (UAAL)	Funded Status		Annual Covered Payroll	Unfunded Liability as a % of Payroll
				AVA	MVA		
				1/1/2009	\$ 25,836,000		
1/1/2011	25,338,471	7,375,365	17,963,106	29.1%	29.1%	18,786,946	95.6%
7/1/2011	38,433,174	7,454,949	30,978,225	19.4%	19.4%	18,786,946	164.9%

City of Antioch
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2012

BUDGETARY BASIS OF ACCOUNTING

The City follows these procedures in establishing the budgetary data reflected in the required supplementary information:

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 a minute order.
4. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that increase the total expenditures of any fund must be approved by the City Council. Expenditures may not legally exceed budgeted appropriations at the fund level without City Council approval.
5. The City adopts a one year budget for its General Fund, Special Revenue Funds and Capital Projects Funds. Debt Service Funds budgetary control is achieved through bond indenture provisions.
6. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Amounts presented include amendments approved by the City Council.
7. Encumbrance accounting is employed as an extension of formal budgetary integration in the City's governmental funds. Encumbrances outstanding at year end are reported as reservations of fund balances, since they do not yet constitute expenditures or liabilities. Encumbrances are reappropriated in the following year. Unexpended appropriations lapse at year end.

SUPPLEMENTAL INFORMATION

City of Antioch
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2012

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total
ASSETS				
Cash and investments	\$ 14,639,949	\$ -	\$ 4,620,670	\$ 19,260,619
Accounts, net	1,428,978	622,823	315,845	2,367,646
Tax	69,006	-	-	69,006
Interest	-	6	-	6
Prepaid items	31,762	2,949	1,709	36,420
Restricted cash and investments	-	1,364,942	-	1,364,942
Total assets	\$ 16,169,695	\$ 1,990,720	\$ 4,938,224	\$ 23,098,639
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 531,115	\$ 3,200	\$ 205,040	\$ 739,355
Accrued payroll	88,996	-	6,096	95,092
Deposits	481,601	-	105,434	587,035
Due to other funds	128,868	622,677	7,179	758,724
Deferred revenue	81,924	-	-	81,924
Total liabilities	1,312,504	625,877	323,749	2,262,130
Fund Balances:				
Nonspendable:				
Petty cash and prepaid items	31,762	2,949	-	34,711
Restricted for:				
Debt service	-	1,361,894	-	1,361,894
Streets	3,533,752	-	-	3,533,752
PEG Programming	500,101	-	-	500,101
Storm Channels	2,738,660	-	-	2,738,660
Landscape Maintenance	1,420,143	-	-	1,420,143
Tidelands Areas Protection	104,057	-	-	104,057
Law Enforcement	95,153	-	-	95,153
Traffic Safety	34,995	-	-	34,995
Parks & Recreation	218,486	-	-	218,486
Animal Shelter Maintenance /Operation	29,567	-	-	29,567
Abandoned Vehicle	112,421	-	-	112,421
Committed to:				
Parks	4,245,072	-	-	4,245,072
Arts & Cultural Activities	15,058	-	-	15,058
Recreation Programs	16,372	-	-	16,372
Field Maintenance	20,125	-	-	20,125
Memorial Field Maintenance	36,698	-	-	36,698
Road Repair	149,935	-	-	149,935
Waste Reduction	313,604	-	-	313,604
Youth Activities/Building Maintenance	101,215	-	-	101,215
Traffic Signals	1,118,463	-	-	1,118,463
Assigned to:				
Parks & Recreation	21,552	-	-	21,552
Capital Projects	-	-	1,235,051	1,235,051
Community Benefit Programs	-	-	150,182	150,182
AD 26	-	-	374,452	374,452
AD 27	-	-	2,854,790	2,854,790
Total fund balances	14,857,191	1,364,843	4,614,475	20,836,509
Total liabilities and fund balances	\$ 16,169,695	\$ 1,990,720	\$ 4,938,224	\$ 23,098,639

City of Antioch
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2012

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total
REVENUES:				
Taxes	\$ 1,497,466	\$ -	\$ 3,876,736	\$ 5,374,202
Fines and penalties	80,394	-	-	80,394
Investment income and rentals	487,555	-	40,783	528,338
Revenue from other agencies	2,246,313	-	681,623	2,927,936
Current service charges	1,276,056	-	81,061	1,357,117
Special assessment revenue	2,879,111	-	-	2,879,111
Other	494,276	425,214	21,376	940,866
Total revenues	8,961,171	425,214	4,701,579	14,087,964
EXPENDITURES:				
Current:				
General government	-	8,486	-	8,486
Public works	690,602	-	531,882	1,222,484
Public safety	888,504	-	-	888,504
Parks and recreation	3,640,806	-	-	3,640,806
Community development	252,731	-	577,682	830,413
Capital outlay	1,196,404	-	792,836	1,989,240
Debt service:				
Principal retirement	-	2,115,384	-	2,115,384
Interest and fiscal charges	-	2,017,120	-	2,017,120
Total expenditures	6,669,047	4,140,990	1,902,400	12,712,437
REVENUES OVER (UNDER) EXPENDITURES	2,292,124	(3,715,776)	2,799,179	1,375,527
OTHER FINANCING SOURCES (USES):				
Transfers in	762,624	3,324,616	618,156	4,705,396
Transfers (out)	(2,668,654)	-	(4,205,541)	(6,874,195)
Contribution from Successor Agency Trust	-	638,023	-	638,023
Total other financing sources (uses)	(1,906,030)	3,962,639	(3,587,385)	(1,530,776)
SPECIAL ITEMS:				
Extraordinary item	-	(229,043)	(5,251,017)	(5,480,060)
Net change in fund balances	386,094	17,820	(6,039,223)	(5,635,309)
FUND BALANCES:				
Beginning of year	14,471,097	1,347,023	10,653,698	26,471,818
End of year	\$ 14,857,191	\$ 1,364,843	\$ 4,614,475	\$ 20,836,509

NON-MAJOR SPECIAL REVENUE FUNDS

These funds account for the proceeds derived from special revenue sources, which are legally restricted to expenditures for specified purposes.

Delta Fair Property Fund

This fund accounts for revenues resulting from the sale or lease of surplus right-of-way property acquired from the State. In accordance with agreements with the State, expenditures must be for park and recreational facilities.

Recreation Programs

This fund accounts for revenue received to cover the costs of recreation programs provided by the City's Leisure Services Divisions.

Animal Control Fund

This fund accounts for revenues and expenditures of the City's animal services program. A portion of the revenues required to operate this function comes from animal licenses and shelter, adoption, handling, and impound fees. The remainder comes from a subsidy transfer from the General Fund.

Civic Arts Fund

This fund accounts for money specifically set aside for art programs and projects. Revenues come from a percentage of the City's Transient Occupancy Tax. Expenditures are for a variety of programs in the fund and performing arts, as well as projects such as Art in Public Places.

Park in Lieu Fund

This fund accounts for revenues from park dedication fees required of all new construction. Monies are accumulated in accounts allocated to certain parks on the basis of the area in which the construction is taking place. These funds are then appropriated and spent for park development.

Senior Bus Fund

This fund accounts for the City's Senior Bus Program, which provides door-to-door transportation to frail, elderly, and disabled individuals. Revenue sources are grant funds through the Metropolitan Transportation Commission and fees paid by riders and the Antioch Committee on Aging.

Abandoned Vehicles Fund

This fund accounts for revenue from AB 4114, which charges a \$1.00 fee on the registration of all vehicles located in the City. The funds are received from the County and are used to remove abandoned vehicles from City streets.

Traffic Signal Fee Fund

This fund accounts for fees from developers for all new traffic signal construction.

Asset Forfeitures Fund

This fund was established to account for the proceeds from sales of assets seized in connection with drug enforcement. These proceeds are to be used for law enforcement purposes.

Measure J Growth Management Program Fund

This fund accounts for Measure J Funds, which are used to construct roads.

NON-MAJOR SPECIAL REVENUE FUNDS, Continued

Child Care Fund

This fund accounts for lease revenue received and City expenditures relating to the child care center leased from the City by the YWCA.

Tidelands Assembly Bill 1900

In 1990, the California State Legislature passed legislation that created tidelands entitlement areas. Funds are generated by payments from the lessees of the City's tidelands areas. This revenue is limited to improving accessibility and/or protection of the City's waterfront areas.

Maintenance Districts

Established to account for revenue and related expenditures of lighting and landscape activities.

Solid Waste Reduction AB 939

Under AB 939, a special fee is levied by the State against each ton of solid waste, which is disposed at landfill sites. A portion of this fee goes back to the cities on a quarterly basis for use in achieving AB 939 goals.

Pollution Elimination

This fund was established to account for activities related to the National Pollution Discharge Elimination Program. The purpose of this program is to monitor and reduce storm water pollution.

Supplemental Law Enforcement

This fund accounts for supplemental public safety funding allocated in AB 3229. Funds must be used for front-line police services and must supplement and not supplant existing funding for law enforcement services.

Street Impact Fund

This fund accounts for franchise taxes received.

Traffic Safety Fund

This fund accounts for fines and forfeitures received under Section 1463 of the Penal Code. Funds shall be used exclusively for official traffic control devices, the maintenance thereof, equipment and supplies for traffic law enforcement and traffic accident prevention.

PEG Franchise Fee Fund

This fund accounts for a 1% fee collected from video franchises to support local Public, Educational and Governmental Programming (PEG).

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City of Antioch
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2012

	Delta Fair Property	Recreation Programs	Animal Control	Civic Arts	Park in Lieu	Senior Bus	Abandoned Vehicles
ASSETS							
Cash and investments	\$ 63,667	\$ 376,241	\$ 69,783	\$ 3,888	\$ 4,206,111	\$ 174,608	\$ 112,421
Receivables:							
Accounts, net	-	87,549	3,406	303	-	70,200	-
Taxes	-	-	-	11,139	-	-	-
Prepaid items	-	5,704	-	-	-	-	-
Total assets	\$ 63,667	\$ 469,494	\$ 73,189	\$ 15,330	\$ 4,206,111	\$ 244,808	\$ 112,421
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ -	\$ 49,517	\$ 11,349	\$ 272	\$ 24,706	\$ 937	\$ -
Accrued payroll	-	36,740	23,525	-	-	3,833	-
Deposits	-	222,414	8,748	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Deferred revenue	-	81,924	-	-	-	-	-
Total liabilities	-	390,595	43,622	272	24,706	4,770	-
Fund balances:							
Nonspendable:							
Petty cash and prepaid items	-	5,704	-	-	-	-	-
Restricted for:							
Streets	-	-	-	-	-	-	-
Parks	-	-	-	-	-	-	-
PEG Programming	-	-	-	-	-	-	-
Storm Channels	-	-	-	-	-	-	-
Landscape Maintenance	-	-	-	-	-	-	-
Tidelands Areas Protection	-	-	-	-	-	-	-
Law Enforcement	-	-	-	-	-	-	-
Traffic Safety	-	-	-	-	-	-	-
Parks & Recreation	-	-	-	-	-	218,486	-
Animal Shelter Maintenance /Operation	-	-	29,567	-	-	-	-
Abandoned Vehicle	-	-	-	-	-	-	112,421
ADA Obligation	-	-	-	-	-	-	-
Committed to:							
Parks	63,667	-	-	-	4,181,405	-	-
Arts & Cultural Activities	-	-	-	15,058	-	-	-
Recreation Programs	-	16,372	-	-	-	-	-
Field Maintenance	-	20,125	-	-	-	-	-
Memorial Field Maintenance	-	36,698	-	-	-	-	-
Road Repair	-	-	-	-	-	-	-
Waste Reduction	-	-	-	-	-	-	-
Youth Activities/Building Maintenance	-	-	-	-	-	-	-
Traffic Signals	-	-	-	-	-	-	-
Assigned to:							
Parks & Recreation	-	-	-	-	-	21,552	-
Total fund balances	63,667	78,899	29,567	15,058	4,181,405	240,038	112,421
Total liabilities and fund balances	\$ 63,667	\$ 469,494	\$ 73,189	\$ 15,330	\$ 4,206,111	\$ 244,808	\$ 112,421

City of Antioch
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2012

	Supplemental				Total
	Law Enforcement	Street Impact	Traffic Safety	PEG Fanchise Fee	
ASSETS					
Cash and investments	\$ -	\$ -	\$ 23,502	\$ 471,434	\$ 14,639,949
Receivables:					
Accounts, net	4,859	273,957	11,493	-	1,428,978
Taxes	-	-	-	57,867	69,006
Prepaid items	-	-	-	-	31,762
Total assets	\$ 4,859	\$ 273,957	\$ 34,995	\$ 529,301	\$ 16,169,695
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ 29,200	\$ 531,115
Accrued payroll	-	-	-	-	88,996
Deposits	-	-	-	-	481,601
Due to other funds	4,846	124,022	-	-	128,868
Deferred revenue	-	-	-	-	81,924
Total liabilities	4,846	124,022	-	29,200	1,312,504
Fund balances:					
Nonspendable:					
Petty cash and prepaid items	-	-	-	-	31,762
Restricted for:					
Streets	-	-	-	-	3,533,752
Parks	-	-	-	-	-
PEG Programming	-	-	-	500,101	500,101
Storm Channels	-	-	-	-	2,738,660
Landscape Maintenance	-	-	-	-	1,420,143
Tidelands Areas Protection	-	-	-	-	104,057
Law Enforcement	13	-	-	-	95,153
Traffic Safety	-	-	34,995	-	34,995
Parks & Recreation	-	-	-	-	218,486
Animal Shelter Maintenance /Operation	-	-	-	-	29,567
Abandoned Vehicle	-	-	-	-	112,421
ADA Obligation	-	-	-	-	-
Committed to:					
Parks	-	-	-	-	4,245,072
Arts & Cultural Activities	-	-	-	-	15,058
Recreation Programs	-	-	-	-	16,372
Field Maintenance	-	-	-	-	20,125
Memorial Field Maintenance	-	-	-	-	36,698
Road Repair	-	149,935	-	-	149,935
Waste Reduction	-	-	-	-	313,604
Youth Activities/Building Maintenance	-	-	-	-	101,215
Traffic Signals	-	-	-	-	1,118,463
Assigned to:					
Parks & Recreation	-	-	-	-	21,552
Total fund balances	13	149,935	34,995	500,101	14,857,191
Total liabilities and fund balances	\$ 4,859	\$ 273,957	\$ 34,995	\$ 529,301	\$ 16,169,695

City of Antioch
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
For the Fiscal Year Ended June 30, 2012

	Delta Fair Property	Recreation Programs	Animal Control	Civic Arts	Park in Lieu
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ 35,952	\$ -
Fines and penalties	-	-	-	-	-
Investment income and rentals	19,456	242,337	28	16	34,196
Revenue from other agencies	-	483,245	42,500	-	-
Current service charges	-	692,632	281,297	-	215,374
Special assessment revenue	-	-	-	-	-
Other	-	342,835	13,462	-	-
Total revenues	19,456	1,761,049	337,287	35,968	249,570
EXPENDITURES:					
Current:					
Public works	440	-	-	-	66,237
Public safety	-	-	814,649	-	-
Parks and recreation	-	1,810,033	-	24,262	-
Community development	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	440	1,810,033	814,649	24,262	66,237
REVENUES OVER (UNDER) EXPENDITURES	19,016	(48,984)	(477,362)	11,706	183,333
OTHER FINANCING SOURCES (USES):					
Transfers in	-	70,000	485,993	-	-
Transfers (out)	(10,000)	(9,807)	(548)	-	-
Total other financing sources (uses)	(10,000)	60,193	485,445	-	-
Net change in fund balances	9,016	11,209	8,083	11,706	183,333
FUND BALANCES:					
Beginning of year	54,651	67,690	21,484	3,352	3,998,072
End of year	\$ 63,667	\$ 78,899	\$ 29,567	\$ 15,058	\$ 4,181,405

City of Antioch
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
For the Fiscal Year Ended June 30, 2012

	Senior Bus	Abandoned Vehicles	Traffic Signal Fee	Asset Forfeitures	Measure J Growth Management Program
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and penalties	-	-	-	-	-
Investment income and rentals	1,611	925	5,480	2,880	27,901
Revenue from other agencies	275,000	42,913	-	-	1,132,112
Current service charges	8,517	-	78,236	-	-
Special assessment revenue	-	-	-	-	-
Other	44	-	-	65,521	1,877
Total revenues	285,172	43,838	83,716	68,401	1,161,890
EXPENDITURES:					
Current:					
Public works	-	-	27,579	-	304,619
Public safety	-	7,311	-	66,516	-
Parks and recreation	185,206	-	-	-	-
Community development	-	-	-	-	-
Capital outlay	-	-	4,024	9,703	1,158,857
Total expenditures	185,206	7,311	31,603	76,219	1,463,476
REVENUES OVER (UNDER) EXPENDITURES	99,966	36,527	52,113	(7,818)	(301,586)
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers (out)	(35,000)	-	-	-	(389,156)
Total other financing sources (uses)	(35,000)	-	-	-	(389,156)
Net change in fund balances	64,966	36,527	52,113	(7,818)	(690,742)
FUND BALANCES:					
Beginning of year	175,072	75,894	1,066,350	129,016	4,224,494
End of year	\$ 240,038	\$ 112,421	\$ 1,118,463	\$ 121,198	\$ 3,533,752

Child Care	Tidelands Assembly Bill - 1900	Lighting & Landscape District	Park 1A Maintenance District	Solid Waste Reduction AB 939	Pollution Elimination	Supplemental Law Enforcement
\$ -	\$ -	\$ -	\$ 21,360	\$ 160,000	\$ -	\$ -
-	-	-	-	-	-	-
70,219	7,709	12,462	29,930	3,215	21,057	13
-	-	-	231	114,074	-	156,238
-	-	-	-	-	-	-
-	-	2,000,030	-	-	879,081	-
-	-	59,542	-	10,751	244	-
70,219	7,709	2,072,034	51,521	288,040	900,382	156,251
-	453	-	-	-	290,384	-
-	-	-	-	-	-	-
7,491	-	1,503,840	61,304	-	-	-
-	-	-	-	149,861	102,870	-
-	-	-	-	-	-	-
7,491	453	1,503,840	61,304	149,861	393,254	-
62,728	7,256	568,194	(9,783)	138,179	507,128	156,251
-	-	171,631	-	-	35,000	-
(35,000)	-	(616,992)	(12,631)	-	(258,282)	(156,238)
(35,000)	-	(445,361)	(12,631)	-	(223,282)	(156,238)
27,728	7,256	122,833	(22,414)	138,179	283,846	13
73,487	96,801	1,284,030	35,694	175,425	2,454,814	-
\$ 101,215	\$ 104,057	\$ 1,406,863	\$ 13,280	\$ 313,604	\$ 2,738,660	\$ 13

City of Antioch
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
For the Fiscal Year Ended June 30, 2012

	Street Impact	Traffic Safety	PEG Franchise Fee	Total
REVENUES:				
Taxes	\$ 1,056,665	\$ -	\$ 223,489	\$ 1,497,466
Fines and penalties	-	80,394	-	80,394
Investment income and rentals	4,493	(371)	3,998	487,555
Revenue from other agencies	-	-	-	2,246,313
Current service charges	-	-	-	1,276,056
Special assessment revenue	-	-	-	2,879,111
Other	-	-	-	494,276
Total revenues	1,061,158	80,023	227,487	8,961,171
EXPENDITURES:				
Current:				
Public works	890	-	-	690,602
Public safety	-	28	-	888,504
Parks and recreation	-	-	48,670	3,640,806
Community development	-	-	-	252,731
Capital outlay	-	-	23,820	1,196,404
Total expenditures	890	28	72,490	6,669,047
REVENUES OVER (UNDER) EXPENDITURES	1,060,268	79,995	154,997	2,292,124
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	762,624
Transfers (out)	(1,100,000)	(45,000)	-	(2,668,654)
Total other financing sources (uses)	(1,100,000)	(45,000)	-	(1,906,030)
Net change in fund balances	(39,732)	34,995	154,997	386,094
FUND BALANCES:				
Beginning of year	189,667	-	345,104	14,471,097
End of year	<u>\$ 149,935</u>	<u>\$ 34,995</u>	<u>\$ 500,101</u>	<u>\$ 14,857,191</u>

City of Antioch
Budgetary Comparison Schedule
Delta Fair Property Special Revenue Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment income and rentals	\$ 10,500	\$ 19,300	\$ 19,456	\$ 156
Total revenues	10,500	19,300	19,456	156
EXPENDITURES:				
Current:				
Public works	439	443	440	3
Total expenditures	439	443	440	3
REVENUES OVER (UNDER) EXPENDITURES	10,061	18,857	19,016	159
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(10,000)	(10,000)	-
Total other financing sources (uses)	-	(10,000)	(10,000)	-
Net change in fund balances	\$ 10,061	\$ 8,857	9,016	\$ 159
FUND BALANCES:				
Beginning of year			54,651	
End of year			\$ 63,667	

City of Antioch
Budgetary Comparison Schedule
Recreation Programs Special Revenue Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment income and rentals	\$ 220,100	\$ 249,464	\$ 242,337	\$ (7,127)
Revenue from other agencies	633,894	484,415	483,245	(1,170)
Current service charges	743,750	683,469	692,632	9,163
Other	45,000	340,168	342,835	2,667
Total revenues	<u>1,642,744</u>	<u>1,757,516</u>	<u>1,761,049</u>	<u>3,533</u>
EXPENDITURES:				
Current:				
Parks and recreation	2,138,908	1,913,050	1,810,033	103,017
Capital outlay	10,000	7,000	-	7,000
Total expenditures	<u>2,148,908</u>	<u>1,920,050</u>	<u>1,810,033</u>	<u>110,017</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(506,164)</u>	<u>(162,534)</u>	<u>(48,984)</u>	<u>113,550</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	526,295	186,772	70,000	(116,772)
Transfers (out)	(9,807)	(9,807)	(9,807)	-
Total other financing sources (uses)	<u>516,488</u>	<u>176,965</u>	<u>60,193</u>	<u>(116,772)</u>
Net change in fund balances	<u>\$ 10,324</u>	<u>\$ 14,431</u>	11,209	<u>\$ (3,222)</u>
FUND BALANCES:				
Beginning of year			<u>67,690</u>	
End of year			<u>\$ 78,899</u>	

City of Antioch
Budgetary Comparison Schedule
Animal Control Special Revenue Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment income and rentals	\$ -	\$ 28	\$ 28	\$ -
Revenue from other agencies	-	42,500	42,500	-
Current service charges	287,800	248,068	281,297	33,229
Other	11,000	11,399	13,462	2,063
Total revenues	<u>298,800</u>	<u>301,995</u>	<u>337,287</u>	<u>35,292</u>
EXPENDITURES:				
Current:				
Public safety	734,478	813,357	814,649	(1,292)
Total expenditures	<u>734,478</u>	<u>813,357</u>	<u>814,649</u>	<u>(1,292)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(435,678)</u>	<u>(511,362)</u>	<u>(477,362)</u>	<u>34,000</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	436,226	490,425	485,993	(4,432)
Transfers (out)	(548)	(548)	(548)	-
Total other financing sources (uses)	<u>435,678</u>	<u>489,877</u>	<u>485,445</u>	<u>(4,432)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (21,485)</u>	8,083	<u>\$ 29,568</u>
FUND BALANCES:				
Beginning of year			<u>21,484</u>	
End of year			<u>\$ 29,567</u>	

City of Antioch
Budgetary Comparison Schedule
Civic Arts Special Revenue Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 25,000	\$ 23,000	\$ 35,952	\$ 12,952
Investment income and rentals	25	25	16	(9)
Total revenues	<u>25,025</u>	<u>23,025</u>	<u>35,968</u>	<u>12,943</u>
EXPENDITURES:				
Current:				
Parks and recreation	26,024	25,445	24,262	1,183
REVENUES OVER (UNDER) EXPENDITURES	<u>(999)</u>	<u>(2,420)</u>	<u>11,706</u>	<u>14,126</u>
Net change in fund balances	<u>\$ (999)</u>	<u>\$ (2,420)</u>	<u>11,706</u>	<u>\$ 14,126</u>
FUND BALANCES:				
Beginning of year			<u>3,352</u>	
End of year			<u>\$ 15,058</u>	

City of Antioch
Budgetary Comparison Schedule
Park in Lieu Special Revenue Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment income and rentals	\$ 5,000	\$ 20,000	\$ 34,196	\$ 14,196
Current service charges	40,000	163,963	215,374	51,411
Total revenues	45,000	183,963	249,570	65,607
EXPENDITURES:				
Current:				
Public works	15,869	80,870	66,237	14,633
Capital outlay	1,800,000	2,800,000	-	2,800,000
Total expenditures	1,815,869	2,880,870	66,237	2,814,633
REVENUES OVER (UNDER) EXPENDITURES	(1,770,869)	(2,696,907)	183,333	2,880,240
Net change in fund balances	\$ (1,770,869)	\$ (2,696,907)	183,333	\$ 2,880,240
FUND BALANCES:				
Beginning of year			3,998,072	
End of year			\$ 4,181,405	

City of Antioch
Budgetary Comparison Schedule
Senior Bus Special Revenue Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment income and rentals	\$ 800	\$ 800	\$ 1,611	\$ 811
Revenue from other agencies	275,000	275,000	275,000	-
Current service charges	14,000	10,500	8,517	(1,983)
Other	-	-	44	44
Total revenues	<u>289,800</u>	<u>286,300</u>	<u>285,172</u>	<u>(1,128)</u>
EXPENDITURES:				
Current:				
Parks and recreation	219,687	204,463	185,206	19,257
Total expenditures	<u>219,687</u>	<u>204,463</u>	<u>185,206</u>	<u>19,257</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>70,113</u>	<u>81,837</u>	<u>99,966</u>	<u>18,129</u>
OTHER FINANCING (USES):				
Transfers (out)	(35,000)	(35,000)	(35,000)	-
Total other financing (uses)	<u>(35,000)</u>	<u>(35,000)</u>	<u>(35,000)</u>	<u>-</u>
Net change in fund balances	<u>\$ 35,113</u>	<u>\$ 46,837</u>	<u>64,966</u>	<u>\$ 18,129</u>
FUND BALANCES:				
Beginning of year			<u>175,072</u>	
End of year			<u>\$ 240,038</u>	

City of Antioch
Budgetary Comparison Schedule
Abandoned Vehicle Special Revenue Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment income and rentals	\$ 650	\$ 650	\$ 925	\$ 275
Revenue from other agencies	25,000	42,000	42,913	913
Total revenues	25,650	42,650	43,838	1,188
EXPENDITURES:				
Current:				
Public safety	8,300	4,161	7,311	(3,150)
REVENUES OVER (UNDER) EXPENDITURES	17,350	38,489	36,527	(1,962)
Net change in fund balances	\$ 17,350	\$ 38,489	36,527	\$ (1,962)
FUND BALANCES:				
Beginning of year			75,894	
End of year			\$ 112,421	

City of Antioch
Budgetary Comparison Schedule
Traffic Signal Fee Special Revenue Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment income and rentals	\$ 3,000	\$ 5,000	\$ 5,480	\$ 480
Current service charges	50,000	68,462	78,236	9,774
Total revenues	53,000	73,462	83,716	10,254
EXPENDITURES:				
Current:				
Public works	8,731	24,706	27,579	(2,873)
Capital outlay	250,000	4,024	4,024	-
Total expenditures	258,731	28,730	31,603	(2,873)
REVENUES OVER (UNDER) EXPENDITURES	(205,731)	44,732	52,113	7,381
Net change in fund balances	\$ (205,731)	\$ 44,732	52,113	\$ 7,381
FUND BALANCES:				
Beginning of year			1,066,350	
End of year			\$ 1,118,463	

City of Antioch
Budgetary Comparison Schedule
Asset Forfeitures Special Revenue Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment income and rentals	\$ 1,750	\$ 1,600	\$ 2,880	\$ 1,280
Other	40,000	41,209	65,521	24,312
Total revenues	41,750	42,809	68,401	25,592
EXPENDITURES:				
Current:				
Public safety	56,571	56,136	66,516	(10,380)
Capital outlay	10,000	19,405	9,703	9,702
Total expenditures	66,571	75,541	76,219	(678)
REVENUES OVER (UNDER) EXPENDITURES	(24,821)	(32,732)	(7,818)	24,914
Net change in fund balances	\$ (24,821)	\$ (32,732)	(7,818)	\$ 24,914
FUND BALANCES:				
Beginning of year			129,016	
End of year			\$ 121,198	

City of Antioch
Budgetary Comparison Schedule
Measure J Growth Management Program Special Revenue Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment income and rentals	\$ 15,000	\$ 15,000	\$ 27,901	\$ 12,901
Revenue from other agencies	886,845	1,177,032	1,132,112	(44,920)
Other	-	1,877	1,877	-
Total revenues	901,845	1,193,909	1,161,890	(32,019)
EXPENDITURES:				
Current:				
Public works	29,483	279,488	304,619	(25,131)
Capital outlay	1,856,080	1,192,231	1,158,857	33,374
Total expenditures	1,885,563	1,471,719	1,463,476	8,243
REVENUES OVER (UNDER) EXPENDITURES	(983,718)	(277,810)	(301,586)	(23,776)
OTHER FINANCING (USES):				
Transfers (out)	-	(389,156)	(389,156)	-
Total other financing (uses)	-	(389,156)	(389,156)	-
Net change in fund balances	\$ (983,718)	\$ (666,966)	\$ (690,742)	\$ (23,776)
FUND BALANCES:				
Beginning of year			4,224,494	
End of year			\$ 3,533,752	

City of Antioch
Budgetary Comparison Schedule
Child Care Special Revenue Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment income and rentals	\$ 69,701	\$ 70,015	\$ 70,219	\$ 204
Total revenues	69,701	70,015	70,219	204
EXPENDITURES:				
Current:				
Parks and recreation	2,432	7,766	7,491	275
REVENUES OVER (UNDER) EXPENDITURES	67,269	62,249	62,728	479
OTHER FINANCING (USES):				
Transfers (out)	(35,000)	(35,000)	(35,000)	-
Total other financing (uses)	(35,000)	(35,000)	(35,000)	-
Net change in fund balances	\$ 32,269	\$ 27,249	27,728	\$ 479
FUND BALANCES:				
Beginning of year			73,487	
End of year			\$ 101,215	

City of Antioch
Budgetary Comparison Schedule
Tidelands Assembly Bill-1900 Special Revenue Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment income and rentals	\$ 11,515	\$ 7,350	\$ 7,709	\$ 359
Total revenues	11,515	7,350	7,709	359
EXPENDITURES:				
Current:				
Public works	499	569	453	116
REVENUES OVER (UNDER) EXPENDITURES	11,016	6,781	7,256	475
Net change in fund balances	\$ 11,016	\$ 6,781	7,256	\$ 475
FUND BALANCES:				
Beginning of year			96,801	
End of year			\$ 104,057	

City of Antioch
Budgetary Comparison Schedule
Lighting & Landscape District Special Revenue Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment income and rentals	\$ 3,700	\$ 5,200	\$ 12,462	\$ 7,262
Special assessment revenue	2,000,753	1,988,116	2,000,030	11,914
Other	-	9,187	59,542	50,355
Total revenues	<u>2,004,453</u>	<u>2,002,503</u>	<u>2,072,034</u>	<u>69,531</u>
EXPENDITURES:				
Current:				
Parks and recreation	1,795,652	1,728,869	1,503,840	225,029
REVENUES OVER (UNDER) EXPENDITURES	<u>208,801</u>	<u>273,634</u>	<u>568,194</u>	<u>294,560</u>
OTHER FINANCING (USES):				
Transfers in	690,981	643,256	171,631	(471,625)
Transfers (out)	(1,075,314)	(1,069,727)	(616,992)	452,735
Total other financing (uses)	<u>(384,333)</u>	<u>(426,471)</u>	<u>(445,361)</u>	<u>(18,890)</u>
Net change in fund balances	<u>\$ (175,532)</u>	<u>\$ (152,837)</u>	122,833	<u>\$ 275,670</u>
FUND BALANCES:				
Beginning of year			<u>1,284,030</u>	
End of year			<u>\$ 1,406,863</u>	

City of Antioch
Budgetary Comparison Schedule
Park 1A Maintenance District Special Revenue Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 23,000	\$ 20,845	\$ 21,360	\$ 515
Investment income and rentals	40,100	30,100	29,930	(170)
Revenue from other agencies	100	115	231	116
Total revenues	<u>63,200</u>	<u>51,060</u>	<u>51,521</u>	<u>461</u>
EXPENDITURES:				
Current:				
Parks and recreation	<u>73,897</u>	<u>64,522</u>	<u>61,304</u>	<u>3,218</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(10,697)</u>	<u>(13,462)</u>	<u>(9,783)</u>	<u>3,679</u>
OTHER FINANCING SOURCES (USES):				
Transfers (out)	<u>(14,905)</u>	<u>(13,521)</u>	<u>(12,631)</u>	<u>(890)</u>
Total other financing sources (uses)	<u>(14,905)</u>	<u>(13,521)</u>	<u>(12,631)</u>	<u>(890)</u>
Net change in fund balances	<u>\$ (25,602)</u>	<u>\$ (26,983)</u>	<u>(22,414)</u>	<u>\$ 2,789</u>
FUND BALANCES:				
Beginning of year			<u>35,694</u>	
End of year			<u>\$ 13,280</u>	

City of Antioch
Budgetary Comparison Schedule
Solid Waste Reduction AB 939 Special Revenue Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 160,000	\$ 160,000	\$ 160,000	\$ -
Investment income and rentals	1,800	1,800	3,215	1,415
Revenue from other agencies	45,000	87,012	114,074	27,062
Other	3,000	9,911	10,751	840
Total revenues	<u>209,800</u>	<u>258,723</u>	<u>288,040</u>	<u>29,317</u>
EXPENDITURES:				
Current:				
Community development	152,790	167,771	149,861	17,910
Total expenditures	<u>152,790</u>	<u>167,771</u>	<u>149,861</u>	<u>17,910</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>57,010</u>	<u>90,952</u>	<u>138,179</u>	<u>47,227</u>
Net change in fund balances	<u>\$ 57,010</u>	<u>\$ 90,952</u>	<u>138,179</u>	<u>\$ 47,227</u>
FUND BALANCES:				
Beginning of year			<u>175,425</u>	
End of year			<u>\$ 313,604</u>	

City of Antioch
Budgetary Comparison Schedule
Pollution Elimination Special Revenue Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment income and rentals	\$ 10,000	\$ 10,000	\$ 21,057	\$ 11,057
Special assessment revenue	825,000	879,081	879,081	-
Other	-	-	244	244
Total revenues	835,000	889,081	900,382	11,301
EXPENDITURES:				
Current:				
Public works	881,938	364,927	290,384	74,543
Community development	152,788	131,774	102,870	28,904
Capital outlay	400,000	-	-	-
Total expenditures	1,434,726	496,701	393,254	103,447
REVENUES OVER (UNDER) EXPENDITURES	(599,726)	392,380	507,128	114,748
OTHER FINANCING SOURCES (USES):				
Transfers in	35,000	35,000	35,000	-
Transfers (out)	(304,833)	(264,833)	(258,282)	6,551
Total other financing sources (uses)	(269,833)	(229,833)	(223,282)	6,551
Net change in fund balances	\$ (869,559)	\$ 162,547	283,846	\$ 121,299
FUND BALANCES:				
Beginning of year			2,454,814	
End of year			\$ 2,738,660	

City of Antioch
Budgetary Comparison Schedule
Supplemental Law Enforcement Special Revenue Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment income and rentals	\$ -	\$ -	\$ 13	\$ 13
Revenue from other agencies	100,000	160,658	156,238	(4,420)
Total revenues	<u>100,000</u>	<u>160,658</u>	<u>156,251</u>	<u>(4,407)</u>
OTHER FINANCING (USES):				
Transfers (out)	(100,000)	(160,658)	(156,238)	4,420
Total other financing (uses)	<u>(100,000)</u>	<u>(160,658)</u>	<u>(156,238)</u>	<u>4,420</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	13	<u>\$ 13</u>
FUND BALANCES:				
Beginning of year			-	
End of year			<u>\$ 13</u>	

City of Antioch
Budgetary Comparison Schedule
Street Impact Special Revenue Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 1,000,000	\$ 1,000,000	\$ 1,056,665	\$ 56,665
Investment income and rentals	2,000	4,500	4,493	(7)
Total revenues	1,002,000	1,004,500	1,061,158	56,658
EXPENDITURES:				
Current:				
Public works	500	900	890	10
REVENUES OVER (UNDER) EXPENDITURES	1,001,500	1,003,600	1,060,268	56,668
OTHER FINANCING (USES):				
Transfers (out)	(1,100,000)	(1,100,000)	(1,100,000)	-
Total other financing (uses)	(1,100,000)	(1,100,000)	(1,100,000)	-
Net change in fund balances	\$ (98,500)	\$ (96,400)	(39,732)	\$ 56,668
FUND BALANCES:				
Beginning of year			189,667	
End of year			\$ 149,935	

City of Antioch
Budgetary Comparison Schedule
Traffic Safety Special Revenue Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Fines and penalties	\$ 140,000	\$ 45,000	\$ 80,394	\$ 35,394
Investment income and rentals	500	100	(371)	(471)
Total revenues	140,500	45,100	80,023	34,923
EXPENDITURES:				
Current:				
Public Safety	180	20	28	(8)
REVENUES OVER (UNDER) EXPENDITURES	140,320	45,080	79,995	34,915
OTHER FINANCING (USES):				
Transfers (out)	(145,000)	(45,000)	(45,000)	-
Total other financing (uses)	(145,000)	(45,000)	(45,000)	-
Net change in fund balances	\$ (4,680)	\$ 80	34,995	\$ 34,915
FUND BALANCES:				
Beginning of year			-	
End of year			\$ 34,995	

City of Antioch
Budgetary Comparison Schedule
PEG Franchise Fee Special Revenue Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 220,000	\$ 220,000	\$ 223,489	\$ 3,489
Investment income and rentals	1,500	2,000	3,998	1,998
Total revenues	221,500	222,000	227,487	5,487
EXPENDITURES:				
Current:				
Parks and Recreation	56,404	93,383	48,670	44,713
Capital outlay	30,000	28,000	23,820	4,180
Total expenditures	86,404	121,383	72,490	48,893
REVENUES OVER (UNDER) EXPENDITURES	135,096	100,617	154,997	54,380
Net change in fund balances	\$ 135,096	\$ 100,617	154,997	\$ 54,380
FUND BALANCES:				
Beginning of year			345,104	
End of year			\$ 500,101	

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NON-MAJOR DEBT SERVICE FUNDS

Debt Service Funds are used to account for the payment of principal and interest on the general debt service of the City and related entities.

Golf Course Clubhouse/Irrigation

In 1985 and 1994, the City of Antioch participated in the Association of Bay Area Governments' pooled Certificates of Participation to fund improvements to the clubhouse at the City's golf course and irrigation system, respectively. The fund accumulates monies for the payment of principal and interest from a portion of the fees collected and transmitted by the Antioch Public Golf Corporation.

Antioch Development Agency

This fund accumulates principal and interest payments on the Development Agency Tax Allocation Bonds. Redevelopment was dissolved effective 2/1/12 with the passage of AB 1x26 and the assets were transferred into trust.

Antioch Public Financing Agency

This fund accumulates principal and interest payments on the Certificates of Participation issued to fund the building of the municipal facilities.

City of Antioch
Combining Balance Sheet
Non-Major Debt Service Funds
June 30, 2012

	Golf Course Clubhouse/ Irrigation	Antioch Development Agency	Antioch Public Financing Authority	Honeywell Capital Lease	Total
ASSETS					
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts, net	622,823	-	-	-	622,823
Interest	2	-	4	-	6
Prepaid items	-	-	2,949	-	2,949
Restricted cash and investments	723,438	-	641,504	-	1,364,942
Total assets	\$ 1,346,263	\$ -	\$ 644,457	\$ -	\$ 1,990,720
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 3,200	\$ -	\$ 3,200
Due to other funds	622,677	-	-	-	622,677
Total liabilities	622,677	-	3,200	-	625,877
Fund balances:					
Nonspendable:					
Petty cash and prepaid items	-	-	2,949	-	2,949
Restricted for:					
Debt service	723,586	-	638,308	-	1,361,894
Total fund balances	723,586	-	641,257	-	1,364,843
Total liabilities and fund balances	\$ 1,346,263	\$ -	\$ 644,457	\$ -	\$ 1,990,720

City of Antioch

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-Major Debt Service Funds

For the Fiscal Year Ended June 30, 2012

	Glof Course Clubhouse/ Irrigation	Antioch Development Agency	Antioch Public Financing Authority	Honeywell Capital Lease	Total
REVENUES:					
Investment income and rentals	\$ 425,178	\$ 14	\$ 22	\$ -	\$ 425,214
Total revenues	425,178	14	22	-	425,214
EXPENDITURES:					
Current:					
General government	2,996	10	5,480	-	8,486
Debt service:					
Principal retirements	155,000	1,319,366	315,000	326,018	2,115,384
Interest and fiscal charges	265,301	284,613	1,289,065	178,141	2,017,120
Total expenditures	423,297	1,603,989	1,609,545	504,159	4,140,990
REVENUES OVER (UNDER) EXPENDITURES	1,881	(1,603,975)	(1,609,523)	(504,159)	(3,715,776)
OTHER FINANCING SOURCES:					
Transfer in	-	1,579,326	1,241,150	504,140	3,324,616
Contribution from Successor Agency Trust Fund	-	-	638,023	-	638,023
Total other financing sources	-	1,579,326	1,879,173	504,140	3,962,639
SPECIAL ITEMS:					
Extraordinary item		(229,043)			(229,043)
Net change in fund balances	1,881	(253,692)	269,650	(19)	17,820
FUND BALANCES:					
Beginning of year	721,705	253,692	371,607	19	1,347,023
End of year	\$ 723,586	\$ -	\$ 641,257	\$ -	\$ 1,364,843

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NON-MAJOR CAPITAL PROJECTS FUNDS

Capital Projects Funds are utilized to account for resources used for the acquisition and construction of capital facilities by the City, with the exception of those assets financed by proprietary funds.

Antioch Development Agency

There are six funds (Low & Moderate Income Housing, Area 1, Area 2, Area 3, Area 4, and Area 4.1) that account for acquisition, demolition and construction in the four Development Agency project areas of the City of Antioch. With the exception of Area 1, the funds are considered to be nonmajor funds. Financing is provided by property tax increments and bond proceeds. Redevelopment was dissolved effective 2/1/12 with the passage of AB 1x26 and the assets of these funds were transferred to a trust fund.

Capital Improvement Fund

This fund records all revenues, expenditures, assets and liabilities associated with City capital projects. It accounts for resources used to construct or acquire capital assets and make capital improvements.

Prewett Community Park

This fund accounts for the construction of the Prewett Community Center. The City is reimbursed for expenses by the Antioch Area Public Facilities Financing Agency through mello roos bond proceeds.

Special Assessment Districts

These funds were established to account for construction and acquisition of land and public improvements in various assessment districts. Financing is provided by assessment bond proceeds.

Hillcrest Bridge District

This fund accounts for developer fees collected to fund bridge construction in the Hillcrest Area.

Residential Development Allocation

This fund accounts for contributions by developers for various projects as determined by the City Council.

City of Antioch
Combining Balance Sheet
Non-Major Capital Project Funds
June 30, 2012

	Antioch Development Agency						
	Project	Project	Project	Project	Project	Low and Moderate	Capital
	Area #1	Area #2	Area #3	Area #4	Area #4.1	Income Housing	Improvement
ASSETS							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,068,844
Accounts receivable, net	-	-	-	-	-	6,265	253,413
Prepaid items	-	-	-	-	-	-	-
Total assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,265	\$ 1,322,257
LIABILITIES AND FUND BALANCE							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,850	\$ 140,161
Accrued payroll	-	-	-	-	-	3,415	1,928
Deposits	-	-	-	-	-	-	200
Due to other funds	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	6,265	142,289
Fund Balances:							
Assigned for:							
Capital Projects	-	-	-	-	-	-	1,179,968
Community Benefit Programs	-	-	-	-	-	-	-
AD 26	-	-	-	-	-	-	-
AD 27	-	-	-	-	-	-	-
Total fund balances	-	-	-	-	-	-	1,179,968
Total liabilities and fund balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,265	\$ 1,322,257

City of Antioch
Combining Balance Sheet
Non-Major Capital Project Funds
June 30, 2012

	<u>Special Assessment Districts</u>					Total
	Prewett			Hillcrest	Residential	
	Community Park	Hillcrest District #26	Lone Diamond	Bridge District	Development Allocation	
ASSETS						
Cash and investments	\$ 97,500	\$ 374,452	\$ 2,855,543	\$ 39,165	\$ 185,166	\$ 4,620,670
Accounts receivable, net	56,167	-	-	-	-	315,845
Prepaid items	1,709	-	-	-	-	1,709
Total assets	\$ 155,376	\$ 374,452	\$ 2,855,543	\$ 39,165	\$ 185,166	\$ 4,938,224
LIABILITIES AND FUND BALANCE						
Liabilities:						
Accounts payable	\$ 27,045	\$ -	\$ -	\$ -	\$ 34,984	\$ 205,040
Accrued payroll	-	-	753	-	-	6,096
Deposits	105,234	-	-	-	-	105,434
Due to other funds	7,179	-	-	-	-	7,179
Total liabilities	139,458	-	753	-	34,984	323,749
Fund Balances:						
Assigned for:						
Capital Projects	15,918	-	-	39,165	-	1,235,051
Community Benefit Programs	-	-	-	-	150,182	150,182
AD 26	-	374,452	-	-	-	374,452
AD 27	-	-	2,854,790	-	-	2,854,790
Total fund balances	15,918	374,452	2,854,790	39,165	150,182	4,614,475
Total liabilities and fund balances	\$ 155,376	\$ 374,452	\$ 2,855,543	\$ 39,165	\$ 185,166	\$ 4,938,224

City of Antioch
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Capital Project Funds
For the Fiscal Year Ended June 30, 2012

	Antioch Development Agency						
	Project Area #1	Project Area #2	Project Area #3	Project Area #4	Project Area #4.1	Low and Moderate Income Housing	Capital Improvement
REVENUES:							
Taxes	\$ 2,338,186	\$ 571,041	\$ 24,525	\$ 608,000	\$ 334,984	\$ -	\$ -
Investment income and rentals	(2,006)	2,301	178	504	478	2,896	6,199
Revenue from other agencies	-	-	-	-	-	-	579,012
Current service charges	-	-	-	-	-	-	4,820
Other	-	-	-	-	1,750	1,000	5,433
Total revenues	2,336,180	573,342	24,703	608,504	337,212	3,896	595,464
EXPENDITURES:							
Current:							
Public works	-	-	-	-	-	-	350,351
Community development	183,909	2,223	177	3,978	1,218	225,570	-
Capital outlay	-	-	-	-	-	-	790,060
Total expenditures	183,909	2,223	177	3,978	1,218	225,570	1,140,411
REVENUES OVER (UNDER) EXPENDITURES	2,152,271	571,119	24,526	604,526	335,994	(221,674)	(544,947)
OTHER FINANCING (USES):							
Transfers in	-	-	-	-	-	-	618,156
Transfers (out)	(2,289,462)	(427,924)	(24,823)	(312,826)	(105,441)	(1,045,065)	-
Total other financing sources (uses)	(2,289,462)	(427,924)	(24,823)	(312,826)	(105,441)	(1,045,065)	618,156
SPECIAL ITEMS:							
Extraordinary item	2,548,582	(1,953,940)	(152,464)	(475,680)	(443,016)	(4,774,499)	-
Net change in fund balances	2,411,391	(1,810,745)	(152,761)	(183,980)	(212,463)	(6,041,238)	73,209
FUND BALANCES:							
Beginning of year	(2,411,391)	1,810,745	152,761	183,980	212,463	6,041,238	1,106,759
End of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,179,968

City of Antioch
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Capital Project Funds
For the Fiscal Year Ended June 30, 2012

	<u>Special Assessment Districts</u>					Total
	Prewett	Hillcrest	Lone	Hillcrest	Residential	
	Community Park	District #26	Diamond	Bridge District	Development Allocation	
REVENUES:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,876,736
Investment income and rentals	1,762	3,083	23,514	284	1,590	40,783
Revenue from other agencies	102,611	-	-	-	-	681,623
Current service charges	-	508	58,715	17,018	-	81,061
Other	-	-	1,193	-	12,000	21,376
Total revenues	104,373	3,591	83,422	17,302	13,590	4,701,579
EXPENDITURES:						
Current:						
Public works	95,503	14,696	71,251	81	-	531,882
Community development	-	-	-	-	160,607	577,682
Capital outlay	-	-	2,776	-	-	792,836
Total expenditures	95,503	14,696	74,027	81	160,607	1,902,400
REVENUES OVER (UNDER)						
EXPENDITURES	8,870	(11,105)	9,395	17,221	(147,017)	2,799,179
OTHER FINANCING (USES):						
Transfers in	-	-	-	-	-	618,156
Transfers (out)	-	-	-	-	-	(4,205,541)
Total other financing sources (uses)	-	-	-	-	-	(3,587,385)
SPECIAL ITEMS:						
Extraordinary item	-	-	-	-	-	(5,251,017)
Net change in fund balances	8,870	(11,105)	9,395	17,221	(147,017)	(6,039,223)
FUND BALANCES:						
Beginning of year	7,048	385,557	2,845,395	21,944	297,199	10,653,698
End of year	\$ 15,918	\$ 374,452	\$ 2,854,790	\$ 39,165	\$ 150,182	\$ 4,614,475

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City of Antioch
Budgetary Comparison Schedule
ADA Project Area #1 Capital Project Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Incremental property taxes	\$ 4,578,100	\$ 4,578,100	\$ 2,338,186	\$ (2,239,914)
Investment income and rentals	10,000	10,000	(2,006)	(12,006)
Total revenues	<u>4,588,100</u>	<u>4,588,100</u>	<u>2,336,180</u>	<u>(2,251,920)</u>
EXPENDITURES:				
Community development	1,740,949	1,740,949	183,909	1,557,040
Total expenditures	<u>1,740,949</u>	<u>1,740,949</u>	<u>183,909</u>	<u>1,557,040</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>2,847,151</u>	<u>2,847,151</u>	<u>2,152,271</u>	<u>(694,880)</u>
OTHER FINANCING (USES):				
Transfers (out)	3,585,241	3,585,241	(2,289,462)	(5,874,703)
Total other financing (uses)	<u>3,585,241</u>	<u>3,585,241</u>	<u>(2,289,462)</u>	<u>(5,874,703)</u>
SPECIAL ITEMS:				
Extraordinary item	-	-	2,548,582	2,548,582
Net change in fund balances	<u>\$ 6,432,392</u>	<u>\$ 6,432,392</u>	2,411,391	<u>\$ (4,021,001)</u>
FUND BALANCES:				
Beginning of year			(2,411,391)	
End of year			<u>\$ -</u>	

City of Antioch
Budgetary Comparison Schedule
ADA Project Area #2 Capital Projects Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Incremental property taxes	\$ 1,063,358	\$ 1,063,358	\$ 571,041	\$ (492,317)
Investment income and rentals	5,000	5,000	2,301	(2,699)
Total revenues	1,068,358	1,068,358	573,342	(495,016)
EXPENDITURES:				
Community development	1,813,572	1,813,572	2,223	1,811,349
REVENUES OVER (UNDER) EXPENDITURES	(745,214)	(745,214)	571,119	1,316,333
OTHER FINANCING (USES):				
Transfers (out)	(722,049)	(722,049)	(427,924)	294,125
Total other financing (uses)	(722,049)	(722,049)	(427,924)	294,125
SPECIAL ITEMS:				
Extraordinary item	-	-	(1,953,940)	(1,953,940)
Net change in fund balances	\$ (1,467,263)	\$ (1,467,263)	(1,810,745)	\$ (343,482)
FUND BALANCES:				
Beginning of year			1,810,745	
End of year			\$ -	

City of Antioch
Budgetary Comparison Schedule
ADA Project Area #3 Capital Projects Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Incremental property taxes	\$ 44,190	\$ 44,190	\$ 24,525	\$ (19,665)
Investment income and rentals	100	100	178	78
Total revenues	44,290	44,290	24,703	(19,587)
EXPENDITURES:				
Community development	101,039	101,039	177	100,862
REVENUES OVER (UNDER) EXPENDITURES	(56,749)	(56,749)	24,526	81,275
OTHER FINANCING (USES):				
Transfers (out)	(40,924)	(40,924)	(24,823)	16,101
Total other financing (uses)	(40,924)	(40,924)	(24,823)	16,101
SPECIAL ITEMS:				
Extraordinary item	-	-	(152,464)	(152,464)
Net change in fund balances	\$ (97,673)	\$ (97,673)	(152,761)	\$ (55,088)
FUND BALANCES:				
Beginning of year			152,761	
End of year			\$ -	

City of Antioch
Budgetary Comparison Schedule
ADA Project Area #4 Capital Projects Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Incremental property taxes	\$ 1,205,000	\$ 1,205,000	\$ 608,000	\$ (597,000)
Investment income and rentals	1,000	1,000	504	(496)
Total revenues	<u>1,206,000</u>	<u>1,206,000</u>	<u>608,504</u>	<u>(597,496)</u>
EXPENDITURES:				
Community development	830,949	830,949	3,978	826,971
REVENUES OVER (UNDER) EXPENDITURES	<u>375,051</u>	<u>375,051</u>	<u>604,526</u>	<u>229,475</u>
OTHER FINANCING (USES):				
Transfers (out)	(645,612)	(645,612)	(312,826)	332,786
Total other financing (uses)	<u>(645,612)</u>	<u>(645,612)</u>	<u>(312,826)</u>	<u>332,786</u>
SPECIAL ITEMS:				
Extraordinary item	-	-	(475,680)	(475,680)
Net change in fund balances	<u>\$ (270,561)</u>	<u>\$ (270,561)</u>	<u>(183,980)</u>	<u>\$ 86,581</u>
FUND BALANCES:				
Beginning of year			183,980	
End of year			<u>\$ -</u>	

City of Antioch
Budgetary Comparison Schedule
ADA Project Area #4.1 Capital Projects Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Incremental property taxes	\$ 634,035	\$ 634,035	\$ 334,984	\$ (299,051)
Investment income and rentals	1,500	1,500	478	(1,022)
Other	9,975	9,975	1,750	(8,225)
Total revenues	645,510	645,510	337,212	(308,298)
EXPENDITURES:				
Community development	453,930	453,930	1,218	452,712
Total expenditures	453,930	453,930	1,218	452,712
REVENUES OVER (UNDER) EXPENDITURES	191,580	191,580	335,994	144,414
OTHER FINANCING (USES):				
Transfers (out)	(262,854)	262,854	(105,441)	(368,295)
Total other financing (uses)	(262,854)	262,854	(105,441)	(368,295)
SPECIAL ITEMS:				
Extraordinary item	-	-	(443,016)	(443,016)
Net change in fund balances	\$ (71,274)	\$ 454,434	(212,463)	\$ (666,897)
FUND BALANCES:				
Beginning of year			212,463	
End of year			\$ -	

City of Antioch
Budgetary Comparison Schedule
Capital Improvement Capital Projects Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment income and rentals	\$ 3,000	\$ 3,000	\$ 6,199	\$ 3,199
Revenue from other agencies	934,253	1,342,463	579,012	(763,451)
Current service charges	25,000	5,904	4,820	(1,084)
Other	20,000	22,563	5,433	(17,130)
Total revenues	<u>982,253</u>	<u>1,373,930</u>	<u>595,464</u>	<u>(778,466)</u>
EXPENDITURES:				
Current:				
Public works	45,090	240,012	350,351	(110,339)
Capital outlay	1,194,253	2,699,434	790,060	1,909,374
Total expenditures	<u>1,239,343</u>	<u>2,939,446</u>	<u>1,140,411</u>	<u>1,799,035</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(257,090)</u>	<u>(1,565,516)</u>	<u>(544,947)</u>	<u>1,020,569</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	290,000	618,156	618,156	-
Total other financing sources (uses)	<u>290,000</u>	<u>618,156</u>	<u>618,156</u>	<u>-</u>
Net change in fund balances	<u>\$ 32,910</u>	<u>\$ (947,360)</u>	73,209	<u>\$ 1,020,569</u>
FUND BALANCES:				
Beginning of year			<u>1,106,759</u>	
End of year			<u>\$ 1,179,968</u>	

City of Antioch
Budgetary Comparison Schedule
Prewett Community Park Capital Projects Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment income and rentals	\$ -	\$ 1,800	\$ 1,762	\$ (38)
Revenue from other agencies	-	249,384	102,611	(146,773)
Total revenues	-	251,184	104,373	(146,811)
EXPENDITURES:				
Public works	24,755	242,061	95,503	146,558
Total expenditures	24,755	242,061	95,503	146,558
REVENUES OVER (UNDER) EXPENDITURES	(24,755)	9,123	8,870	(253)
Net change in fund balances	<u>\$ (24,755)</u>	<u>\$ 9,123</u>	8,870	<u>\$ (253)</u>
FUND BALANCES:				
Beginning of year			7,048	
End of year			<u>\$ 15,918</u>	

City of Antioch
Budgetary Comparison Schedule
Hillcrest District #26 Capital Projects Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment income and rentals	\$ 750	\$ 1,500	\$ 3,083	\$ 1,583
Current service charges	-	508	508	-
Total revenues	<u>750</u>	<u>2,008</u>	<u>3,591</u>	<u>1,583</u>
EXPENDITURES:				
Public works	44,484	14,894	14,696	198
Capital outlay	345,000	-	-	-
Total expenditures	<u>389,484</u>	<u>14,894</u>	<u>14,696</u>	<u>198</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(388,734)</u>	<u>(12,886)</u>	<u>(11,105)</u>	<u>1,781</u>
Net change in fund balances	<u><u>\$ (388,734)</u></u>	<u><u>\$ (12,886)</u></u>	<u>(11,105)</u>	<u><u>\$ 1,781</u></u>
FUND BALANCES:				
Beginning of year			<u>385,557</u>	
End of year			<u><u>\$ 374,452</u></u>	

City of Antioch
Budgetary Comparison Schedule
Lone Diamond Capital Projects Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment income and rentals	\$ 10,000	\$ 12,000	\$ 23,514	\$ 11,514
Current service charges	10,000	53,499	58,715	5,216
Other	-	1,193	1,193	-
Total revenues	20,000	66,692	83,422	16,730
EXPENDITURES:				
Public works	154,336	84,289	71,251	13,038
Capital outlay	1,000,000	10,000	2,776	7,224
Total expenditures	1,154,336	94,289	74,027	20,262
REVENUES OVER (UNDER) EXPENDITURES	(1,134,336)	(27,597)	9,395	36,992
Net change in fund balances	\$ (1,134,336)	\$ (27,597)	9,395	\$ 36,992
FUND BALANCES:				
Beginning of year			2,845,395	
End of year			\$ 2,854,790	

City of Antioch
Budgetary Comparison Schedule
Hillcrest Bridge District Capital Projects Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment income and rentals	\$ 250	\$ 250	\$ 284	\$ 34
Current service charges	-	14,986	17,018	2,032
Total revenues	250	15,236	17,302	2,066
EXPENDITURES:				
Public works	322	122	81	41
REVENUES OVER (UNDER) EXPENDITURES	(72)	15,114	17,221	2,107
Net change in fund balances	\$ (72)	\$ 15,114	17,221	\$ 2,107
FUND BALANCES:				
Beginning of year			21,944	
End of year			\$ 39,165	

City of Antioch
Budgetary Comparison Schedule
Residential Development Allocation Capital Projects Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment income and rentals	\$ 500	\$ 750	\$ 1,590	\$ 840
Other	-	-	12,000	12,000
Total revenues	<u>500</u>	<u>750</u>	<u>13,590</u>	<u>12,840</u>
EXPENDITURES:				
Community development	127,823	167,238	160,607	6,631
Total expenditures	<u>127,823</u>	<u>167,238</u>	<u>160,607</u>	<u>6,631</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(127,323)</u>	<u>(166,488)</u>	<u>(147,017)</u>	<u>19,471</u>
Net change in fund balances	<u><u>\$ (127,323)</u></u>	<u><u>\$ (166,488)</u></u>	<u>(147,017)</u>	<u><u>\$ 19,471</u></u>
FUND BALANCES:				
Beginning of year			<u>297,199</u>	
End of year			<u><u>\$ 150,182</u></u>	

INTERNAL SERVICE FUNDS

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

Vehicle Repair and Replacement

This fund accounts for the maintenance and replacement of vehicles and equipment used by all City departments. The source of revenue for this fund is rental fees charged to the various departments.

Office Equipment Replacement

This fund accounts for the costs incurred for the operation, maintenance, and replacement of office equipment used by City departments. The source of revenue for this fund is rental fees charged to the various user departments.

Post Retirement Medical

These funds are used to pay post retirement medical benefits for retirees under the following categories: Miscellaneous, Police, and Management employees.

Loss Control Fund

These funds are used to pay workers' compensation insurance premiums and the salary of the administrative analyst.

City of Antioch
Combining Statement of Net Assets
Internal Services Funds
June 30, 2012

	Vehicle Repair & Replacement	Office Equipment Replacement	Post Retirement Medical		
			Miscellaneous	Police	Management
ASSETS					
Current assets:					
Cash and investments	\$ 1,218,317	\$ 1,103,615	\$ -	\$ -	\$ 22,139
Accounts receivable, net	114,829	13,964	-	-	-
Due from other funds	-	-	-	-	-
Materials, parts and supplies	122,793	-	-	-	-
Prepaid items	-	46,378	23,450	24,542	45,138
Total current assets	1,455,939	1,163,957	23,450	24,542	67,277
Noncurrent assets:					
Net OPEB asset	-	-	903,114	-	806,004
Capital assets:					
Vehicles and equipment	7,496,683	2,747,580	-	-	-
Less accumulated depreciation	(6,403,109)	(2,178,242)	-	-	-
Net capital assets	1,093,574	569,338	-	-	-
Total assets	2,549,513	1,733,295	926,564	24,542	873,281
LIABILITIES					
Current liabilities:					
Accounts payable	54,483	55,027	-	161	970
Accrued payroll	9,690	22,461	-	-	-
Due to other funds	-	-	47,734	28,082	-
Current portion of compensated absences	1,025	6,462	-	-	-
Total current liabilities	65,198	83,950	47,734	28,243	970
Long-term liabilities:					
Compensated absences	9,226	58,156	-	-	-
Net OPEB obligation	-	-	-	1,054,192	-
Total long-term liabilities	9,226	58,156	-	1,054,192	-
Total liabilities	74,424	142,106	47,734	1,082,435	970
NET ASSETS					
Investment in capital assets, net of related debt	1,093,574	569,338	-	-	-
Unrestricted	1,381,515	1,021,851	878,830	(1,057,893)	872,311
Total net assets	\$ 2,475,089	\$ 1,591,189	\$ 878,830	\$ (1,057,893)	\$ 872,311

Loss			
Control		Total	
\$ 403,117		\$ 2,747,188	
-		128,793	
75,816		75,816	
-		122,793	
-		139,508	
<u>478,933</u>		<u>3,214,098</u>	
-		1,709,118	
-		10,244,263	
-		(8,581,351)	
-		<u>1,662,912</u>	
<u>478,933</u>		<u>6,586,128</u>	
21		110,662	
-		32,151	
-		75,816	
-		7,487	
<u>21</u>		<u>226,116</u>	
-		67,382	
-		<u>1,054,192</u>	
-		<u>1,121,574</u>	
<u>21</u>		<u>1,347,690</u>	
-		1,662,912	
<u>478,912</u>		<u>3,575,526</u>	
<u>\$ 478,912</u>		<u>\$ 5,238,438</u>	

City of Antioch
Combining Statement of Revenues, Expenses and Changes in Net Assets
Internal Services Funds
For the Fiscal Year Ended June 30, 2012

	Vehicle Repair & Replacement	Office Equipment Replacement	Post Retirement Medical		
			Miscellaneous	Police	Management
OPERATING REVENUES:					
Charges for services	\$ 1,112,044	\$ 1,202,972	\$ 282,214	\$ 324,940	\$ 435,414
Other revenue	42,502	123	2,766	638	187,263
Total operating revenues	1,154,546	1,203,095	284,980	325,578	622,677
OPERATING EXPENSES:					
Wages and benefits	320,838	696,598	279,464	292,750	539,505
Contractual services	225,416	475,095	108,680	917,491	9,070
Tools and supplies	503,613	52,281	-	-	-
Depreciation	349,601	57,925	-	-	-
Repairs and maintenance	253,863	48,971	-	-	-
Total operating expenses	1,653,331	1,330,870	388,144	1,210,241	548,575
OPERATING INCOME (LOSS)	(498,785)	(127,775)	(103,164)	(884,663)	74,102
NONOPERATING REVENUES:					
Gain on sale of property	91,202	-	-	-	-
Investment income	10,171	7,729	6,669	(473)	5,715
Total nonoperating revenues	101,373	7,729	6,669	(473)	5,715
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS					
CONTRIBUTIONS AND TRANSFERS	(397,412)	(120,046)	(96,495)	(885,136)	79,817
Capital contribution - City	-	9,704	-	-	-
Transfers in	-	246,142	-	-	59,865
Transfers (out)	-	-	-	(59,865)	-
Net income (loss)	(397,412)	135,800	(96,495)	(945,001)	139,682
NET ASSETS:					
Beginning of year	2,872,501	1,455,389	975,325	(112,892)	732,629
End of year	\$ 2,475,089	\$ 1,591,189	\$ 878,830	\$ (1,057,893)	\$ 872,311

Loss	
Control	Total
\$ 736,381	\$ 4,093,965
925	234,217
<u>737,306</u>	<u>4,328,182</u>
11,364	2,140,519
237,957	1,973,709
727	556,621
-	407,526
-	302,834
<u>250,048</u>	<u>5,381,209</u>
<u>487,258</u>	<u>(1,053,027)</u>
-	91,202
3,412	33,223
<u>3,412</u>	<u>124,425</u>
490,670	(928,602)
-	9,704
-	306,007
-	(59,865)
<u>490,670</u>	<u>(672,756)</u>
(11,758)	5,911,194
<u>\$ 478,912</u>	<u>\$ 5,238,438</u>

City of Antioch
Combining Statement of Cash Flows
Internal Services Funds
For the Fiscal Year Ended June 30, 2012

	Vehicle Repair & Replacement	Office Equipment Replacement	Post Retirement Medical		
			Miscellaneous	Police	Management
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash receipt from other funds	\$ 1,041,532	\$ 1,200,435	\$ 410,010	\$ 1,317,743	\$ 645,243
Cash payment to suppliers for goods and services	(1,050,365)	(593,130)	(109,044)	(917,580)	(9,371)
Cash payment to employees for services	(319,556)	(685,179)	(279,464)	(292,750)	(539,505)
Net cash provided by (used in) operating activities	(328,389)	(77,874)	21,502	107,413	96,367
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Due to other funds	-	-	(28,171)	(47,075)	(139,808)
Due from other funds	-	290,870	-	-	-
Transfers in	-	246,142	-	-	59,865
Transfers (out)	-	-	-	(59,865)	-
Net cash provided by (used in) noncapital financing activities	-	537,012	(28,171)	(106,940)	(79,943)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital asset additions	(220,456)	(71,402)	-	-	-
Capital contributions	-	9,704	-	-	-
Proceeds from sale of capital assets	91,202	-	-	-	-
Net cash provided by (used in) capital and related financing activities	(129,254)	(61,698)	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest received (paid)	10,171	7,729	6,669	(473)	5,715
Net cash provided by (used in) investing activities	10,171	7,729	6,669	(473)	5,715
Net change in cash and cash equivalents	(447,472)	405,169	-	-	22,139
Cash and cash equivalents, beginning of year	1,665,789	698,446	-	-	-
Cash and cash equivalents, end of year	<u>\$ 1,218,317</u>	<u>\$ 1,103,615</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,139</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:					
Operating income (loss)	\$ (498,785)	\$ (127,775)	\$ (103,164)	\$ (884,663)	\$ 74,102
Adjustments to reconcile operating income (loss) to cash flows from operating activities:					
Depreciation	349,601	57,925	-	-	-
Decrease (increase) in:					
Accounts receivable	(113,014)	(2,660)	22,717	79,486	205,786
Materials, parts, and supplies	(74,351)	-	-	-	-
OPEB asset	-	-	102,313	-	(183,220)
OPEB obligation	-	-	-	912,679	-
Prepaid items	-	(39,857)	(364)	(250)	(1,271)
Increase (decrease) in:					
Accounts payable	6,878	23,074	-	161	970
Accrued payroll	1,054	3,777	-	-	-
Accrued compensated absences	228	7,642	-	-	-
Net cash provided by (used in) operating activities	\$ (328,389)	\$ (77,874)	\$ 21,502	\$ 107,413	\$ 96,367

Loss Control	Total
\$ 737,306	\$ 5,352,269
(242,797)	(2,922,287)
(18,989)	(2,135,443)
<u>475,520</u>	<u>294,539</u>

-	(215,054)
(75,816)	215,054
-	306,007
-	(59,865)
<u>(75,816)</u>	<u>246,142</u>

-	(291,858)
-	9,704
-	91,202
<u>-</u>	<u>(190,952)</u>

3,412	33,223
<u>3,412</u>	<u>33,223</u>
403,116	382,952
1	2,364,236
<u>\$ 403,117</u>	<u>\$ 2,747,188</u>

\$ 487,258	\$ (1,053,027)
-	407,526
-	192,315
-	(74,351)
-	(80,907)
-	912,679
-	(41,742)
(4,113)	26,970
(3,459)	1,372
(4,166)	3,704
<u>\$ 475,520</u>	<u>\$ 294,539</u>

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AGENCY FUNDS

Agency Funds account for assets held by a governmental unit in the capacity of agent for individuals, governmental entities, and nonpublic organizations.

Employee Benefits

This fund serves as a clearing account for certain employee benefits. Funds come from payroll expenditures and are disbursed to the different employee benefit providers.

Storm Drain Districts D55 and D56

The City collects storm drain fees from developers and builders. This fund accounts for all the fees collected and sent to the County on quarterly basis. The City receives an administrative fee equal to 0.5% of the total fees collected.

Refundable Cash Bond

The Engineering Department requires developers to post a bond for certain projects. This fund serves as a holding account for the bonds issued and deposited in a noninterest bearing checking account.

Assessment District Without City Commitment

These funds account for all money collected to pay for debt service of the various assessment districts for which the City acts as paying agent but has no legal commitment or obligation.

Fire Protection

The City has entered into an agreement with the Contra Costa Consolidated Fire District whereby the City collects fire protection facility fees from developers based on the number of units built. Fees are to provide fire protection facilities only.

East County Water Management Association

The Governing Board of the East County Water Management Association has authorized the City to account for the financial operations of the association. The City's Finance Director uses this fund to record collections and disbursements of funds as authorized by the Association.

City of Antioch
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2012

	Balance June 30, 2011	Additions	Deductions	Balance June 30, 2012
Employee Benefits				
Assets:				
Cash and investments	\$ 104,063	\$ 58,991	\$ (50,019)	\$ 113,035
Accounts receivable	13	771	(784)	-
Total assets	\$ 104,076	\$ 59,762	\$ (50,803)	\$ 113,035
Liabilities:				
Accounts payable	\$ 50,019	\$ 59,762	\$ (50,019)	\$ 59,762
Due to others	54,057	-	(784)	53,273
Total Liabilities	\$ 104,076	\$ 59,762	\$ (50,803)	\$ 113,035
Storm Drain Districts D55 & D56				
Assets:				
Cash and investments	\$ -	\$ 71,291	\$ (71,291)	\$ -
Liabilities:				
Accounts payable	\$ -	\$ 71,291	\$ (71,291)	\$ -
Refundable Cash Bond				
Assets:				
Cash and investments	\$ 618,945	\$ 159,194	\$ (132,010)	\$ 646,129
Liabilities:				
Accounts payable	-	-	-	\$ -
Due to others	618,945	159,194	(132,010)	646,129
Total Liabilities	\$ 618,945	\$ 159,194	\$ (132,010)	\$ 646,129
Assessment Districts Without City Commitment				
Assets:				
Cash and investments	\$ 553,237	\$ 1,020,045	\$ (1,472,695)	\$ 100,587
Assessment receivable	338,582	-	(338,582)	-
Interest receivable	57,371	57,959	(57,371)	57,959
Prepaid items	-	1,958	-	1,958
Restricted cash and investments	8,886,114	16,062,357	(14,984,820)	9,963,651
Total assets	\$ 9,835,304	\$ 17,142,319	\$ (16,853,468)	\$ 10,124,155
Liabilities:				
Due to others	\$ 9,835,304	\$ 17,142,319	\$ (16,853,468)	\$ 10,124,155

City of Antioch
Combining Statement of Changes in Assets and Liabilities
Agency Funds, Continued
For the Fiscal Year ended June 30, 2012

	Balance June 30, 2011	Additions	Deductions	Balance June 30, 2012
Fire Protection				
Assets:				
Cash and investments	\$ 289,619	\$ 109,146	\$ (326,556)	\$ 72,209
	<u>\$ 289,619</u>	<u>\$ 109,146</u>	<u>\$ (326,556)</u>	<u>\$ 72,209</u>
Liabilities:				
Due to others	\$ 289,619	\$ 109,146	\$ (326,556)	\$ 72,209
Total liabilities	<u>\$ 289,619</u>	<u>\$ 109,146</u>	<u>\$ (326,556)</u>	<u>\$ 72,209</u>
ECWMA				
Assets:				
Cash and investments	\$ 6,578	\$ 50	\$ (3,396)	\$ 3,232
	<u>\$ 6,578</u>	<u>\$ 50</u>	<u>\$ (3,396)</u>	<u>\$ 3,232</u>
Liabilities:				
Due to others	\$ 6,578	\$ 50	\$ (3,396)	\$ 3,232
	<u>\$ 6,578</u>	<u>\$ 50</u>	<u>\$ (3,396)</u>	<u>\$ 3,232</u>
Total - All Agency Funds				
Assets:				
Cash and investments	\$ 1,572,442	\$ 1,418,717	\$ (2,055,967)	\$ 935,192
Accounts receivable	13	771	(784)	-
Assessment receivable	338,582	-	(338,582)	-
Interest receivable	57,371	57,959	(57,371)	57,959
Prepaid items	-	1,958	-	1,958
Restricted cash and investments	8,886,114	16,062,357	(14,984,820)	9,963,651
Total assets	<u>\$ 10,854,522</u>	<u>\$ 17,541,762</u>	<u>\$ (17,437,524)</u>	<u>\$ 10,958,760</u>
Liabilities:				
Accounts payable	\$ 50,019	\$ 131,053	\$ (121,310)	\$ 59,762
Due to others	10,804,503	17,410,709	(17,316,214)	10,898,998
Total liabilities	<u>\$ 10,854,522</u>	<u>\$ 17,541,762</u>	<u>\$ (17,437,524)</u>	<u>\$ 10,958,760</u>

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STATISTICAL SECTION

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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

CITY OF ANTIOCH
Net Assets by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities										
Invested in capital assets, net of related debt	\$259,028	\$260,336	\$257,475	\$257,715	\$266,225	\$280,385	\$279,610	\$292,426	\$295,764	\$302,099
Restricted	40,894	39,252	34,636	37,170	39,373	44,710	46,710	44,812	48,611	43,431
Unrestricted	<u>19,068</u>	<u>18,500</u>	<u>38,648</u>	<u>43,967</u>	<u>40,466</u>	<u>27,922</u>	<u>22,500</u>	<u>19,453</u>	<u>14,010</u>	<u>21,104</u>
Total governmental activities net assets	<u>\$318,990</u>	<u>\$318,088</u>	<u>\$330,759</u>	<u>\$338,852</u>	<u>\$346,064</u>	<u>\$353,017</u>	<u>\$348,820</u>	<u>\$356,691</u>	<u>\$358,385</u>	<u>\$366,634</u>
Business-type activities										
Invested in capital assets, net of related debt	\$98,252	\$108,023	\$119,887	\$125,699	\$144,521	\$149,526	\$150,985	\$149,207	\$150,008	\$149,127
Restricted	3,374	3,293	3,629	3,644	2,414	2,655	2,456	1,673	1,476	1,554
Unrestricted	<u>37,088</u>	<u>34,568</u>	<u>32,526</u>	<u>32,791</u>	<u>22,087</u>	<u>21,210</u>	<u>21,979</u>	<u>25,411</u>	<u>31,856</u>	<u>33,195</u>
Total business-type activities net assets	<u>\$138,714</u>	<u>\$145,884</u>	<u>\$156,042</u>	<u>\$162,134</u>	<u>\$169,022</u>	<u>\$173,391</u>	<u>\$175,420</u>	<u>\$176,291</u>	<u>\$183,340</u>	<u>\$183,876</u>
Primary government										
Invested in capital assets, net of related debt	\$357,280	\$368,359	\$377,362	\$383,414	\$410,746	\$429,911	\$430,595	\$441,633	\$445,772	\$451,226
Restricted	44,268	42,545	38,265	40,814	41,788	47,365	49,166	46,485	50,087	44,985
Unrestricted	<u>56,156</u>	<u>53,068</u>	<u>71,174</u>	<u>76,758</u>	<u>62,553</u>	<u>49,132</u>	<u>44,479</u>	<u>44,864</u>	<u>45,866</u>	<u>54,299</u>
Total primary government net assets	<u>\$457,704</u>	<u>\$463,972</u>	<u>\$486,801</u>	<u>\$500,986</u>	<u>\$515,087</u>	<u>\$526,408</u>	<u>\$524,240</u>	<u>\$532,982</u>	<u>\$541,725</u>	<u>\$550,510</u>

Source: City of Antioch Annual Financial Report

CITY OF ANTIOCH
Changes in Net Assets
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental activities:										
General government	\$5,711	\$6,032	\$7,510	\$6,560	\$9,038	\$8,926	\$9,338	\$7,379	\$6,640	\$6,736
Public works	11,909	19,232	15,349	14,254	15,109	15,764	19,452	13,305	16,147	13,671
Public safety	18,480	19,619	20,941	22,721	24,716	28,875	30,296	28,228	26,376	25,637
Parks and recreation	2,955	3,051	3,629	3,942	4,489	4,401	4,497	4,397	4,203	4,134
Community development	6,982	8,628	7,969	6,846	8,323	8,905	8,683	8,052	7,013	3,204
Interest on long-term liabilities	2,303	2,479	2,438	2,381	2,298	2,251	2,195	2,206	2,316	1,865
Total governmental activities	<u>48,340</u>	<u>59,041</u>	<u>57,836</u>	<u>56,704</u>	<u>63,973</u>	<u>69,122</u>	<u>74,461</u>	<u>63,567</u>	<u>62,695</u>	<u>55,247</u>
Business-type activities										
Water	17,459	17,698	18,043	17,827	20,415	23,087	22,900	20,371	18,948	25,244
Sewer	2,521	3,331	3,331	2,900	2,509	2,820	2,973	3,464	3,118	3,112
Marina	746	1,045	1,092	1,133	1,180	1,208	1,175	1,012	1,005	1,050
Prewett Water Park	1,592	1,575	1,708	1,845	1,922	2,089	2,299	2,084	1,740	1,762
Total business-type activities	<u>22,318</u>	<u>23,649</u>	<u>24,174</u>	<u>23,705</u>	<u>26,026</u>	<u>29,204</u>	<u>29,347</u>	<u>26,931</u>	<u>24,811</u>	<u>31,168</u>
Total primary government expenses	<u>70,658</u>	<u>82,690</u>	<u>82,010</u>	<u>80,409</u>	<u>89,999</u>	<u>98,326</u>	<u>103,808</u>	<u>90,498</u>	<u>87,506</u>	<u>86,415</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	14	386	55	50	2,548	1,645	2,850	2,536	1,360	1,474
Public works	213	747	1,559	1,180	993	3,012	1,572	2,895	3,369	2,429
Public safety	1,656	1,467	1,126	1,336	1,408	1,346	1,621	1,678	1,270	1,254
Community development	2,747	2,861	4,099	3,625	3,814	4,208	2,755	1,262	1,147	2,018
Other activities	1,879	2,034	2,269	2,541	2,779	687	637	646	560	701
Operating grants and contributions	7,653	8,646	5,706	5,609	7,303	7,772	6,136	5,971	9,846	9,802
Capital grants and contributions	4,404	5,119	19,409	4,088	2,974	7,856	8,789	17,425	8,568	1,896
Total governmental activities program revenues	<u>18,566</u>	<u>21,260</u>	<u>34,223</u>	<u>18,429</u>	<u>21,819</u>	<u>26,526</u>	<u>24,360</u>	<u>32,413</u>	<u>26,120</u>	<u>19,574</u>
Business-type activities:										
Fines, forfeitures and charges for services										
Water	18,857	20,508	19,018	19,364	20,906	20,842	20,180	19,293	21,687	23,395
Sewer	1,880	2,529	3,646	3,902	3,744	3,738	3,816	4,050	4,320	4,453
Marina	708	724	163	763	749	807	811	711	658	681
Prewett Water Park	718	668	703	825	812	835	955	927	1,040	910
Capital grants and contributions:										
Water	4,038	3,485	4,443	2,535	1,532	2,449	1,214	918	1,159	939
Sewer	4,192	3,537	6,105	2,394	2,276	2,714	1,397	714	1,004	393
Total business-type activities program revenues	<u>30,393</u>	<u>31,451</u>	<u>34,078</u>	<u>29,783</u>	<u>30,019</u>	<u>31,385</u>	<u>28,373</u>	<u>26,613</u>	<u>29,868</u>	<u>30,771</u>
Total primary government program revenues	<u>48,959</u>	<u>52,711</u>	<u>68,301</u>	<u>48,212</u>	<u>51,838</u>	<u>57,911</u>	<u>52,733</u>	<u>59,026</u>	<u>55,988</u>	<u>50,345</u>
Net (expense)/revenue										
Governmental activities	-29,774	-37,781	-23,613	-38,275	-42,154	-42,596	-50,101	-31,154	-36,575	-35,673
Business-type activities	8,075	7,802	9,904	6,078	3,993	2,181	-974	-318	5,057	-397
Total primary government net expense	<u>-21,699</u>	<u>-29,979</u>	<u>-13,709</u>	<u>-32,197</u>	<u>-38,161</u>	<u>-40,415</u>	<u>-51,075</u>	<u>-31,472</u>	<u>-31,518</u>	<u>-36,070</u>

CITY OF ANTIOCH
Changes in Net Assets
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands) - Continued

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Revenues and Other Changes										
In Net Assets										
Governmental activities:										
Taxes:										
Property taxes	11,624	12,759	14,074	15,912	18,284	18,576	17,927	15,381	14,425	10,638
Transient lodging tax	398	281	308	327	372	360	242	113	80	120
Franchise	1,928	2,024	2,055	2,410	2,889	3,595	3,466	4,172	3,901	4,166
Business license fees based on gross receipts	904	1,074	1,075	1,194	1,150	1,243	1,024	1,084	1,010	1,048
Property transfer taxes	638	697	989	875	508	333	432	344	255	283
Other	111	0	0	0	0	0	0	0	0	0
Sales and use tax	8,845	9,372	10,945	11,071	11,843	11,725	9,909	9,476	9,340	10,476
Motor vehicle in lieu	5,580	4,510	5,969	9,039	8,031	8,356	7,538	5,928	5,823	5,025
Park in lieu	612	145	682	586	283	148	388	49	45	215
Investment income not restricted	3,383	597	1,802	1,522	3,237	3,508	2,042	595	454	355
Donated capital assets	0	0	0	0	0	0	0	0	0	0
Other	529	4,519	1,224	3,187	2,344	2,391	3,900	1,881	2,867	2,765
Contribution from Successor Agency Trust	0	0	0	0	0	0	0	0	0	638
Extraordinary items - Redevelopment Dissolution	0	0	0	0	0	0	0	0	0	7,719
Transfers	2,257	902	1,208	1,089	426	-687	-965	3	69	473
Total government activities	<u>36,809</u>	<u>36,880</u>	<u>40,331</u>	<u>47,212</u>	<u>49,367</u>	<u>49,548</u>	<u>45,903</u>	<u>39,026</u>	<u>38,269</u>	<u>43,921</u>
Business-type activities:										
Investment income not restricted	1,676	269	1,404	815	1,590	1,305	825	360	349	315
Other	1,687	0	59	288	305	193	1,214	831	1,711	1,091
Transfers	-2,257	-902	-1,208	-1,089	-426	687	965	-3	-69	-473
Total business type activities	<u>1,106</u>	<u>-633</u>	<u>255</u>	<u>14</u>	<u>1,469</u>	<u>2,185</u>	<u>3,004</u>	<u>1,188</u>	<u>1,991</u>	<u>933</u>
Total primary government	<u><u>37,915</u></u>	<u><u>36,247</u></u>	<u><u>40,586</u></u>	<u><u>47,226</u></u>	<u><u>50,836</u></u>	<u><u>51,733</u></u>	<u><u>48,907</u></u>	<u><u>40,214</u></u>	<u><u>40,260</u></u>	<u><u>44,854</u></u>
Change in Net Assets										
Governmental activities	7,035	-901	16,718	8,937	7,213	6,952	-4,198	7,872	1,694	8,248
Business-type activities	9,181	7,169	10,159	6,092	5,462	4,366	2,030	870	7,048	536
Total primary government	<u><u>\$16,216</u></u>	<u><u>\$6,268</u></u>	<u><u>\$26,877</u></u>	<u><u>\$15,029</u></u>	<u><u>\$12,675</u></u>	<u><u>\$11,318</u></u>	<u><u>-\$2,168</u></u>	<u><u>\$8,742</u></u>	<u><u>\$8,742</u></u>	<u><u>\$8,784</u></u>

Source: City of Antioch Financial Report

CITY OF ANTIOCH
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Reserved	\$163	\$121	\$167	\$48	\$239	\$872	\$894	\$259	\$ -	\$ -
Unreserved	6,815	5,552	6,074	8,686	11,694	8,534	4,392	5,488	-	-
Nonspendable	-	-	-	-	-	-	-	-	34	60
Committed	-	-	-	-	-	-	-	-	102	94
Assigned	-	-	-	-	-	-	-	-	92	298
Unassigned	-	-	-	-	-	-	-	-	6,557	8,037
Total general fund	\$6,978	\$5,673	\$6,241	\$8,734	\$11,933	\$9,406	\$5,286	\$5,747	\$6,785	\$8,489
All other governmental funds										
Reserved	\$25,495	\$20,030	\$18,597	\$20,473	\$23,095	\$22,507	\$15,430	\$13,428	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	15,864	16,887	17,049	16,206	13,409	14,912	18,253	20,496	-	-
Capital projects funds	695	585	11,351	12,175	6,611	2,912	3,767	2,034	-	-
Nonspendable	-	-	-	-	-	-	-	-	3,562	35
Restricted	-	-	-	-	-	-	-	-	21,494	23,294
Committed	-	-	-	-	-	-	-	-	5,566	6,017
Assigned	-	-	-	-	-	-	-	-	4,675	4,636
Unassigned	-	-	-	-	-	-	-	-	-2,412	0
Total all other governmental funds	\$42,054	\$37,502	\$46,997	\$48,854	\$43,115	\$40,331	\$37,450	\$35,958	\$32,885	\$33,982

Note: Fiscal years 2002 through 2010 are pre-implementation of GASB 54. Fiscal year 2011 represents new fund balance classifications post implementation of GASB 54.

Source: City of Antioch Annual Financial Report

CITY OF ANTIOCH
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Taxes	\$32,187	\$33,061	\$37,293	\$42,675	\$44,917	\$45,979	\$42,165	\$37,744	\$37,384	\$34,424
Licenses and permits	1,554	1,450	1,763	1,684	1,463	1,400	735	857	798	1,096
Fines and penalties	357	358	392	376	301	214	362	306	189	154
Investment income and rentals	3,080	809	1,547	1,991	3,480	3,794	2,491	1,380	1,064	1,065
Revenue from other agencies	4,685	7,643	4,063	4,457	5,722	7,756	10,667	20,602	14,699	8,470
Current service charges	4,244	4,476	5,737	5,361	13,229	11,614	11,106	9,418	8,391	8,323
Special assessment revenue	1,718	1,917	2,379	2,699	2,845	2,802	2,731	2,793	2,775	2,879
Other	863	3,500	13,076	3,768	1,634	1,575	3,852	1,161	2,253	2,315
Total Revenues	48,688	53,214	66,250	63,011	73,591	75,134	74,109	74,261	67,553	58,726
Expenditures										
Current:										
General government	5,624	5,531	5,993	7,434	8,738	8,331	8,976	6,971	6,073	5,702
Public works	6,884	7,405	8,748	7,586	9,233	9,269	12,888	7,159	8,587	6,652
Public safety	17,592	19,484	20,209	22,413	26,159	29,629	31,202	29,340	26,928	26,065
Parks and recreation	2,711	2,752	3,251	3,560	4,365	4,076	4,023	3,776	3,594	3,641
Community development	8,363	8,980	8,939	8,902	10,557	11,390	11,308	9,685	8,856	3,968
Capital outlay	13,869	13,432	6,853	6,140	13,739	13,840	8,176	20,331	13,183	4,614
Debt service:										
Principal retirement	1,027	674	957	1,377	1,249	1,170	1,255	1,345	1,764	2,115
Interest	2,073	2,430	2,391	2,337	2,271	2,219	2,167	2,133	2,290	1,999
Fiscal charges	24	13	15	15	15	16	14	14	19	18
Bond issuance costs	168	0	0	0	0	0	0	29	0	0
Payment to advance refunding escrow	0	0	0	0	0	0	0	0	0	0
Total Expenditures	58,335	60,701	57,356	59,764	76,326	79,940	80,009	80,783	71,294	54,774
Excess (deficiency) of revenues over (under) expenditures	-9,647	-7,487	8,894	3,247	-2,735	-4,806	-5,900	-6,522	-3,741	3,952
Other financing sources (uses)										
Transfers in	12,331	17,066	10,653	10,573	12,208	13,212	13,130	12,380	11,264	9,438
Transfer out	-10,278	-15,435	-9,483	-9,471	-12,011	-13,717	-14,231	-11,147	-11,430	-9,285
Capital lease	0	0	0	0	0	0	0	2,177	1,873	0
Proceeds of bonds	14,375	0	0	0	0	0	0	2,081	0	0
Debt premium	153	0	0	0	0	0	0	0	0	0
Payment to refunded bond escrow agent	-14,311	0	0	0	0	0	0	0	0	0
Contribution from Successor Agency Trust	0	0	0	0	0	0	0	0	0	638
Extraordinary item	0	0	0	0	0	0	0	0	0	-1,942
Total other financing sources (uses)	2,270	1,631	1,170	1,102	197	-505	-1,101	5,491	1,707	-1,151
Net change in fund balances	-\$7,377	-\$5,856	\$10,064	\$4,349	-\$2,538	-\$5,311	-\$7,001	-\$1,031	-\$2,034	\$2,801
Debt service as a percentage of non-capital expenditures	6.97%	6.57%	6.63%	6.93%	5.62%	5.13%	4.76%	5.75%	6.98%	8.20%

Source: City of Antioch Annual Financial Report

CITY OF ANTIOCH
Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years - General Fund
(modified accrual basis of accounting)
(amounts expressed in thousands)

Fiscal Year	Property Tax	Sales Tax	Motor Vehicle In Lieu Tax (VLF)	Gax Tax	Transient Lodging Tax	Franchise Taxes	Business License Tax	Property Transfer Tax	Total
2003	\$ 6,440	\$ 9,307	\$ 5,580	\$ 1,807	\$ 166	\$ 1,928	\$ 904	\$ 638	\$ 26,770
2004	7,190	9,862	4,510	1,854	197	2,024	1,074	697	27,408
2005	14,074	10,945	5,969	1,878	308	2,055	1,075	989	37,293
2006	15,912	11,071	9,039	1,848	327	2,410	1,194	875	42,676
2007	18,284	11,843	8,031	1,840	372	2,888	1,151	508	44,917
2008	18,577	11,725	8,355	1,790	170	3,596	1,243	333	45,789
2009	17,927	9,909	7,537	1,627	242	3,466	1,024	432	42,164
2010	15,381	9,476	5,928	1,660	113	3,757	1,084	344	37,743
2011	14,425	9,340	5,823	2,550	80	3,900	1,010	255	37,383
2012	10,638	10,476	5,025	2,876	120	3,958	1,048	283	34,424

Source: City of Antioch Annual Financial Report

CITY OF ANTIOCH
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)

Fiscal Year	Total Secured Tax Roll	Unsecured Tax Roll	Less Homeowners' Exemptions	Less Other Tax Exempt Property	Total Taxable Assessed Value	Less Redevelopment Assessed Valuation	Value of Taxable Property
2003	\$ 6,185,975	\$ 162,900	\$ (138,412)	\$ (173,556)	\$ 6,036,907	\$ (498,164)	\$ 5,538,743
2004	6,944,785	160,438	-141,982	-174,688	6,788,553	-526,264	6,262,289
2005	7,650,995	169,357	-140,839	-187,641	7,491,872	-537,174	6,954,698
2006	8,609,319	179,497	-137,104	-191,490	8,460,222	-601,289	7,858,933
2007	9,883,012	183,270	-131,886	-197,614	9,736,782	-654,506	9,082,276
2008	10,949,191	178,902	-128,392	-533,214	10,466,487	-704,753	9,761,734
2009	10,108,077	224,814	-126,214	-674,711	9,531,966	-754,155	8,777,811
2010	8,011,789	235,898	-123,979	-687,894	7,435,814	-765,856	6,669,958
2011	7,662,034	220,183	-121,652	-691,413	7,069,152	-724,248	6,344,904
2012	7,155,541	205,339	-116,601	-683,407	6,560,872	-691,917	5,868,955

NOTE: In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold.

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 annual calculation, to all the taxing entities within a tax rate area. The City of Antioch includes 39 tax rate areas.

Source: Contra Costa County Certificate of Assessed Valuations

City of Antioch
Principal Property Taxpayers
FY 2011-12 Compared To FY 2002-03
(amounts expressed in thousands, except for Rank and Percentages)

2011-2012 Local Secured Assessed Valuation - \$7,151,957,250

Taxpayer	2012			2003		
	Total Secured Assessed Value (A)	Rank	Percentage of Total Secured Assessed Value	Total Secured Assessed Value	Rank	Percentage of Total Secured Assessed Value
Kaiser Foundation Hospitals/Health Plan	427,752,729	1	5.981%	26,370,576	4	0.447%
Sutter East Bay Hospital	117,843,295	2	1.648%	48,586,428	1	0.824%
Inland America & Stephens LLC	32,731,965	3	0.458%	0.00		0.000%
Sequoia Equities - Cross Pointe	32,681,760	4	0.457%	0.00		0.000%
Runaway Bay LLC	26,766,259	5	0.374%	0.00		0.000%
Camden Village LLC	23,654,000	6	0.331%	0.00		0.000%
Costco Wholesale Corporation	20,463,000	7	0.286%	0.00		0.000%
Georgia-Pacific Gypsum LLC	20,094,051	8	0.281%	0.00		0.000%
Lakeshore Antioch	18,219,591	9	0.255%	0.00		0.000%
DS Founders LLC	17,553,883	10	0.245%	0.00		0.000%
GWF Power Systems Limited Partnership	0.00		0.000%	43,277,824	2	0.734%
GWF Power Systems Company	0.00		0.000%	35,801,925	3	0.607%
Millbrae Square Co., LLC	0.00		0.000%	20,363,336	5	0.345%
Delta Square-Oxford LP	0.00		0.000%	19,624,703	6	0.333%
Macerich Partnership	0.00		0.000%	19,515,335	7	0.331%
McBail Company	0.00		0.000%	19,199,541	8	0.326%
Gaylord Container Corporation	0.00		0.000%	16,276,725	9	0.276%
Wal-Mart Real Estate	0.00		0.000%	15,468,665	10	0.262%
	<u>\$737,760,533</u>		<u>10.316%</u>	<u>\$264,485,058</u>		<u>4.485%</u>

The amounts shown above include assessed value data for both the City and the Antioch Development Agency

(A) Amounts listed for top ten taxpayers only.

Source: County Assessor's Office via ParcelQuest

**CITY OF ANTIOCH
PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year	Basic County Wide Levy	BART	East Bay Regional Park	Community College 2002 Bonds	Community College 2006 Bonds	Total
2003	1.0000	-	0.0065	0.0040	-	1.0105
2004	1.0000	-	0.0057	0.0038	-	1.0095
2005	1.0000	-	0.0057	0.0042	-	1.0099
2006	1.0000	0.0048	0.0057	0.0047	-	1.0152
2007	1.0000	0.0076	0.0080	0.0038	0.0070	1.0264
2008	1.0000	0.0076	0.0080	0.0038	0.0070	1.0264
2009	1.0000	0.0090	0.01	0.0040	0.0026	1.0256
2010	1.0000	0.0057	0.0108	0.0046	0.008	1.0219
2011	1.0000	0.0031	0.0084	0.0049	0.0084	1.0248
2012	1.0000	0.0041	0.0071	0.0049	0.0095	1.0256

Source: Contra Cost County Assessors Office

City of Antioch
Property Tax Levies and Collections (1)
Last Ten Fiscal Years
(in thousands of dollars)

Fiscal Year	City Property Tax Levied and Collected	Development Agency Property Tax Levied and Collected	Total Tax Levied and Collected	Value of City Property Subject To Local Tax Rate	Value of Development Agency Property Subject to Local Tax Rate	Total Value of Property Subject To Local Tax Rate
2003	17,615	5,157	22,772	5,538,741	498,164	6,036,905
2004	18,625	5,539	24,164	6,262,289	526,264	6,788,553
2005	19,088	5,750	24,838	6,954,698	537,174	7,491,872
2006	18,435	6,583	25,018	7,556,091	601,280	8,157,371
2007	21,028	7,015	28,043	9,082,277	654,506	9,736,783
2008	20,865	7,375	28,240	9,761,734	704,753	10,466,487
2009	19,704	7,952	27,656	8,777,811	754,155	9,531,966
2010	16,940	7,759	24,699	6,669,959	765,856	7,435,815
2011	16,574	7,348	23,922	6,344,904	724,248	7,069,152
2012	14,187	3,877 (2)	18,064	5,868,955	691,917	6,560,872

(1) Figures include data for property within the city, redevelopment project areas and for assessments.

(2) Figure represent taxes levied and collected for development agency through January 31, 2012 prior to dissolution of redevelopment with the passage of Abx 1 26

NOTE: Taxes collected are the same as the amounts levied because Contra Costa County follows California's alternate method of apportionment (the Teeter Plan). Under the Teeter Plan, all amounts levied are apportioned to the County and other taxing agencies regardless of whether they are collected in the current year or not.

Source: Contra Costa County Assessed Valuation Report and Tax Reconciliation Sheet

City of Antioch
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	Percentage of Estimated Actual Value of Taxable Property (1)	Per Capita (2)
	Lease Revenue Bonds	Tax Allocation Bonds	Capital Leases	Water Bonds	Marina Loans			
2003	30,415	15,430	1,160	11,840	4,349	63,194	1.14%	638
2004	30,300	15,180	851	10,235	4,251	60,817	0.97%	602
2005	30,160	14,690	524	8,535	4,150	58,059	0.83%	575
2006	29,980	13,840	117	6,750	4,044	54,731	0.70%	542
2007	29,770	12,955	-	4,900	3,932	51,557	0.57%	510
2008	29,520	12,035	-	4,260	3,816	49,631	0.51%	496
2009	29,230	11,070		3,605	3,695	47,600	0.54%	476
2010	28,895	12,141	2,177	2,930	3,568	49,711	0.75%	487
2011	28,475	10,981	3,867	2,235	3,436	48,994	0.77%	480
2012	28,005	-	3,541	1,515	3,297	36,358	0.62%	356

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Source: City of Antioch Financial Report

(1) See the schedule of Assessed Value and Estimated Actual Value of Taxable Property.

(2) Population data can be found in the Demographic and Economic Statistics schedule

**City of Antioch
Ratios of General Bonded Debt Outstanding**

The City of Antioch has not had any outstanding general obligation bond debt since 2001-02.

CITY OF ANTIOCH
Legal Debt Margin Information
Last Ten Fiscal Years
(amounts expressed in thousands)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	\$952,331	\$1,065,783	\$1,173,053	\$1,318,322	\$1,509,942	\$1,669,214	\$1,549,934	\$1,237,153	\$1,182,333	\$1,104,132
Total net debt applicable to limit	0	0	0	0	0	0	0	0	0	0
Legal debt margin	\$952,331	\$1,065,783	\$1,173,053	\$1,318,322	\$1,509,942	\$1,318,322	\$1,549,934	\$1,237,153	\$1,182,333	\$1,104,132
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2012

The following numbers are not expressed in thousands:
Assessed value \$6,560,872,164
Add back: exempt real property 800,008,169
Total assessed value 7,360,880,333

Debt limit (15% of total assessed value) 1,104,132,050
Debt applicable to limit:
General obligation bonds 0
Less: Amount set aside for repayment
of general obligation debt 0
Total net debt applicable to limit 0
Legal debt margin \$1,104,132,050

Source: City of Antioch Finance Department and Contra Costa County Certificate of Assessed Valuations for fiscal year 2010-11

Note: Beginning in Fiscal Year 2000-01, the City of Antioch did not have any general obligation debt. However, under State finance law, the City of Antioch's outstanding general obligation debt should not exceed 15% of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

**City of Antioch
Pledged Revenue Coverage
Last Ten Fiscal Years**

Fiscal Year	Water Revenue Bonds (1) (in thousands)						Special Assessment Bonds		
	Gross Water Charges And Other	Less: Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service		Debt Service Coverage	Special Assessment Collections (2)	Outstanding	
				Principal	Interest			Hillcrest	Lone Diamond
2003	20,081	17,040	3,041	1,425	644	1.47%	11,017,332	166	72,555
2004	20,649	17,400	3,249	1,585	271	1.75%	10,080,827	6,675	68,680
2005	19,665	15,814	3,851	1,700	320	1.91%	11,860,106	5,030	64,115
2006	20,279	15,705	4,574	1,785	250	2.25%	8,015,198	3,410	59,935
2007	22,264	18,297	3,967	1,850	181	1.95%	7,546,480	1,708	51,020
2008	21,796	20,174	1,622	640	142	2.07%	7,550,756	170.00	46,795
2009	21,585	19,804	1,781	655	126	2.28%	7,464,602	-	41,170
2010	20,226	17,390	2,836	675	108	3.62%	7,401,685	-	35,045
2011	22,103	16,609	5,494	695	88	7.02%	7,476,123	-	26,905
2012	23,652	22,924	728	720	66	0.93%	7,425,102	-	20,905

(1) Details regarding the City of Antioch's outstanding debt can be found in the notes to the financial statements. Water Charges and Other includes investment earnings but not tap fees. Operating expenses do not include interest or depreciation.

(2) Special Assessment Debt without City Commitment: The City is the collecting and paying agent for other special assessment debt, but has no direct or contingent liability or moral obligation for the payment of this debt. Therefore, this debt is not included in the City's financial statements. Cash held by the City on behalf of these districts is recorded in the Agency Funds of the City.

Source: City of Antioch Financial Statements

CITY OF ANTIOCH
Direct and Overlapping Debt
June 30, 2012

2011-12 Assessed Valuation	\$6,560,872,164
Antioch Development Agency Incremental Valuation:	691,916,549
Adjusted Assessed Valuation:	<u>\$5,868,955,615</u>

JURISDICTION	Total Debt 6/30/2012	Percent Applicable (1)	City's Share of Debt 6/30/2012
OVERLAPPING TAX AND ASSESSMENT DEBT:			
Bay Area Rapid Transit District	\$412,540,000	1.373%	\$5,664,174
Contra Costa Community College District	223,985,000	4.809%	10,771,439
Antioch Unified School District Schools Facilities Improvement District No.	39,927,391	88.183%	35,209,171
Liberty Union High School District	57,130,000	2.793%	1,595,641
Brentwood Union School District	51,424,704	5.152%	2,649,401
City of Antioch 1915 Act Bonds	20,905,000	100.000%	20,905,000
East Bay Regional Park District	129,525,000	2.132%	2,761,473
Antioch Area Community Facilities District No. 1989-1	73,650,000	100.000%	73,650,000
Total Overlapping Tax and Assessment Debt			<u>\$153,206,299</u>
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Direct Debt:			
City of Antioch Lease Revenue Bonds	\$28,005,000	100.000%	\$28,005,000
Subtotal Direct General Fund Debt			<u>\$28,005,000</u>
Overlapping Debt:			
Contra Costa County General Fund Obligations	\$301,690,976	4.787%	\$14,441,947
Contra Costa County Pension Obligations	358,495,000	4.787%	17,161,156
Contra Costa Community College District Certificates of Participation	855,000	4.809%	41,117
Antioch Unified School District Certificates of Participation	20,175,000	90.849%	18,328,786
Brentwood Union School District Certificates of Participation	2,618,592	5.152%	134,910
Contra Costa Fire Protection District Pension Obligations	111,595,000	10.831%	12,086,854
Subtotal gross overlapping General Fund Debt			<u>\$62,194,770</u>
Less: Contra Costa County Obligations supported from revenue funds			5,422,129
Subtotal net overlapping General Fund Debt			<u>\$56,772,641</u>
COMBINED TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			<u>\$84,777,641</u>
COMBINED TOTAL NET DEBT			<u><u>\$237,983,939</u></u>

NOTES:

- (1) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's taxable assessed value. Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2011-12 Assessed Valuation:

Total Overlapping Tax and Assessment Debt: 2.29%

Ratios to Adjusted Assessed Valuation:

Combined Direct Debt (\$28,005,000): 0.47%

Gross Combined Total Debt: 4.07%

Net Combined Total Debt: 3.98%

Source: California Municipal Statistics, Inc.

**City of Antioch
Demographic and Economic Statistics
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>City of Antioch Population(1)</u>	<u>Contra Costa County Population (1)</u>	<u>Personal Income (in thousands) (2)</u>	<u>Per Capita Personal Income (2)</u>	<u>Unemployment Rate (3)</u>
2003	99,065	987,531	\$ 45,775,727	\$ 46,354	6.8%
2004	101,097	992,424	48,923,798	49,297	6.2%
2005	100,913	999,013	51,534,263	51,585	5.3%
2006	100,163	1,000,834	55,318,933	55,237	5.3%
2007	100,150	1,009,152	58,043,926	57,518	5.3%
2008	100,361	1,023,344	59,914,142	58,547	7.6%
2009	100,957	1,037,890	56,221,077	54,169	12.20%
2010	102,330	1,052,605	58,382,965	55,465	12.80%
2011	103,054	1,056,064	*	*	12.50%
2012	103,833	*	*	*	10.20%

*No Data Available

Data Sources:

- (1) State Department of Finance
- (2) U.S. Department of Commerce, Bureau of Economic Analysis (data shown is for Contra Costa County)
- new estimates for 2010; revised estimates for 2000-2009 as of April 2012
- (3) State of California Employee Development Dept., Labor Market Info, Data Library

**City of Antioch
Principal Employers
Current Year and Nine Years Ago**

Employer	2012		2003	
	Approx. Number of Employees¹	Percentage Of Total City Employment	Number of Employees	Percentage Of Total City Employment
Kaiser Permanente	2,151	4.35%	600	1.52%
Antioch Unified School District	1,629	3.29%	1,860	4.73%
Sutter Delta Medical Center ²	1,200	2.42%	700	1.78%
Contra Costa County Social Services	593	1.20%	360	0.91%
Wal-Mart	291	0.59%	375	0.95%
Target	286	0.58%	-	0.00%
City of Antioch	272	0.55%	361	0.92%
Costco	265	0.54%	175	0.44%
Antioch Auto Center	223	0.45%	-	0.00%
Safeway	144	0.07%	-	0.00%
Long's Drugs (corporate office)	-	0.00%	260	0.66%
Mervyn's	-	0.00%	240	0.61%
Tri Delta Transit	-	0.00%	180	0.46%

¹ As of 09/20/2012 Source: City of Antioch Economic Development Department

² Includes approximately 300 contract employees

**City of Antioch
Operating Indicators by Function
Last Ten Fiscal Years**

Function	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Police								161		
Physical arrests	4,732	5,166	4,872	4,983	6,471 (1)	6,734	7,288	5,990	4,830	4,296
Parking violations*	12,199	12,485	1,985	3,334	2,256 (1)	1,188	1,391	1,241	963	1,310
Traffic violations*	NA	NA	7,440	8,749	4,703 (1)	7,049	12,664	5,905	3,320	2,123
Sworn Officers	113	114	114	118	125	126	126	126	126	126
Reserve Personnel	11	11	11	5	4	4	166	4	4	4
Support Personnel	45	47	47	55	58	58	58	58	58	58
Highways and streets										
Street resurfacing, sq ft	318,252	206,745	207,800	137,100	209,269	128,685	387,760	164,929	879,575	711,900
Potholes repaired	2,687	3,207	3,574	3,702	2,022	3,076	170	n/a	(2)	(2)
Culture and recreation										
Athletic sports complex admissions	NA	25,610	27,775	29,831	32,693	31,429	33,650	33,640	40,000	41,500
Community center admissions										
Nick Rodriguez Community Center	NA	1,004,823	960,717	946,667	819,324	558,624	173	314,731	127,545	46,233
Antioch Community Center	NA	NA	NA	NA	NA	NA	NA	NA	150,937	234,102
Prewett Community Center	NA	126,132	133,234	161,572	133,138	129,250	120,121	80,591	80,041	83,556
Water										
New connections	986	140	392	351	209	236	170	207	139	169
Water main breaks	2	3	2	13	25	18	18	28	17	39
Average daily consumption (thousands of gallons)	17,455	18,574	18,591	17,703***	18,473	19,519	17,195	15,190	15,539	16,043
Sewer**										
New connections	1,694	112	176	310	166	184	140	181	106	144

(1) Of the City's 5 Traffic Unit Officers, one Traffic Unit Officer was transferred to patrol in July 2006 and four were transferred to patrol in October 2006. Therefore, there was an increase in physical arrests and decreases in traffic and parking violations.

(2) The City no longer tracks this data.

*Parking and Traffic violations were combined until 2004/05

**The City does not process daily sewage - it maintains the sewer line that connects to the main sewer. Delta Diablo Sanitation District is responsible for sewage treatment.

***Fiscal Year 2005/06 was a very wet year for the City of Antioch; therefore, less water was consumed.

Source: Various City Departments

CITY OF ANTIOCH
FULL TIME CITY EMPLOYEES
BY FUNCTION

Last Eight Fiscal Years

FUNCTION	2005*	2006	2007	2008	2009	2010	2011	2012
General government	55	45	51	50	52	52	52	52
Public safety ¹								
Sworn Police Officers	114	118	126	126	126	126	126	126
Community Service Officers	18	17	19	20	20	20	20	20
Administrative Staff	36	36	39	39	39	39	39	39
Public works	34	41	41	42	42	42	43	48
Community Development	38	40	47	43	42	42	42	42
Capital Improvement ²	-	-	-	5	5	5	5	-
Recreation	18	18	18	18	18	18	18	18
Water	39	38	38	41	41	41	41	41
Wastewater	<u>7</u>	<u>12</u>	<u>12</u>	<u>15</u>	<u>15</u>	<u>15</u>	<u>15</u>	<u>15</u>
Total employees	<u>359</u>	<u>365</u>	<u>391</u>	<u>399</u>	<u>400</u>	<u>400</u>	<u>401</u>	<u>401</u>

*Information not available prior to 2005

¹ Fire services are provided by Contra Costa Fire Protection District

² Capital Improvement was part of Community Development prior to 2008, and became part of Public Works in 2012

Source: City of Antioch budgets

**City of Antioch
Capital Asset Statistics by Function
Last Ten Fiscal Years**

Function	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Public safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	NA	NA	NA	41	41	43	43	43	42	39
Fire Stations*	4	4	4	4	4	4	4	4	4	4
Highways and streets										
Streets (miles)	269.00	283.00	307.91	315.61	339.16	352.62	360.02	482.62	566.31	745.32
Streetlights	6,150	6,258	6,258	6,346	6,501	6,486	8,600	8,649	8,697	8,714
Traffic Signals, City Owned	41	41	41	42	42	99	100	101	101	101
Culture and recreation										
Parks acreage	300	300	306	306	308	308	308	308	308	308
Parks	28	28	31	31	32	33	33	33	33	33
Swimming pools	7	7	7	7	7	7	7	7	7	7
Community centers	3	3	3	3	3	3	3	3	4	4
Water										
Water lines (miles)	253.01	259.99	272.24	278.80	285.35	278.80	340.00	341.68	344.52	344.91
Number of water meters	29,942	30,082	30,474	30,825	30,683	31,061	31,231	30,931	31,468	31,254
Maximum daily treatment capacity (millions of gallons)	29.39	29.99	30.73	31.55	31.55	30.02	27.01	26.49	29.00	26.13
Fire hydrants	3,124	3,199	3,231	3,401	3,443	3,443	3,443	3,443	3,522	3,537
Sewer**										
Sanitary sewer lines (miles)	220.20	226.75	238.77	248.82	250.87	255.70	300.00	300.68	302.70	303.20
Number of sewer connections	28,728	28,828	29,004	29,314	29,480	29,664	29,804	29,535	29,657	29,818
Storm drains (miles)	129.20	134.28	144.36	150.75	157.14	161.42	220.00	221.01	222.12	222.13

*The City of Antioch's fire protection is provided by the Contra Costa Fire Protection District

**The City does not process daily sewage - it maintains the sewer line that connects to the main sewer. Delta Diablo Sanitation District is responsible for sewage treatment.

Sources: Various City departments.

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor and Members of City Council
of the City of Antioch
Antioch, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Antioch, California (City), as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 5, 2012. 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.

Internal Control Over Financial Reporting

Management of the City is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

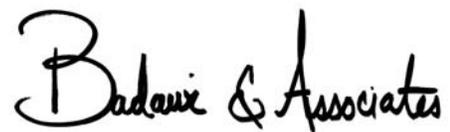
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Honorable Mayor and Members of City Council
of the City of Antioch
Antioch, California
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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, City Council, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Badawi & Associates". The signature is written in a cursive, flowing style.

Badawi and Associates
Certified Public Accountants
Oakland, California
December 5, 2012