



City of Brentwood

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FISCAL YEAR ENDED
JUNE 30, 2003

Prepared by: Finance Department

*CITY OF BRENTWOOD
708 THIRD STREET, BRENTWOOD CALIFORNIA 94513*



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Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Brentwood,
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2002

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.



A handwritten signature in black ink, appearing to read "Edward Haney".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director



LIST OF PRINCIPAL OFFICIALS

CITY OFFICIALS

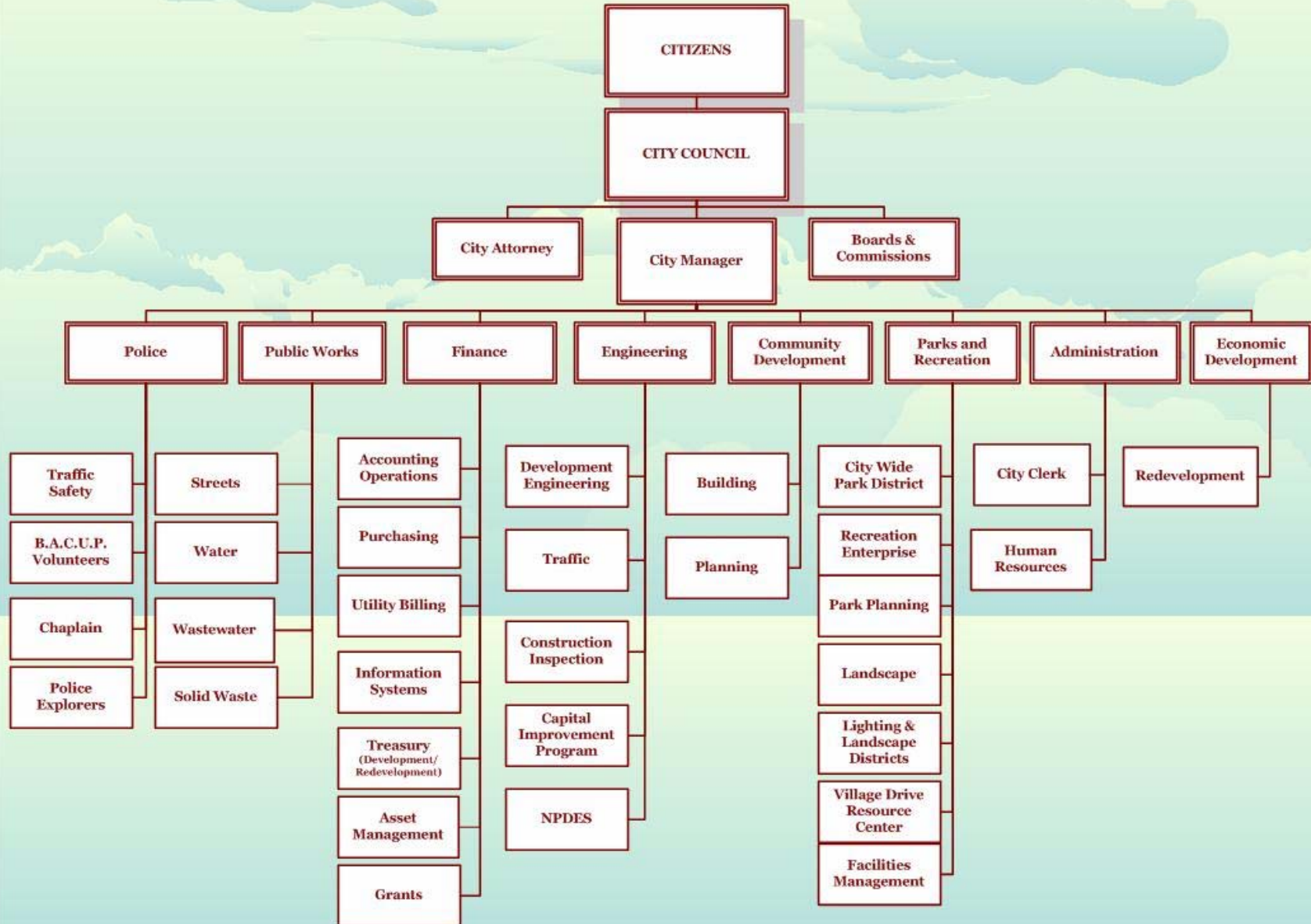
Brian Swisher.....	Mayor
Annette Beckstrand.....	Vice-Mayor
Ana Gutierrez.....	Council Member
Bill Hill.....	Council Member
Pete Petrovich.....	Council Member

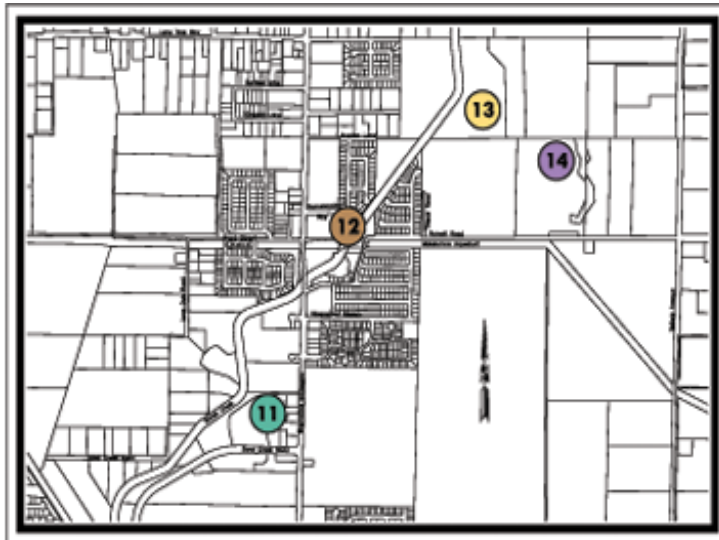
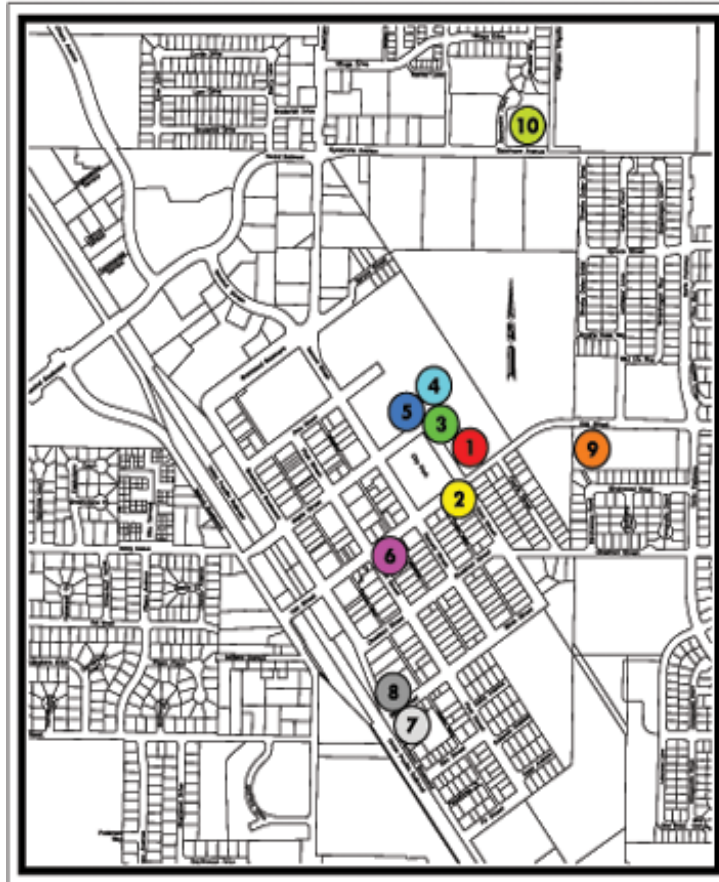
ADMINISTRATIVE STAFF

John Stevenson.....	City Manager
Karen Stein.....	Assistant City Manager
Dennis Beougher.....	City Attorney
Craig Bronzan.....	Director of Parks & Recreation
Mike Davies.....	Chief of Police
Karen Diaz.....	City Clerk / Director of Administrative Services
Pamela Ehler.....	Director of Finance & Information Systems
Bailey Grewal.....	City Engineer
Mitch Oshinsky.....	Director of Community Development
Howard Sword.....	Director of Economic Development
Paul Zolfarelli.....	Director of Public Works

City of Brentwood
COMPREHENSIVE ANNUAL FINANCIAL REPORT

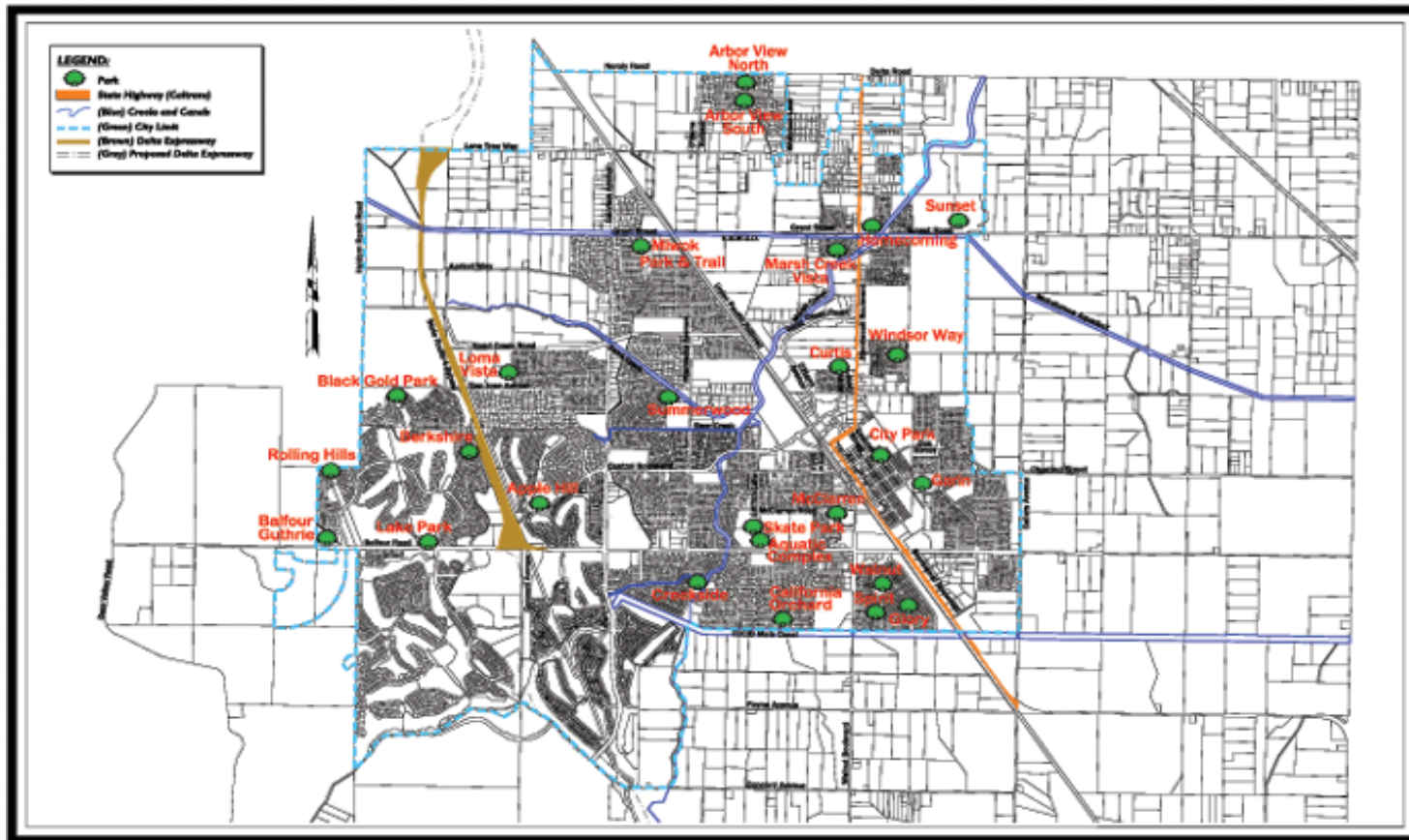
City of Brentwood - Organizational Chart





NO.	FACILITY/SITE ADDRESS	
1	Administration/Finance/Engineering	708 Third Street
2	Community Development	104 Oak Street
3	Council Chambers	734 Third Street
4	Delta Community Center	730 Third Street
5	Library	751 Third Street
6	Chamber of Commerce	240 Oak Street
7	Police Department	100 Chestnut Street
8	Police Department - Annexation	8440 Brentwood Boulevard
9	Post Office	18 Oak Street
10	Public Works/Maintenance	161 Sycamore Avenue
11	Technical Center/Incubator	101 West Sand Creek Road
12	Water Treatment Plant	2000 Homecoming Way
13	Wastewater Treatment Plant	325 Sunset Road
14	Solid Waste Transfer Facility	375 Sunset Road

CITY OF BRENTWOOD PARKS Various locations City wide



City of Brentwood
COMPREHENSIVE ANNUAL FINANCIAL REPORT



October 31, 2003

The Honorable Mayor and City Council Members
City of Brentwood
Brentwood, California 94513

Dear Mayor Swisher and Members of the City Council:

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Brentwood, California for the fiscal year ended June 30, 2003. This is the second year that the City's Finance Department has prepared this report using the new reporting requirements as prescribed by GASB Statement No. 34. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of City Staff's knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to fairly present the financial position and results of operations of the various entities of the City of Brentwood. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

In addition to fund-by-fund financial information currently presented in the City's financial statements, we are now including government-wide financial statements. The government-wide financial statements include a Statement of Net Assets that provides the total net assets of the City including infrastructure and the Statement of Net Activities that shows the cost of providing government services. These statements have been prepared using the accrual basis of accounting versus the modified accrual method used in the fund financial statements. A reconciliation report is provided as a key to understanding the changes between the two reporting methods. In addition, the new reporting model includes an emphasis on the City's major funds as shown in the Governmental Fund Statements. These new statements combined with other information are further analyzed in a new narrative section called Management's Discussion and Analysis (MD&A). The MD&A provides "financial highlights" and interprets the financial reports by analyzing trends and by explaining changes, fluctuations and variances in the financial data. In addition, the MD&A is intended to disclose any known significant events or decisions that affect the financial condition of the City.

City Hall - 708 Third Street, Brentwood, California 94513-1396 Phone: (925) 516-5400 Fax: (925) 516-5401
Public Works - 22-1 Elkins Way, Brentwood, California 94513-1396 Phone: (925) 516-6000 Fax: (925) 516-5497
Community Development - 104 Oak Street, Brentwood, California 94513-1396 Phone: (925) 516-5405 Fax: (925) 516-5407
Police Department - 100 Chestnut Street, Brentwood, California 94513-1306 Phone: (925) 634-6911 Fax: (925) 516-5247
Parks and Recreation - 740 Third Street, Brentwood, California 94513-1396 Phone: (925) 516-5444 Fax: (925) 516-5445

The Comprehensive Annual Financial Report (CAFR) is prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (GASB).

This report is presented in three sections as follows:

1. **INTRODUCTORY SECTION** - Letter of Transmittal with comments on the operations of the City, the City's organizational chart and a list of principal public officials and administrative personnel;
2. **FINANCIAL SECTION - Basic Financial Statements and Required Supplementary Information** - The Basic Financial Statements include Management's Discussion and Analysis, Government-Wide Financial Statements, Fund Financial Statements, Notes to the Financial Statements and Required Supplementary Information, as well as the Auditors' Report on the financial statements and schedules. The City of Brentwood also includes an additional Supplementary Section that contains the Combining Fund Financial Statements and is not a required section of the report; and
3. **STATISTICAL SECTION** – Selected financial and demographic information, generally presented on a multi-year basis.

REPORTING ENTITY

In addition to reporting directly for the City operations, two component units, the Brentwood Redevelopment Agency and Brentwood Joint Powers Financing Authority, have been included in the primary reporting entity and are treated as blended component units.

The **Brentwood Redevelopment Agency** (the "Agency") was established pursuant to the State of California Health and Safety Code, Section 33000, entitled "Community Redevelopment Law" and on August 20, 1981 the City Council became the governing board of the Brentwood Redevelopment Agency. The Agency was formed for the purpose of preparing and carrying out plans for improvement, rehabilitation and redevelopment of blighted areas within the territorial limits of the City of Brentwood. The funds of the Agency have been included in the governmental activities in the financial statements.

The **Brentwood Joint Powers Financing Authority** (the "Authority") is a joint powers authority organized under Section 6500 *et seq.* of the California Government Code on March 14, 1995 between the City and the Agency for the purpose of acting as a vehicle for various financing activities of the City and the Agency. The Authority's Board of Directors is the Brentwood City Council. The primary purpose of the Authority is to render financial assistance to the City and the Agency by issuing debt and financing the construction of public facilities.

Blended component units, although legally separate entities are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each of the blended components has a June 30 year-end date for accounting purposes.

City of Brentwood

Letter of Transmittal

Accounting for all of the City's activities is centralized under the Finance Department. The department has been delegated the responsibility for maintaining the integrity of the City's recorded financial data. In fulfilling this responsibility, the Finance Department has prepared the accompanying financial statements. In our professional judgment, these statements fairly and accurately reflect the financial position of the City and the results of its operations.

This financial report includes all of the City's funds and account groups. The City provides a full range of services. These services include police services, public works, economic development, planning, building, engineering and inspection services, parks and recreation, and general administrative services. The City also operates a public water and wastewater utility, as well as refuse collection, which includes disposal and a recycling program.

BACKGROUND

The City of Brentwood was incorporated in 1948 as a general law city under the laws of the State of California. Brentwood is located halfway between the cities of San Francisco and Sacramento at the eastern portion of Contra Costa County. The City is governed by a five (5) member City Council, under the Council – Manager form of government. As of June 30, 2003, the City has a current population of approximately 33,364 and encompasses approximately 13.73 square miles.

FINANCIAL DATA

Providing reliable financial information requires the establishment of accounting records adequately supported by systems of internal control. The City's management is responsible for establishing and maintaining an internal control structure designed to ensure that the City's assets are protected from loss, theft, or misuse. They must also ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable assurance that these objectives are met, while recognizing that this assurance is not absolute. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. City administration believes the existing internal control systems are adequate to provide this reasonable assurance that City assets are safeguarded against loss and that financial records are reliable for preparing financial statements and maintaining accountability for assets. Furthermore, the City received the second "Unqualified" Audit this past year.

The accompanying financial statements have been examined by Vavrinek, Trine, Day and Co., LLP, Certified Public Accountants. The firm was engaged by the City Council to render an opinion on the City's financial statements in accordance with auditing standards generally accepted in the United States of America.



The City Council is responsible for:

1. Assuring that City administration fulfills its responsibilities in the preparation of the financial statements; and
2. Engaging the certified public accountants with whom the City Council reviews the scope of the audits and the accounting principles to be applied in financial reporting.

To ensure complete independence, Vavrinek, Trine, Day and Co., LLP has full and free access to meet with the City Council to discuss the results of their assessment of the adequacy of internal accounting controls and the quality of financial reporting.

The City also maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the general fund, special revenue funds, debt service funds, enterprises and capital projects funds are included in the annual appropriated budget, except the Bypass Authority, Mark Roos Drainage Credit, Street Improvement Projects, Capital Improvement 2001, Capital Projects and the Capital Improvement Financing Programs. The level of budgetary control is established at the fund level. The City also maintains an encumbrance accounting system as one technique for accomplishing budgetary control.

These budgets reflect an organization whose top priorities continue to be:

- Provide and build public facilities
- Provide and maintain an adequate public infrastructure
- Plan and manage growth to maintain and enhance our small town character
- Enhance and promote Brentwood's economic vitality
- Provide friendly customer service

The Operating Budget maintains a stable financial environment for the City of Brentwood. The decisions made in the budget process emphasize the City Council's goals and objectives. Staff will continue to pursue all means available to achieve the City's Mission Statement:

***The City of Brentwood is dedicated to creating, maintaining and enhancing a well-planned community
that is friendly, safe and healthy for everyone.***

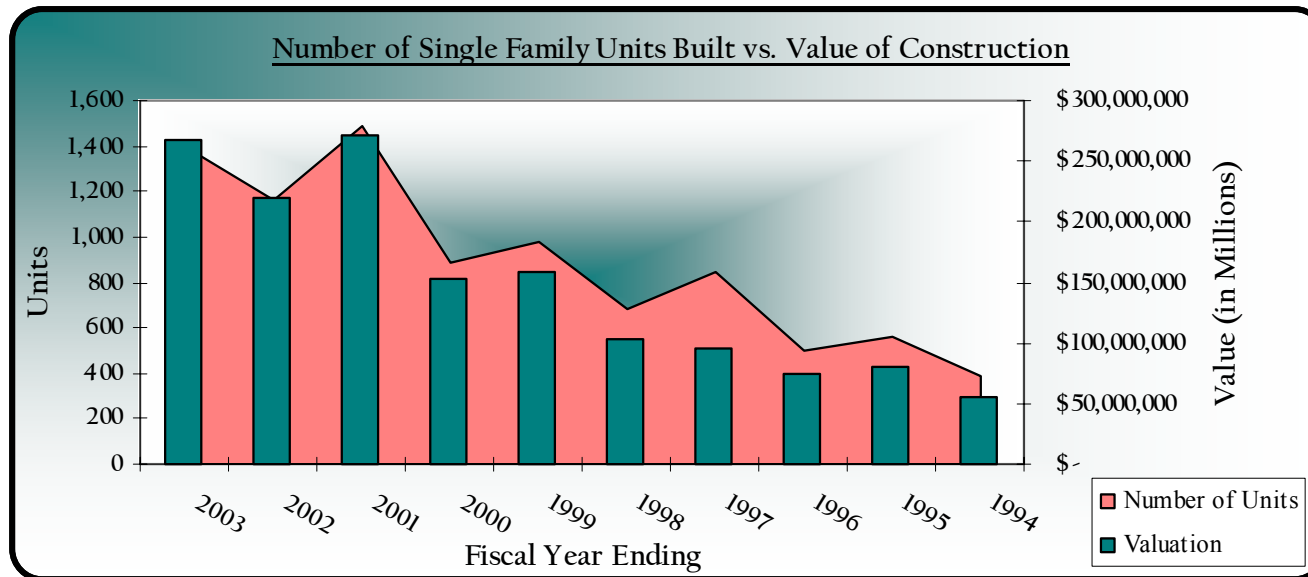
Mission Statement Adopted January 5, 2001.

The City's accounting records are maintained on the Accrual Basis, or Modified Accrual Basis, as appropriate. Budgets are prepared and expenditures recorded at the object of expenditure level. A thorough explanation of the City's funds as of June 30, 2003, and the results of each fund's operation for the year, are presented in the financial section of this report.

BRENTWOOD TODAY

Fiscal Year 2002/03 saw positive economic news for the City of Brentwood with growth in population, residential construction, sales and median family home prices, and rapidly accelerating commercial/industrial development as follows:

- Population increased over last year by 5.92%
- Single family home construction increased over last year by 20.69% (1,160 permits issued in 2001/02; 1,400 permits issued in 2002/03)
- New Home sales – 1,188
- Existing home sales - 861
- Median price for existing homes is \$342,750, up 16.19% from FY 2001/02
- Median price for new homes is \$394,500, up 12.23% from FY 2001/02
- 462,000 square feet of retail shopping center space under construction



ECONOMIC CONDITION AND OUTLOOK

Until recently, Brentwood was a small rural agricultural community and is one of the fastest growing cities in California. The need for housing in the Bay Area in the early 1990's prompted Brentwood's growth at a rate of 10% to 18% per year. The City's population has increased steadily over the last fiscal year as predicted, and the development of single-family homes, commercial sites and infrastructure reflects the increase in this expanding population.

The City issued 1,400 building permits for single-family homes during the fiscal year ending June 30, 2003. To keep up with the growth demands, infrastructure was also at a high level with several projects at various stages of design, construction or completion for the year.

There was significant progress in Brentwood's economic development during Fiscal Year 2002/03. Prior planning efforts materialized in the construction of several commercial projects that will provide our residents convenient goods and services and local jobs. This commercial growth is fueled by the maturation of the socio-economic demographic of our far-east county sub-region, defined as lands in Contra Costa County to the south and east of Somersville Road in Antioch. Approximately 180,700 people reside in the area with a median annual household income of \$70,000 in the City of Brentwood. This represents a critical mass of population and disposable income that will attract an estimated 1,200,000 square feet of retail space within the next year. A survey of Brentwood's residents indicates that the far-east county population is highly trained and educated providing an available workforce for business activities. The median value of housing in the sub-region is \$271,430 providing an affordable housing stock with certain areas providing executive homes in the \$600,000 plus price range.

Sand Creek Crossing, a 260,000 square foot commercial center, is complete and will offer the far-east county population shopping opportunities that have not been present in the region. Lone Tree Plaza, a 454,000 square foot commercial center, Lone Tree Center, an 180,000 square foot commercial center and three neighborhood centers totaling 220,000 square feet are in various stages of construction and will be complete by the end of FY 2003. These six projects, totaling 1,114,000 square feet, will generate approximately \$3,000,000 in sales tax when complete.

Brentwood is blessed with a vital, thriving and charming historical Downtown. Recent businesses that have located in the district have included restaurants, unique retail and personal services. These types of business activity provide a tenant mix that cannot be found in typical suburban shopping centers and anchor classic Downtown settings. The vacancy rate is an enviable 0%. This atmosphere provides a pleasant backdrop to successful concerts in the park and street festivals.



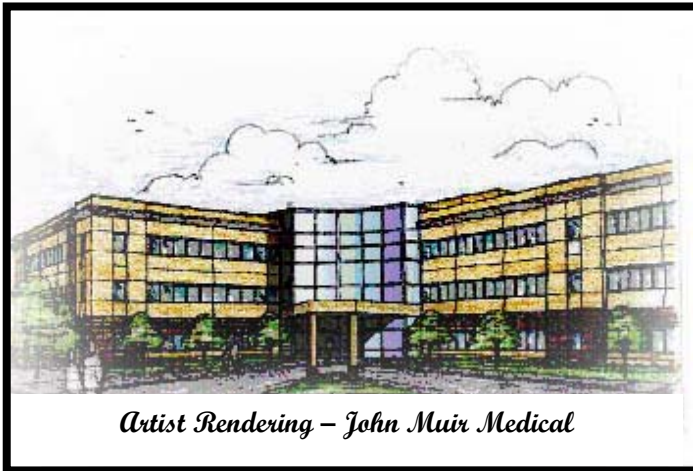
The Office / R&D / Flex-Tech Industrial sector increased significantly with the construction of four new projects totaling 135,000 square feet. Leasing and sales of these projects has been very brisk with the latest real estate assessment indicating less than 3% vacancy in this sector.

The Sunset Industrial Complex, a 28-acre medium industrial project that will be sold to multiple end-users, is in its final stages of construction. Interest in the complex is significant and it appears there are more businesses wanting to locate here than can be accommodated. Preliminary estimates indicate that the complex will accommodate approximately 14 businesses.

The Economic Development Department also advanced two important capital improvement projects. A 17,000 square foot campus for Los Medanos College was completed and occupied in September 2001 providing a full AA degree curriculum for our residents. Five hundred full time equivalent students were served in the second year of operation at the Campus. The City also constructed an adjacent 17,000 square foot Business and Technology Incubator to provide an affordable workplace for our resident entrepreneurs. Currently, the Incubator has twenty-four start-up business tenants.

FUTURE OUTLOOK

Far East County communities, located along the State Route 4 corridor, have all experienced significant residential growth over the last ten years. Many Bay Area residents have sought more affordable housing options than were provided in the inner Bay Area. As the region has grown, the Far East County has transformed from a primarily industrial and agricultural sub-region to a series of bedroom communities for employment centers in the Bay Area, including San Francisco, the Silicon Valley, the Tri-Valley, and Contra Costa County. For the City of Brentwood, the shift has, for the most part, been from an agricultural community to a bedroom community.



Employment growth has occurred in conjunction with resident growth, though primarily in resident-serving industry sectors, including retail and certain service sectors. A few new firms have stepped in to replace the “basic industry” role of agriculture in exporting goods and services beyond the local area, catalyzing the generation of new wealth in the City. Building to support this trend is expected to continue with 150,000 square feet of new Office / R&D / Flex-Tech Industrial construction anticipated to occur in the next year.

Professional services are also increasing the quality of life for Brentwood residents. John Muir Medical, a fully entitled medical office project, will be constructing a three-story 110,000 square foot medical facility and helicopter pad in Phase I of their development in 2004.

The adoption of the ***Residential Growth Management Program (RGMP)*** on July 6, 2001 aids in regulating Brentwood’s growth. The intent of the RGMP is to limit new housing approvals to 650 units per year in order to align our residential growth to coincide with future infrastructure. The RGMP also ensures compliance with our fair share of regional housing set by the Association of Bay Area Governments (ABAG), and ensures growth at a deliberate and well-planned pace.

The *Affordable Housing Program* was adopted September 9, 2003, and will provide the following future conditions:

- Creates affordable housing by constructing 10% of all new dwelling units as affordable housing for very-low and low income households.
- Will provide affordable housing options for workforce while reducing congestion on regional roadways by eliminating commutes.
- Units must remain affordable for 45 years for ownership units, 55 years for rentals.
- Units must be integrated into each neighborhood and must be built with the same quality, fit and finish as market rate units.

Alternatives to construction of affordable units include dedication of vacant land, conversion of market rate units to affordable units, dedication of affordable units to the City and in-lieu fees (fees sufficient to build the required units).

DEVELOPMENT

COMPLETED PROJECTS:

- The City completed and opened five (5) new neighborhood parks (Balfour-Guthrie, Berkshire, Miwok, Rolling Hills and Walnut).
- The Youth Commission completed Phase I of their Youth Master Plan – a Teen Crisis Referral card that was distributed to Edna Hill Middle School, Bristow Middle School and Liberty High School.
- The Arts Commission hosted the first annual “Day in the Park” Art and Wine Festival in October. This event attracted approximately 5,000 people.
- The Arts Commission hosted quarterly art shows/exhibits at the Brentwood Education & Technology Center.
- The City’s tree nursery doubled in size with the addition of 500 new seedlings being planted. The City has planted the trees with the assistance of community volunteers and will raise the trees for future planting in public areas.
- The City assisted a doctoral candidate that lives and works in the East Bay in the completion of his dissertation research that involved a study which surveyed staff and volunteers from the Parks and Recreation Department. The dissertation was titled “Organizational Leadership’s Influence on Social Capital Accumulation Through Community based Volunteer Programs”.
- The Parks and Recreation Department entered into a contract with a local business to provide vending machine services at Sunset Park Athletic Complex, Brentwood Family Aquatic Complex, the Skate Park, Apple Hill Park, Community Center, Council Chambers, and Soroptimist Square.
- The City laid out the ground work for the merger of PAL (Police Activities League) into the City of Brentwood Parks and Recreation Department. The merger was effective July 1, 2003.
- The merger of last years nine Wednesday night with the four Friday night Concerts in the Park evolved this year into eleven total concerts on Friday nights with two of the acts as headliners and the remaining as local Bay Area talent. This venture was accepted by the community with great response and enjoyment of the musical arts.



- Greenleaf Mapping and Control Systems was hired to perform water audits on all landscaped areas that the City maintains. They also provided digitized maps of the same area.
- City staff and MCE Corporation have developed a computerized landscape inspection form. This form, used on hand-held PDAs, is used on all landscaped areas maintained by our landscape contractor and City staff.
- The Parks Services Manager and Recreation Services Manager have established regular monthly liaison meetings with Brentwood Union School District to coordinate joint use of City and School District Facilities.
- The City of Brentwood hired West Coast Arborists to inventory all City maintained trees. This inventory is updated as any work is performed on any of these trees.
- The Second Street parking lot was completed, adding a total of 52 parking spaces for downtown parking, reducing congestion for businesses, City employees and residents.
- Completion of annual Pavement Management Program. This project consists of surveying roadways every three years and then reconstructing, overlaying, surface and crack sealing various roads each year. The City's pavement management software selects those streets that are most cost effective to do preventive maintenance on for the year.
- Sand Creek Road Central - Construction of the central section of Sand Creek Road from the Highway 4 Bypass to Minnesota Avenue is completed. Completion of this project will improve access to the commercial areas of the City from the Highway 4 Bypass by providing a major east-west connector.
- Continued enhancement of the Geographic Information System (GIS) program, providing more information to the City and to our residents.
- Updated the Water, Wastewater and Non-Potable Water Master Plans.
- Brentwood Boulevard and Almond Street sewer and water improvements completed.

CURRENT PROJECTS / PROJECTS UNDER CONSTRUCTION

- Several neighborhood parks are starting construction for opening in the 2003/2004 fiscal year. These parks include Oak Meadow, Heron Park, and Black Gold Park. In addition, various pocket parks will open throughout new developments in the Northwest Quadrant area.
- Construction of the expansion of Sunset Park Athletic Complex is underway. The expansion will increase the current 10-acre site to 37.8 acres and will include a four-field softball complex, two baseball fields, three full-size soccer fields, and one competition soccer field. An equestrian staging area, children's play area and two concession stands will provide for a wide range of multi-use opportunities.
- Design has been completed and the Balfour Road Park is out to bid. This park will include a group picnic area, sand volleyball court, a children's play area, and a restroom arrayed around a large plaza that has been designed to accommodate a wide range of public functions. This park will also have competition bocce ball courts with oyster shell surfacing and a large area of open turf.



- The City is working with Liberty Union High School District on four joint-use community projects: Renovation of the Liberty Union High School football field into a year-round surface/all weather track; construction of a 50-meter pool at Heritage High School; construction of a joint-use gymnasium at Heritage High School; and provision of underground conduit for future sports lighting of athletic fields at Heritage High School.
- Public works started construction of a 10,000+ square foot building at 325 Sunset Road that will house the purchasing/receiving/warehouse and the mechanics shop. Completion date is August 2003. Public Works is moving their headquarters from 161 Sycamore to Sunset Road with a move in date in August 2003.
- The City started the architectural design for 8,000+ square feet at 120 Oak Street which will be occupied by the City of Brentwood Engineering Department. Construction will begin in October 2003 with a tentative move in date of February 2004.
- The Senior Club continues to strive towards becoming a non-profit organization and is awaiting approval from the federal agency.
- Brentwood Boulevard Widening from Marsh Creek to the north City limits – The focus of this project is public safety, traffic flow and circulation and continues the widening of Brentwood Boulevard with two lanes in each direction. This project also consists of the bridge widening over Marsh Creek.
- Lone Tree Way – Union Pacific Undercrossing – This project will construct a grade separation underpass consisting of six travel lanes crossing under the Union Pacific Railroad. This project will drastically increase public safety by creating a grade separation crossing of the railroad, instead of the present at-grade crossing.
- Lone Tree Way Widening from 400 feet west of O'Hara Avenue to Brentwood Boulevard– This project will improve traffic safety and reduce congestion along Lone Tree Way by widening the roadway to two lanes in each direction and installing left-turn lanes.
- Sunset Industrial Complex - Construction began in the Summer of 2002 for the City's first major redevelopment effort. It is intended to relocate heavy industrial uses from Brentwood Boulevard to a more appropriate location. This includes annexing the area into the Redevelopment Area and coordination with solid waste, a relocated corporation yard, the Wastewater Treatment Plant and a 37.8 acre sports park. This project will increase available industrial land, upgrade the Brentwood Boulevard streetscape by removing industrial users and increase the Redevelopment Agency's tax increment flow.
- Sunset Road Realignment - Sunset Road will be realigned in a due east-west direction along the north side of the EBMUD Aqueduct to intersect with Brentwood Boulevard at the Grant Street signal. The project includes the construction of a bridge over Marsh Creek, water and non-potable water and fiber optic line improvements.
- Sand Creek Road East - Construction of the eastern section of Sand Creek Road from Minnesota Avenue to Brentwood Boulevard. At its completion, it will provide another major east-west corridor for traffic circulation in the City. It will connect the Highway 4 Bypass to the existing Highway 4 (Brentwood Boulevard).
- The City is currently involved in providing a new police station that will accommodate the growth and needs of the City.
- The City is currently involved in the design and construction planning of a new City Hall.

FINANCING FUTURE INFRASTRUCTURE

CAPITAL IMPROVEMENT FINANCING PROGRAMS: Capital Improvement Financing Programs (CIFP) are a mechanism through which the City and the Development Community cooperate to fund and construct major Master Planned and Sub-Master Planned infrastructure (roads, water and wastewater lines, regional drainage facilities, etc.). The City is able to obtain very low interest rates through its outstanding financial reputation and bonds are sold using the participating Developer's property as the collateral. There is no risk involved for the City as a 3 to 1 value to lien ratio is used to determine the amount of bonds to be sold. As the properties develop, the bonds are repaid by the new property owner over a 30-year period.

The most recent CIFP the City has funded was CIFP 2002-1. Items to be constructed or funded through CIFP 2002-1 are: Lone Tree Way Segments 1 and 2, Fairview Avenue reconstruction and realignment, Master Planned storm drain facilities along the Lone Tree Way Corridor, Sycamore Avenue extension, Minnesota Avenue improvement and the extension of Garin Parkway. The total amount of the bond sale was \$16,585,000.

DEPARTMENT REVIEW

In the **CITY MANAGER'S** office, the City's Administrative functions are expanding to fill the ever-growing needs of the community. The establishment of an Assistant City Manager is the result of the City recognizing the needs in these areas. The Assistant City Manager will oversee the Human Resources Division, provide staff assistance to various City Council Subcommittees, oversight of the franchise agreements, and work on special projects assigned by the City Manager and the City Council. The Assistant City Manager will also serve as a communications liaison for the City and its citizens. The overriding goal of the department is to secure and strengthen the long-term economic vitality of the City, while securing a small town atmosphere for our residents.

The **CITY CLERK'S** office completed the Laserfiche update for the Agenda Manager. Currently in progress is an update to the Website with the addition of a Web Link to the City Council and RDA agendas. The City Clerk's office is also spearheading a Workflow Suite implementation that allows for the tracking of all projects on a global level. In addition, the City Clerk staff developed strategies for updating and converting the filing system for the City's permanent and vital records located in the vault. This allows for the safekeeping and easy retrieval of documents. The City has also introduced new conveniences for its residents through establishing passport application and processing services at City Hall.

The **CITY ATTORNEY** has been consulted on numerous issues that could have results in claims, disputes, mediation, or litigation. In an attempt to resolve issues before they reach the need for dispute resolution, the City has employed an in-house attorney to better respond to these possible issues. As of June 30, 2003, the City has had ten cases filed against it and three claims. These cases are being vigorously defended by the City.

During the past year, the City Attorney has acted with other department heads to provide opinions concerning new development fees, respond to claims, resolve challenges to various city projects, and daily operating issues. The City expects to continue to employ an in-house counsel to better provide daily legal advice and opinion concerning on-going city projects, operations and compliance with statutory procedures.

The **FINANCE DEPARTMENT** compiled and developed the City's second CAFR. The 2001/02 CAFR was a monumental task as it served two purposes – an amplification of the understanding of the City's financial status under the new reporting requirements as prescribed by GASB Statement No. 34, and a savings in the preparation and publishing of the report for the second time. The 2001/02 CAFR received the California Society of Municipal Finance Officer's Certificate of Award for Outstanding Financial Reporting and the Government Finance Officers Association Certificate of Award for Excellence in Financial Reporting. The CAFR has become a very useful document made available to residents and interested parties.

Annual budgets and Capital Improvement Program budgets are prepared to enable the City to plan, comply with the legal limit that the City can expend on funds, monitor the flow of resources, and to allow end of period evaluations for reporting to the legislative bodies. Through a concerted effort of gathering and verifying facts, the Finance Department continues to compile reliable data for the Legislative body, for the City, and for its

residents. In addition, a Cost Allocation Plan is prepared annually to present an analysis of the computation of overhead charges for City-wide and department programs. It also provides the framework for computing specific user fees and charges such as Building, Electrical, Plumbing and Mechanical Permit fees; Engineering, Police, Parks & Recreation, Utility Billing, Facilities, Business Tax and Administration Fees; Water, Solid Waste, Wastewater and Solid Waste Enterprise Rates to name a few.



In an effort to minimize the cost and the time required to produce annual Budgets and the Comprehensive Annual Financial Report, the Finance Department has created its own publishing center – streamlining the gathering of data for the reports and utilizing current manpower and equipment to produce these extensively detailed reports. The result of this publishing center is a start to finish product created entirely in house, including the processing of CDs on all adopted documents.

The City amended its fifty-four year old Business License Tax and Regulations, as set forth in Ordinance No. 707. Measure D was passed by General Vote on November 5, 2002, and subsequent adoption by Council. The new tax ordinance allows the City's business license fee and regulations to be comparable to adjacent cities, provide for an equitable basis and rate, require all businesses to pay a business license fee, and provide a consistent general fund revenue for such vital services as police services.

The City of Brentwood has contracted with an outside service to assist in the preparation of a 10 year fiscal model. The City will develop a strategic plan for the next ten years that will enable us to continue our long run of fiscal health. The initial tasks have been to provide assistance to representatives within all the departments to improve accuracy within the individual departmental projections. These projections will relate

alternative economic and marketing input scenarios so as to enable the core team and Council to consider the short term and the long term implications of alternatively likely economic and growth futures.

Finance continues to be a facilitator in the formation and administration of all Lighting and Landscape Districts, Assessment Districts and the new Community Facilities District. Bond documentation was completed on refunding CIFP 98-1, 99-1 (a savings of over \$1.9 million in new funds for infrastructure) and on CIFP 2002-1. Bond closing for RDA, Roadway & Tech Center was completed at \$3.2 million. Annual bond disclosure was completed on CIFP 2001, 2001 General Obligation Bond and Water and Sewer Bond.

The **Information Systems Division** of the Finance Department continues to keep the City's technology up to date by providing regular software updates such as PC upgrades to Windows 2000 and upgrading the server to Windows 2000 domain. Information Systems has also installed anti-spam hardware and software and an internet monitoring appliance. Fiber optics are being installed throughout the City that connects City buildings and increases the wireless speed five fold.

Information Systems continues to maintain a center that makes state of the art equipment available, which is the City's Business Technology Center that houses a Usability Lab to be used by businesses to test their products. The lab features a state-of-the-art technology system designed to attract Bay Area companies and is available for collegiate courses.

The City makes available via the internet our City Budgets and CAFRs. An E-Commerce site has been added where people will be able to register and pay for Parks & Recreation classes on line. In addition, anyone can now subscribe to the current agendas, watch live Council meetings on the Web and access past and current Council agendas and meetings. The City of Brentwood website features City Council items, RDA, Boards and Commissions, City Department and General Information. Very helpful items have been incorporated into the website, including Road Conditions, Capital Improvement projects, Web page information translated into Spanish, Public Notices, Children's Place, Municipal codes, a Map room guided by our GIS system, the City temperature and helpful links to local, community, state and federal sites. The City has automated its way of processing service requests by making them accessible on line.

Internally, computer service requests are transmitted instantly. More importantly, work service requests for residents for Parks and Maintenance, Public Works and Utility Billing are now available over the Internet and transmitted to the intended department rather quickly. Work service requests are tended to in the most efficient time possible. Further, the new hire process has now been automated through our intranet and e-mail system, allowing for completion of all new hire information and workstation set up prior to the employee coming on board. An on-line office supply ordering system is in progress. The Finance Department is also currently looking for a new computer accounting package.

The City Information Systems Communications Policy is currently under review, scheduled for council approval toward year end. This will be the first comprehensive policy of this nature that will cover computers, e-mail, voice mail and all other aspects of City-related communications.

The ***Utility Billing Division*** of the Finance Department accomplished two major goals in the 2002/03 Fiscal Year. The utility billing process was converted into four cycles per month whereby billing is broken down by zone and payment is due 25 days following the billing date. This new cycle has enhanced customer service levels, allowing for the timely generation of bills and payment processing. In addition, Utility Billing has now implemented formal payment arrangements for water/sewer/garbage bills in situations where water will be or has been disconnected due to financial hardship. The customer is required to complete and sign specific payment arrangements and is required to bring the account current within 6 months. Payment arrangements can only occur once in a 12-month period. No further penalties will be incurred on the past-due charges during the repayment period, but the customer is required to keep their current charges up to date while re-paying the past-due amount.



The ***Grants Division*** of the Finance Department submitted 15 grant proposals in this fiscal year totaling \$5,441,986. Ten grant proposals were awarded, totaling \$1,739,490, which were used for roadway landscaping, Parks & Recreation projects, Waste Management, Traffic Congestion Relief and Safety. Future plans call for the expansion of the City’s grant writing efforts that will increase to citywide from what has been an engineering effort for infrastructure. The challenge for this grant writing effort is not to lose the very successful infrastructure effort while expanding the scope.

The **BRENTWOOD POLICE DEPARTMENT** continues its commitment to deliver high quality law enforcement services to a growing community. Community programs include Neighborhood Watch, Red Ribbon Week, Vacation Watch, Tell-A-Cop, R.A.V.E., Operation Identification, and the Community Identification Program.

Every other year the police department presents the “Every Fifteen Minutes” program to 11th and 12th grade students. The two-day presentation involves the “staging” of a drunken driving fatal collision which takes students through the dramatized consequences of drinking and driving. Program participants include students, parents, teachers, public safety personnel and medical service providers.

Responding to emergency calls for service remains a high priority. In addition to the typical police car, officers may also be assigned to either foot, bicycle or off-road motorcycle patrol. Three motorcycle officers are assigned to traffic enforcement including commercial vehicles and collision prevention. A SWAT team has been established to respond to critical incidents.

Implementing and keeping current on new technologies has allowed the Department to become more efficient in its operations and service to the public. Detectives are using new technologies, such as “computer forensics,” to investigate Internet and other computer-related crimes.

The Police Department actively collaborates and participates with outreach groups on a variety of issues including domestic violence, gang involvement, hate crimes, substance abuse, victim assistance, mental illness and the homeless.

City of Brentwood

Letter of Transmittal

Youth activities focus on giving kids positive direction and mentoring. The Police Activities League (PAL) continues to grow and expand their program variety. The Brentwood Police Explorer Scouting program offers teenagers an opportunity to be involved in their community, work with officers and explore a career in law enforcement.

The Police Department continues to grow and evolve to meet the needs of our community. Personnel have been added and trained to provide faster service for Livescan, child safety seat installations and processing counter requests. The recruitment of top quality police applicants to our City has been extremely effective through the use of innovative hiring incentives that encourage officers to work and live in Brentwood.

The Police Department is also active in county-wide emergency service groups including the Office of Emergency Services Operation Area Group and the Homeland Security Grant law enforcement sub-committee.

The Police Department is open to the public on weekdays from 8:30 AM to 8:00 PM. Public information pamphlets and resource brochures are available in the police station lobby.

The **ENGINEERING DEPARTMENT** continues its commitment to plan, engineer and ensure the highest quality infrastructure to the residents of Brentwood. To meet the challenge of the growing demand for infrastructure, the Engineering Department pursued an aggressive approach to expedite the construction of major roadways, water storage and distribution and sanitary sewer collection treatment facilities. With available limited revenue sources of the City and grants through State and Federal programs, over \$28 million was invested in the City's roadway, sewer and water systems.

The Engineering Department also works cooperatively with the development community to secure innovative financing for infrastructure ahead of the developments. Final maps, grading plans, roadway, sewer and water improvement plans were approved for 1,332 residential lots over the past year.

The **Building Division** of the **COMMUNITY DEVELOPMENT DEPARTMENT** continued to bring a number of major commercial projects online through plan check and construction inspection this year, including the Sand Creek Crossing Shopping Center with TJ Maxx, Homegoods, Raley's, Ross, Home Concepts Furniture, Starbucks, Hawaiian Barbeque, and many other stores in that center. Construction continued on the Walnut Business Park and the Town Center Office Park, bringing several new office buildings online. New commercial construction included a health club on Guthrie Lane, new office buildings and mini-storage on Sand Creek Road, a new Safeway shopping center on Balfour at Fairview, the Walgreen's Center, and the Donahue & Shriber Regional Shopping Center including Home Depot, Kohl's, Michaels, SportMart, Petco and Linen & Things. Three major church projects are also in the process of being constructed - Golden Hills, Resurrection Ministry, and Immaculate Heart. Two golf club houses are also being constructed.



City of Brentwood

Letter of Transmittal

Commercial construction accounted for \$18,442,953.20 in construction valuation.

All of the commercial Building Division activity is in addition to plan check and inspection of 1,400 new homes this past year. We also issued permits for 228 new pools. That works out to one new pool per workday. For the fiscal year 2002/03 2,634 permits were issued with a construction valuation of \$294,446,335.

In addition, the Building Division has increased the level of neighborhood preservation activities through code enforcement and the City wide trash drop off at the transfer station.



In fiscal year 2002/2003, the **PARKS AND RECREATION DEPARTMENT** ended up with 142.66 usable park acres built or in design with expected dedication of an additional 15.46 acres in fiscal year 2003/04. The Parks and Recreation Department continues to work with both the Brentwood Union School District and Liberty Union High School District on joint-use facilities and will be modifying and updating the joint-use agreement in fiscal year 2003/2004. The year 2002 saw the first annual “Day in the Park” Art and Wine Festival hosted by the City of Brentwood Arts Commission. Staff and members of the Arts Commission worked hard to put together this successful event for the nearly 5,000 people that attended. It is anticipated that this event will continue to grow each year. The Arts Commission hosted quarterly shows at the Brentwood Education and Technology Center. Commissioners worked with local schools to enable students to go to the site to see the Diego Rivera art exhibit, providing some art enrichment in the youth of our community. The Youth Commission completed Phase I of the Youth Master Plan. A “Teen Crisis Referral” card was created and distributed to middle and high school students. The Senior

Citizens Club was formed with the assistance of the recreation staff to help provide input and direction to the department as to the issues and needs of the growing senior population.

In 2002, the Parks and Recreation Department received two Awards of Excellence from the California Park and Recreation Society (CPRS). Awards received were for the “Best Single Brochure” and “Facility Design for the Skate Park”.

The **DEPARTMENT OF PUBLIC WORKS** is comprised of six Divisions: Solid Waste, Water Production and Distribution, Street Maintenance, Fleet Maintenance, Wastewater Treatment, which became its own division in 2002, and an Administration Division which provides support to each of the other Divisions.

Originally established by the City of Brentwood nine years ago, the Solid Waste Enterprise Fund provides refuse collection for all residents within the City limits. While the **Solid Waste Division** continues to operate within a healthy enterprise funding, needs assessments and rate studies have not been conducted in the past. A study is currently underway to identify long-term needs in the Division. Also, a rate study will be implemented

to ensure that the enterprise is appropriately funded. The projected rates will support the current and future costs of the Division including expanding the capacity of the Transfer Station to accommodate residential drop off.

The City of Brentwood's **Municipal Water System** supplies approximately 90 million gallons of potable water to the community per month. Current and immediate future potable water needs are met through municipal wells and purchased water. There is a significant potential for reducing water demand by utilizing the reclaimed water from the Wastewater Treatment Plant. Staff will be investigating new well sites along with improving agreements with surface water purveyors to ensure future peak water demands are met. Staff is currently implementing a Supervisory Control and Data Acquisition (SCADA) program to the water distribution section. This computer controlled program will ensure reliable and consistent water supply by monitoring water use, remotely controlling pumping demands and providing reliable data for preventative maintenance work.

The **Street Maintenance Division** is responsible for asphalt repair and replacement including emergency repairs, sidewalk repairs and curb and gutter replacements. The Street Maintenance Division is also responsible for street sweeping, sign production and replacement, pavement marking and storm drain maintenance. The costs associated with this division continue to see increases. These increases are primarily from preventative maintenance costs associated with the growth of our City. To help offset the costs, staff is implementing programs that will reduce these costs. Included in this is the new thermo plastic pavement marking equipment. This will increase the life span of legends and lines from eight months to six years.

The **Fleet Maintenance Division** has been handles preventative maintenance and repairs for the majority of the City of Brentwood fleet. In FY 2003/04, regularly scheduled maintenance was performed on the 120 vehicles owned by the City. The current cost for the maintenance and repairs is approximately \$85 an hour. Staff recently relocated to a new maintenance facility that is improving operational efficiencies. The City is also utilizing a number of electric vehicles to help reduce combustion engine emissions.

The **Wastewater Division** is operating the newly completed \$40 million tertiary treatment facility. Utilizing state-of-the-art process control, this facility has the capacity to process up to 4.5 mgd for beneficial reuse in irrigation throughout the City. Current average dry weather daily flow is 2.3 mgd. Funded through user and development fees, this facility ensures adequate treatment of the City of Brentwood's wastewater. Staff has recently implemented a Sewer Lateral Maintenance Program that assists residents with maintenance, repair and/or replacement of the property owner's lateral from their property line to the main line. Each resident is billed \$1.00 per month for this service. It is anticipated that this new enterprise will be self sufficient in two years.

Staff completed, and City Council adopted, a comprehensive rate study that ensures the Treatment Plant is operating with sufficient funds to cover expenses. In Fiscal year 2003/04, a review of this rate study will be conducted to ensure the rates are maintaining sufficient



enterprise funding. Also associated with the Wastewater Enterprise Fund is collection system maintenance. The current plan calls for the entire collection system to be cleaned once a year. Additionally, staff will be recommending the purchase of specialized video-based equipment to assist in determining the condition of the sanitary system.

During the fiscal year 2002/03, the Brentwood REDEVELOPMENT AGENCY participated in several projects and programs in order to achieve the goals and objectives outlined in the Redevelopment Plans and Implementation Plan. The accomplishments associated with these projects and programs are described below.

- The Agency funded sewer line improvements for health and safety purposes along Brentwood Boulevard and Almond Street for the benefit of eleven households and two commercial properties.
- The Agency funded the construction of 52 additional parking spaces on Second Street in the Downtown District to facilitate both the expansion of existing businesses and the attraction of new businesses. The Agency also funded bike racks and additional security lighting for the Second Street parking lot.
- Sand Creek and Gregory Ranch, a 40-acre commercial, residential, hotel and restaurant mixed-use development, was facilitated by the Agency's agreement to reimburse \$1.5M to the developer for assistance towards the roadway improvement costs. The development will provide 856 jobs, annual sales tax of \$43,000 and transient occupancy tax of \$130,300, as well as return the Agency's investment of \$1.5M in less than eight years due to the increased tax increment generated by the project. As of August 2003, three of the nine office buildings are complete and occupied, construction of the mini-storage component has commenced, roadway improvements are nearly complete and the site improvements for the 120 town home component have been started.

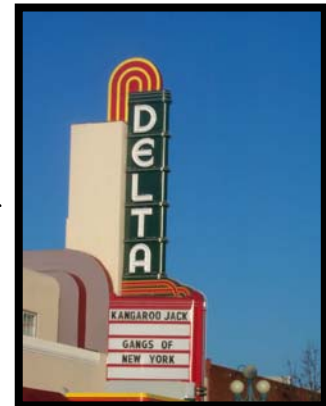


- The Agency completed a lot line adjustment of two parcels it owns on the corner of Oak Street and Walnut Boulevard. The Agency is considering the development potential of assembling its two parcels with one privately owned parcel to the south, for a total assemblage of approximately 4.4 acres. The development could potentially consist of retail and/or restaurants and could serve as a gateway to the downtown area.
- Staff completed a Downtown Parking Structure Study to assess the design alternatives, construction costs and financial feasibility of a retail/parking structure in the downtown area. The parking structure would house approximately 30,000 square feet of retail and restaurant space on the first floor, with three levels of parking above. A second phase study is currently underway to narrow and focus the

conclusions of the first study, facilitate site selection, fine tune construction and land assemblage costs and revise the design options. EIR and Phase I site assessment studies will commence shortly.

- The Agency's Project Area Committee has stayed active in reviewing redevelopment housing activities and staying advised of general redevelopment projects.

- In October 2002, the Agency adopted a Business Relocation Assistance Program for eligible businesses currently located within the Merged Redevelopment Project Areas and interested in voluntary relocation to Sunset Industrial Complex. It is hoped that the program will act as a catalyst in the removal of existing blighted conditions and to facilitate reuse and revitalization of the area.
- As part of the Business Relocation Assistance Program, staff completed negotiations with Brentwood Ready Mix to relocate from North Brentwood Boulevard to the Sunset Industrial Complex. To facilitate the success and completion of the Sunset Industrial Complex, the Agency partially funded its infrastructure in the amount of \$3M.
- The Agency also continued its relationship with the Brentwood Chamber of Commerce by contributing \$35,000 to the Chamber's Marketing Program. The mission of the marketing program is to increase the economic viability of Brentwood by investing in existing businesses, attracting new businesses to Brentwood and emphasizing the quality of business and community life in Brentwood.
- The Agency has also developed a multi-year economic strategic plan for the Downtown Area. Interviews of stakeholders, analysis of sales information and retail data collection is currently underway to help formulate an economic strategic plan for the Brentwood Boulevard Corridor Area in North Brentwood.
- In January 2003, an analysis and study to determine the feasibility of adding territory along the Lone Tree Way corridor to the North Brentwood Project Area was performed. The findings concluded that while the survey area exhibited physical and economic blight factors necessary to create a new project area, the current development in the area is alleviating blighting conditions by private enterprise acting alone.
- A disposition and development agreement was approved by the Agency in November 2002. The development of nine high-density, single family residential units on the Agency-owned, one-acre lot at 159 Sycamore Avenue is currently being negotiated. The developer of the Casitas Del Sol development is required to design a marketing and resale program that gives preference to residents and workers of Brentwood. This high density project will provide another housing product at a market price not currently available in the City of Brentwood's predominately single family housing stock.
- A disposition and development agreement was approved by the Agency in November 2002 for a \$575,000 contribution from the Agency's Housing Set Aside Fund for the development of Sycamore Place II, a 40-unit, very low income, senior housing development that will mirror an existing and successful complex in Brentwood. The non-profit owner/operator also secured commitments from HUD and Contra Costa County HOME programs.
- The Agency conditioned Sycamore Square, a single-family housing development in the North Brentwood Project Area, to produce eight inclusionary housing units. To comply with a portion of this condition, the developer and Agency staff are working together to rehab an existing triplex in the Merged Redevelopment Project Area.
- In June 2003, the Agency approved a reimbursement agreement for the development of eight residential units in the Brentwood Project Area, of which two units shall remain affordable to lower income households for no less than 55 years.
- Other ongoing affordable housing projects that are requesting Agency financial assistance include Habitat for Humanity's Fairview Project, Mercy Housing's Villa Amador Apartments, Affordable Housing Development Corporation's Arbor Ridge Apartments and Terra Nova's Brentwood Senior Commons.



- To further its mission in the upcoming 2003-2004 year, the Agency will continue with its commercial, retail and industrial development programs, business assistance programs, public improvement and facilities programs and the assistance and participation in the expansion and improvement of the supply of very low, low and moderate income housing.

Risk Management

The City has initiated a limited risk management program for workers' compensation and general liability. As part of this comprehensive plan, resources are being accumulated in a fund balance reserve to meet potential losses. In addition, various risk control techniques, including employee accident prevention training, have been implemented during the year to minimize accident-related losses. Effective with the renewal of excess insurance policies on July 1, 2002, third-party coverage is currently maintained for workers' compensation and risk liability claims up to \$350,000. Risk liability coverage is currently maintained and provides coverage in three tiers:

\$1 million with 18 cities in primary insurance pool, with a \$5,000 deductible;

\$2 million excess \$1 million in an excess self-insurance pool with 135 members;

Through the excess pool, CARMA, we have reinsurance to \$15 million. This is with Am Re and would be \$12 million plus \$3 million.

Total liability coverage is \$15 million, subject to a \$10,000 deductible.

Independent Audit

The Government Code of the State of California requires general law cities, such as the City of Brentwood, to have its financial statements audited by an independent certified public accountant. Accordingly, this year's audit was completed by the accounting firm of Vavrinek, Trine, Day and Co., LLP. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Federal Single Audit Act of 1984 and related OMB Circular A-133. The auditor's report on the general purpose financial statements is included in the financial section hereof. The examination relating to the single audit was found to be under the limit and not needed for fiscal year 2002/03.

Certificate of Achievement

The Government Finance Officers Association (GFOA) and California Society of Municipal Finance Officers (CSMFO) both offer a recognition program for public entities to determine whether the City conforms to the highest level of governmental accounting and financial reporting standards. Its attainment represents a significant accomplishment by a government and its management. If a city qualifies, a Certificate of Achievement is awarded for a period of one year.

GFOA and CSMFO awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Brentwood for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2002, the City's second CAFR. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

Acknowledgements

I wish to thank the City Council for providing clear policy direction and goals that have been used to prepare this comprehensive annual financial report. I would also like to express my appreciation to all City of Brentwood staff members who have taken the time to participate in the development of the report. A great deal of effort and attention to detail has gone into the preparation of this document, representing many hours of work by staff members throughout the organization. These dedicated members assisted and contributed to its preparation. Special recognition is given to the Finance Department staff, and specifically Denise Davies, Gail Leech, Patti Bowden, Brian Kelleher, Pat Meyer and Liz Ybarra. Their efforts made it possible to improve the quality of the information being reported to the citizens, the City Council, and other users on a much timelier basis. Appreciation is also expressed to the Mayor, the City Council, and the City Manager for their interest and support in planning and conducting the financial activities of the City in a responsible and responsive manner.

The City of Brentwood has a bright future ahead because of its committed elected leadership combined with the talents and ingenuity of the individuals within this organization. One of the key components in securing this future is through a well-planned, long-term fiscal strategy, based upon economic development that will generate high paying, long-term employment opportunities, new and stable sales tax revenue sources and improved intergovernmental relations. City Council and staff have taken steps to plan and implement this long-term strategy.

Though the challenges are great, the City is firmly committed to meeting each and every challenge that comes our way. This comprehensive annual financial report is the next step towards meeting those challenges. By continuing to follow the financial policy set forth by the City Council, the City of Brentwood will deliver the highest level of service permitted by the available resources.

Respectfully submitted,

John Stevenson

John Stevenson
City Manager

Pamela Ehler

Pamela Ehler
City Treasurer
Director of Finance and Information Systems

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brentwood, California, (City) as of and for the year ended June 30, 2003, which collectively comprise the City's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these basic 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 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 misstatements. 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 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 opinion.

In our opinion, the basic 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 of Brentwood, California, as of June 30, 2003, and the respective changes in financial position and cash flows, where applicable, 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 October 30, 2003 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Required Supplementary Information, including Management's Discussion and Analysis and budgetary comparison information, as listed in the table of contents, is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. This Required Supplementary Information is the responsibility of the management of the City. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and accordingly, we do not express an opinion.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The combining and individual fund financial statements and schedules listed in the table of contents are presented for purpose of additional analysis and are not a required part of the basic financial statements of the City. These financial statements and schedules are also the responsibility of the management of the City. Such additional information has been subjected to the auditing procedures applied in our audit of the basic financial statements, and in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole. The scope of our audit did not include the introductory section and statistical schedules listed in the table of contents and we do not express an opinion on them.

Pleasanton, California
October 30, 2003

This discussion and analysis of the City of Brentwood's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2003. Please read it in conjunction with the accompanying transmittal letter, the basic financial statements and the accompanying notes to those financial statements.

FINANCIAL HIGHLIGHTS

- The total assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$363.9 million. Of this amount, \$43.6 million may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased \$74.1 million, primarily due to the completion of projects and acquisition of assets from developers.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$70.4 million, a decrease of \$1.4 million net in comparison to the prior year.
- The City's total long-term debt increased by \$3.7 million. The increase is primarily the result of an increase in the State Water Resources note payable.
- The City's Emergency Preparedness Fund has a balance of \$5 million at year end, which is an increase of \$3 million from the prior year.

Overview of the Financial Statements

The financial statements presented herein include all of the activities of the City of Brentwood ("the City") and its component units using the blended approach as prescribed by government accounting standards.

The **Government-Wide Financial Statements** present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business type activities separately. These statements include all assets of the City (including infrastructure) as well as all liabilities (including long-term debt). Additionally, certain eliminations have occurred as prescribed by the statement in regards to interfund activity, payables and receivables.



The **Fund Financial Statements** include statements for each of the three categories of activities – governmental, business-type and fiduciary. The governmental activities are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The business-type activities are prepared using the economic resources measurement focus and the accrual basis of accounting. The fiduciary activities are agency funds, which only report a balance sheet and do not have a measurement focus.

Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach.

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities and Changes in Net Assets

The Statement of Net Assets and the Statement of Activities and Changes in Net Assets report information about the City as a whole and about its activities. These statements include *all* assets and liabilities of the City using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's *net assets* and changes in them. Net assets are the difference between assets and liabilities, which is one way to measure the City's financial health, or *financial position*. Over time, *increases or decreases* in the City's net assets are one indicator of whether its *financial health* is improving or deteriorating. Other factors to consider are changes in the City's property tax base and the condition of the City's roads.

In the Statement of Net Assets and the Statement of Activities and Changes in Net Assets, we separate the City activities as follows:

Governmental Activities – Most of the City's basic services are reported in this category including the General Government, Public Safety, Community Development, Engineering, Public Works, Parks and Community Services. Property and sales taxes, user fees, interest income, franchise fees and state and federal grants finance these activities.

Business-Type Activities – The City charges a fee to customers to cover all or most of the cost of certain services it provides. The City's Wastewater, Solid Waste, Water, Parks and Recreation and City Rental activities are reported in this category.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

Governmental Funds - Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences of results in the Governmental Fund financial statements to those in the Government-Wide financial statements are explained in a reconciliation following each Governmental Fund financial statement.

Proprietary Funds - When the City charges customers for the services it provides – whether outside customers or other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets. In fact, the City's enterprise funds are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities – such as the City's Information Systems, Fleet Maintenance and Equipment Replacement Funds. The Internal Service funds are reported with governmental activities in the Government-Wide financial statements.

Reporting the City's Fiduciary Responsibilities

The City is the trustee, or *fiduciary*, for certain amounts held on behalf of developers, property owners, and others. The City's fiduciary activities are reported in separate Statements of Fiduciary Net Assets. We exclude these activities from the Government-Wide financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

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.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits to its employees, budgetary comparison schedules for the general fund and each major special revenue fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The net assets for the City as a whole increased 25.57% from \$289.8 million at June 30, 2002 to \$363.9 million at June 30, 2003. This increase of \$74.1 million comes from the change in net assets as recorded in the Statement of Activities and flows through the Statement of Net Assets. Program expenses by function, general revenues by major source, excess and/or deficiency of revenues over expenses before contributions to fund principal, special, and extraordinary items, and total assets are presented in the Statement of Activities and Changes in Net Assets.

	Governmental Activities		Business-Type Activities		Total Primary Governments	
	2003	2002	2003	2002	2003	2002
Revenues:						
Program Revenues:						
Charges for Services	\$ 13,862,506	\$ 12,131,112	\$ 15,719,566	\$ 12,746,951	\$ 29,582,072	\$ 24,878,063
Operating Grants and Revenues	226,570	698,207	-	-	226,570	698,207
Capital Grants and Contributions	132,575	163,450	-	-	132,575	163,450
General Revenues:						
Taxes:						
Property Taxes	6,933,900	5,423,132	680,375	532,571	7,614,275	5,955,703
Sales Tax and Gas Taxes	2,998,922	2,661,107	-	-	2,998,922	2,661,107
Business License, Franchise Fees, Rentals	668,657	498,202	5,375	3,788	674,032	501,990
Public Service Taxes	589,266	391,088	-	-	589,266	391,088
Measure C - TOT	448,498	449,654	-	-	448,498	449,654
Motor Vehicle Taxes	1,702,280	1,423,128	-	-	1,702,280	1,423,128
Investment Earnings	2,777,909	3,122,319	1,710,954	1,247,935	4,488,863	4,370,254
Impact Fees	21,965,625	10,729,361	20,286,877	11,453,897	42,252,502	22,183,258
Capital Contributions	9,572,626	20,491,264	20,733,980	18,090,394	30,306,606	38,581,658
Capital Assets Contributed to/from Other Funds	2,885,000	-	(2,885,000)	-	-	-
Miscellaneous	6,470,739	1,971,847	-	-	6,470,739	1,971,847
Total Revenues	71,235,073	60,153,871	56,252,127	44,075,536	127,487,200	104,229,407
Expenses:						
General Government	18,329,899	5,331,756	-	-	18,329,899	5,331,756
Public Safety	6,750,947	5,681,464	-	-	6,750,947	5,681,464
Community Development	2,886,102	2,944,722	-	-	2,886,102	2,944,722
Engineering	1,618,876	1,577,558	-	-	1,618,876	1,577,558
Public Works	2,942,088	2,783,123	-	-	2,942,088	2,783,123
Parks	806,336	744,725	-	-	806,336	744,725
Community Services	314,293	581,152	-	-	314,293	581,152
Other	1,158,986	2,805,061	-	-	1,158,986	2,805,061
Interest on Long-Term Debt	2,018,870	2,789,903	-	-	2,018,870	2,789,903
Wastewater	-	-	3,405,073	2,813,091	3,405,073	2,813,091
Solid Waste	-	-	3,060,101	2,703,827	3,060,101	2,703,827
Water	-	-	6,779,073	6,394,410	6,779,073	6,394,410
Parks and Recreation	-	-	2,891,809	2,749,011	2,891,809	2,749,011
City Rentals	-	-	429,833	396,025	429,833	396,025
Total Expenses	36,826,397	25,239,464	16,565,889	15,056,364	53,392,286	40,295,828
Increase in Net Assets Before Transfers	34,408,676	34,914,407	39,686,238	29,019,172	74,094,914	63,933,579
Transfers	7,349,207	(870,776)	(7,349,207)	870,776	-	-
Increase in Net Assets	41,757,883	34,043,631	32,337,031	29,889,948	74,094,914	63,933,579
Net Assets 7/1 as Restated	183,635,212	149,591,581	106,175,681	76,285,733	289,810,893	225,877,314
Net Assets 6/30	\$ 225,393,095	\$ 183,635,212	\$ 138,512,712	\$ 106,175,681	\$ 363,905,807	\$ 289,810,893

The City's combined Net Assets for fiscal year ended June 30, 2003 were:

	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
Current and Other Assets	\$ 97,403,557	\$ 88,621,577	\$ 43,375,591	\$ 30,225,305	\$ 140,779,148	\$ 118,846,882
Capital Assets	184,849,115	147,110,926	148,205,105	126,696,981	333,054,220	273,807,907
Total Assets	\$ 282,252,672	\$ 235,732,503	\$ 191,580,696	\$ 156,922,286	\$ 473,833,368	\$ 392,654,789
Long-Term Liabilities Outstanding	\$ 39,191,552	\$ 39,214,503	\$ 51,242,460	\$ 47,180,897	\$ 90,434,012	\$ 86,395,400
Current Liabilities	17,668,025	12,882,788	1,825,524	3,565,708	19,493,549	16,448,496
Total Liabilities	\$ 56,859,577	\$ 52,097,291	\$ 53,067,984	\$ 50,746,605	\$ 109,927,561	\$ 102,843,896
Net Assets:						
Invested in Capital Assets, Net of Related Debt	\$ 144,428,668	\$ 107,356,555	\$ 98,061,398	\$ 77,713,543	\$ 242,490,066	\$ 185,070,098
Restricted	43,163,510	47,295,121	34,664,252	27,949,628	77,827,762	75,244,749
Unrestricted	37,800,917	28,983,536	5,787,062	512,510	43,587,979	29,496,046
Total Net Assets, Restated	\$ 225,393,095	\$ 183,635,212	\$ 138,512,712	\$ 106,175,681	\$ 363,905,807	\$ 289,810,893

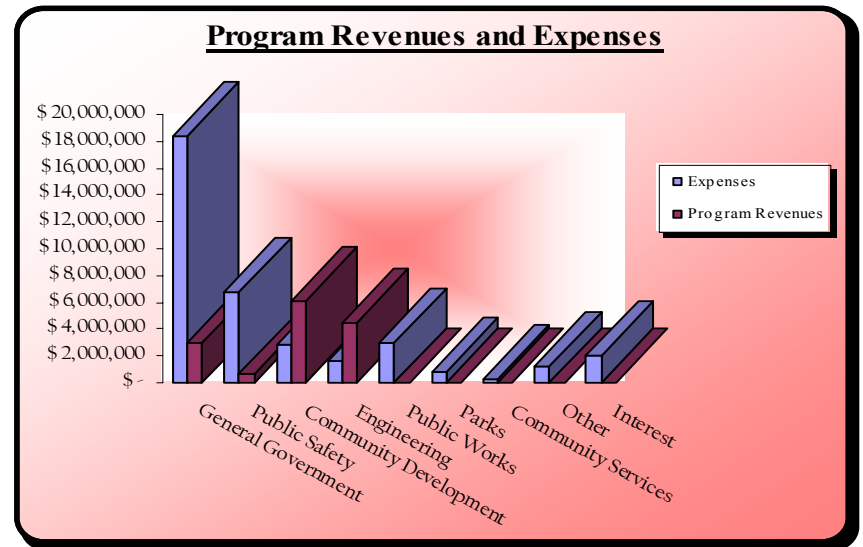
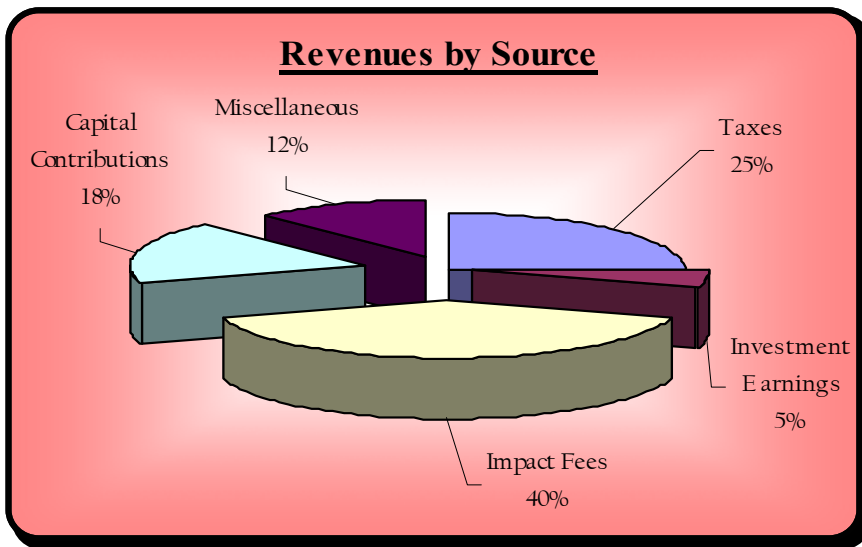
The City's net assets from governmental activities increased 22.8% from \$183.6 million to \$225.4 million. Invested in Capital assets net of related debt increased \$37.1 million due to the completion of projects. Restricted net assets decreased \$4.1 million overall as a result of the reclassification of assets as reserved for specific projects and programs.

The City's net assets from business-type activities increased 30.4% from \$106.2 million to \$138.5 million. Invested in Capital assets, net of related debt increased \$20.3 million due primarily to the completion of projects. The unrestricted net assets increased by \$5.3 million as a result of the reclassification of assets as reserved for specific projects and programs.

The cost of all Governmental activities this year was \$36.8 million. However, as shown in the Statement of Activities, the amount that the taxpayers ultimately financed for these activities was only \$22.6 million because some of the cost was paid by those who directly benefited from the programs (\$13.9 million), or by other governments and organizations that subsidized certain programs with operating grants and contributions (\$.2 million) and capital grants and contributions (\$.1 million). Community Development and Engineering show net revenue of \$3.2 and \$2.8 million, respectively, which is the result of this aggressive growth. Overall, the City's governmental program revenues were \$14.2 million. The City paid for the remaining "public benefit" portion of governmental activities with \$13.3 million in taxes (some of which could only be used for certain programs) and with other revenues, such as interest and general entitlements.

Total resources available during the year to finance governmental operations were \$262.2 million consisting of Net Assets at July 1, 2002 of \$183.6 million, program revenues of \$14.2 million and general revenues of \$64.4 million. Total Governmental Activities during the year were \$36.8 million; thus Net Assets were increased by \$41.8 million to \$225.4 million.

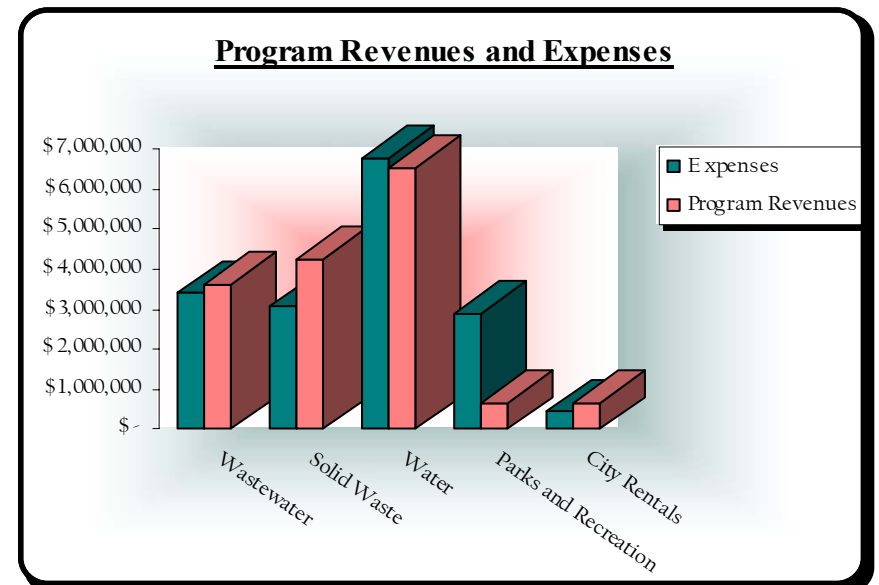
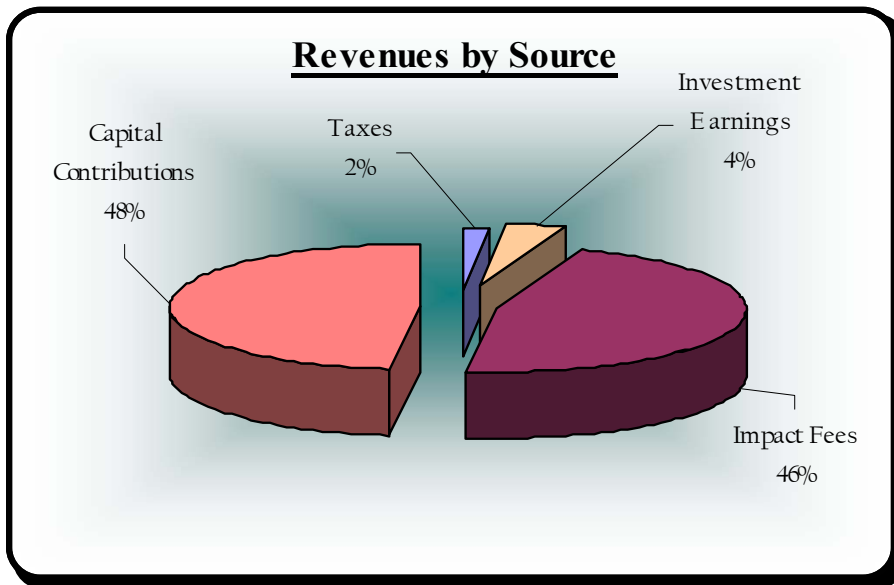
GOVERNMENTAL ACTIVITIES



BUSINESS TYPE ACTIVITIES

The cost of all Proprietary (Business-Type) activities this year was \$16.6 million. As shown in the Statement of Activities and Changes in Net Assets, the amounts paid by users of the systems were \$15.7 million. Investment earnings were \$1.7 million and Impact Fees and Credits totaled \$20.3 million.

Total resources available during the year to finance Proprietary Fund (Business-Type) Activities were \$155.1 million consisting of Net Assets at July 1, 2002 of \$106.2 million, program revenues of \$15.7 million and general revenues of \$33.2 million. Total Proprietary Fund (Business-Type) Activities during the year were \$16.6 million; thus Net Assets were increased by \$32.3 million to \$138.5 million.



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The fund balance at year-end for the City's General Fund of \$19,302,492 is an overall increase of \$10,341,946 over last year, primarily due to the Community Development and Engineering Funds moving to the General Fund.

The Special Revenue Funds decreased by \$9,057,600 from the prior year, this primarily attributable to the Community Development and Engineering Funds moving to the General Fund.

The Capital Projects Funds decreased by \$2,905,265 from the prior year, this is attributable to the aggressive building program the City has adopted.

Internal Service Funds show an increase in Net Assets of \$5,936,903. The City has been able to continue to fully fund all the replacement funds and increase the Emergency Preparedness Fund by \$3,000,000.

DEBT ADMINISTRATION

Debt, considered a liability of governmental activities, decreased in FY 2002/03 by \$22,951. Per capita debt outstanding decreased from \$1,245 to \$1,077 per capita compared to the prior fiscal year. Detailed information regarding long-term debt activity can be found in Notes to the Basic Financials.

	Balance June 30, 2002	Incurred or Issued	Satisfied or Matured	Balance June 30, 2003
Governmental Activities				
Certificates of Participation	\$ 595,000	\$ -	\$ 290,000	\$ 305,000
Tax Allocation Bonds	-	-	-	-
CIP 2001 Revenue Bonds	32,080,000	-	445,000	31,635,000
Capital Improvement Programs	-	-	-	-
2002 General Obligation Payable	5,999,976	198,106	-	6,198,082
Capital Leases	178,104	345,100	150,726	372,478
Accumulated Compensated Absences	361,423	1,055,604	736,035	680,992
Total Governmental Activities	\$ 39,214,503	\$ 1,598,810	\$ 1,621,761	\$ 39,191,552
Business-Type Activities				
Lease Payable	196,355	-	45,300	151,055
Notes Payable	1,075,829	-	206,297	869,532
Note Payable - State Water Resources	33,439,743	4,273,823	-	37,713,566
CCWD Water Entitlement	370,901	-	84,785	286,116
Water and Wastewater Revenue Bonds	12,330,000	-	310,000	12,020,000
Accumulated Compensated Absences	138,970	246,257	183,036	202,191
Total Business-Type Activities	\$ 47,551,798	\$ 4,520,080	\$ 829,418	\$ 51,242,460

Debt of the business-type activities increased by \$3,690,662 FY 2002/03 as a result of the issuance of the State Water Resources loan for the new Wastewater Treatment Facility.

CASH MANAGEMENT

The City invests temporarily idle cash in accordance with the Government Code and a formal investment policy approved by the City Council. This policy limits investments to certain types of instruments and requires that investments must meet established criteria for safety, liquidity and yield. As of June 30, 2003, investments (not including investments with fiscal agent) totaled \$130.6 million of which \$56.4 was invested in the California State Local Agency Investment Fund (LAIF) and \$74.2 in other investments managed by Public Financial Management (PFM). The portfolio managed by Public Financial Management is in full compliance with California Government Code Section 53601 and the City's investment policy.

The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by federal depository insurance or collateralized, with all collateral held either by the City, its agent, or a financial institution's trust department in the City's name. All investments held by the government during the year and at June 30, 2003, are classified in the category of lowest credit risk as defined by the Governmental Accounting Standards Board.

To obtain flexibility in cash management, the City employs a pooled cash system (Reference Note 3 in the Notes to the Basic Financial Statements). Under the pooled cash concept, the City invests the cash of all funds with maturities planned to coincide with cash needs. Idle cash is invested in certain eligible securities as constrained by law and further limited by the City's Investment Policy. The goals of the City's Investment Policy are safety, liquidity and yield.

CAPITAL ASSETS

The capital assets of the City are those assets which are used in the performance of the City's functions including infrastructure assets. At June 30, 2003, capital assets net of accumulated depreciation of the governmental activities totaled \$184,849,115 and capital assets net of accumulated depreciation of the business-type activities totaled \$148,205,105. Depreciation on capital assets is recognized in the Government-Wide financial statements. Detailed information regarding Capital Assets can be found in Notes to the Basic Financials.

The City has elected to use the depreciation method as allowed by GASB Statement No. 34 for infrastructure reporting.

	Original Cost	Accumulated Depreciation	Book Value
Capital Assets - Governmental Assets:			
Land	\$ 28,454,974	\$ -	\$ 28,454,974
Land Improvements	749,552	201,533	548,019
Buildings	7,485,856	1,292,594	6,193,262
Infrastructure	135,696,862	27,240,791	108,456,071
Equipment	1,635,106	916,129	718,977
Vehicles	4,348,408	2,579,074	1,769,334
Work in Progress – CIP	38,708,478	-	38,708,478
Total Governmental Assets	<u>\$217,079,236</u>	<u>\$32,230,121</u>	<u>\$ 184,849,115</u>
Capital Assets - Business-Type Assets:			
Land	\$ 414,352	\$ -	\$ 414,352
Land Improvements	1,766,059	681,151	1,084,908
Buildings	17,314,400	3,002,859	14,311,541
Infrastructure	136,611,929	8,202,791	128,409,138
Equipment	3,329,366	1,920,892	1,408,474
Work in Progress – CIP & Infrastructure	2,007,505	-	2,007,505
Intangible Assets	597,532	28,345	569,187
Total Business-Type Assets	<u>\$162,041,143</u>	<u>\$13,836,038</u>	<u>\$ 148,205,105</u>

GENERAL FUND BUDGETARY HIGHLIGHTS

Comparing the FY 2002/03 original budget (or adopted) General Fund expenditures of \$26,673,536 to the final budget amount of \$30,948,039 shows a net increase of \$4,274,503.

<u>Beginning Balance</u>	+	<u>Supplemental Changes</u>	=	<u>Final Budget</u>
\$26,673,536	+	4,274,503	=	\$30,948,039

Supplemental General Fund budget changes include the following:

- \$4,102,000 in General Obligation Bond monies transferred to the Police Station Project.
- \$275,000 transfer to the Parks Enterprise Fund approved at mid-year budget review.
- (\$102,497) in various budget adjustments approved at mid-year budget review.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The key assumptions in the General Fund revenue forecast for fiscal year 2003/04 were:

1. The Property Tax revenue estimate of \$3,664,727 for fiscal year 2003/04 is 20% above the 2002/03 budgeted amount.
2. Sales Tax revenues are expected to increase by 28%. This increase is forecasted because of an anticipated rise in local economic activity and new businesses locating in Brentwood.
3. The 20% increase in Franchise Fees is due to population growth and commercial development.
4. Investment earnings will increase an estimated \$600,000 due to Brentwood's continued increase in consumer confidence and exponential growth with new home construction and the addition of several large chain outlets on the frontier.
5. Approximately 1000 new housing units will be constructed.
6. Business License revenues are estimated to increase for fiscal year 2003/04 to \$300,000, which is 182% above the 2002/03 budgeted amount. This projected increase is due to the new business license tax that was passed by the voters in November 2002, new businesses that are expected to come to Brentwood and continued code enforcement.

New items specifically addressed in the 2003/04 budget were:

Public Safety - The City Council has put Public Safety as one of its priorities and is committed to make Brentwood one of the safest cities in California. Safe streets and low crime rates attract growth in both residential and business development. FY 2003/04

includes hiring four (4) sworn positions. This will bring sworn staffing levels in the Police Department to 56. Additionally, \$432,000 was budgeted for Fire Department/EMT service.

Recreational and Cultural - As the population of Brentwood continues to grow, the City is committed to expanding both the park and recreational programs and facilities to meet the increased need for the constructive use of leisure time. For seniors, the City has assisted the formation of a non-profit Senior Advisory Board to assist and advise the City in the expansion of senior programs. The City of Brentwood Youth Commission is moving forward with a number of projects to better inform and serve the needs of the youth in our community. Continued support for the PAL Program, Dimes-A-Ride, Woman's Club and the Library were included in the budget. The City is also committed to the expansion of family activities, which include an expansion of the free Summer Concerts Under the Stars, held in the City Park on Friday nights, and a joint project with the Brentwood Police Activities League to sponsor two after school enrichment programs for elementary and middle school students.

Levels of Service - In light of budget pressures stemming from the general economy and looming state takeaways, the City of Brentwood strived to maintain or surpass its current levels of service. This goal was aided by increasing salaries which will allow the City to hire and keep quality staff.

Community Development - A comprehensive review and update of the complete Zoning Ordinance is planned to bring it into conformance with contemporary zoning standards, make it user friendly and to clear up any inconsistencies. A Downtown, Brentwood Boulevard and Empire Triangle Specific Plan, as directed by the General Plan, was developed to maintain and enhance the vitality of these areas by establishing comprehensive policies to guide long term use, urban design, parking, development standards and economic development.

Business License - The City of Brentwood has developed additional revenue from business license tax by citizens passing Measure D, which increased our tax by moving to gross receipts. This revenue is significant because it is not considered discretionary and therefore is not subject to state take away.

Retail Expansion - Sand Creek Crossing, a 260,000 square foot community center, is complete and will offer the far-east county population shopping opportunities that have not been present in the region. Lone Tree Plaza, a 454,000 square foot community center, Lone Tree Center, an 180,000 square foot community center and three neighborhood centers totaling 220,000 square feet are in

various stages of construction will be complete in late 2003. These six projects, totaling 1,114,000 square feet, will generate approximately \$3,000,000 in sales tax when complete.

Economic Development/Redevelopment - The budget focuses on the following items:

- Public infrastructure and improvement within the Redevelopment Project Areas
- Support of reinvestment projects in Downtown
- Downtown Parking Study
- Development of multi-level retail/restaurant/parking facility at Oak and Walnut
- Implementing the Manufacturing Attraction Program
- Redevelopment Agency housing programs

Facility Development - The current City Hall functions are overcrowded. Two projects are underway to alleviate this problem in the short-term. The first project is the expansion and renovation of the City Hall facility at 120 Oak Street to accommodate the Engineering department. The second project is the renovation of the existing City Hall to accommodate the remaining City functions. In order to provide a permanent City Hall to house all appropriate City functions in an effective and productive environment, the City is designing and constructing a new City Hall in the vicinity of the existing City Hall.

Emergency Preparedness Fund - FY 2002/03 represents the second year the City will have the Emergency Preparedness fund totaling \$5,000,000. Having this fund underscores City Council's continued commitment to be prepared for a critical incident or catastrophic event in the future.

Vehicle License Fees - This approximately \$1.9 million revenue source is not safe from State takeaway due to continuing budget uncertainty on the State level. We are concerned that the State may act further to lower the amount of the fee that local governments receive. The State makes up the balance of the vehicle license fee from its general fund, thereby trading one of our rather constant revenue sources for one subject to the impulse of the State legislature. This revenue has been reduced in anticipation of State budget cuts.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report, separate reports of the City's component units or need any additional financial information, contact the Office of Finance at 708 Third Street, Brentwood, California 94513, phone (925) 516-5415 or e-mail dept-finance@ci.brentwood.ca.us.

City of Brentwood
Statement of Net Assets
June 30, 2003

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Investments	\$ 73,706,565	\$ 39,345,632	\$ 113,052,197
Restricted Cash and Investments	20,304,912	1,064,284	21,369,196
Receivables	2,405,010	1,861,987	4,266,997
Prepays	461,259	11,289	472,548
Land Held for Resale	475,811	-	475,811
Non-Current Assets:			
Deferred Charges	-	600,240	600,240
Long-Term Loans Receivable	50,000	492,159	542,159
Capital Assets, Net of Accumulated Depreciation	146,140,637	146,197,600	292,338,237
Work in Progress	38,708,478	2,007,505	40,715,983
Total Assets	282,252,672	191,580,696	473,833,368
LIABILITIES AND NET ASSETS			
Current Liabilities:			
Accounts Payable	9,870,574	1,563,639	11,434,213
Other Liabilities	127,611	45,761	173,372
Long-Term Debt Due Within One Year	1,570,549	3,075,945	4,646,494
Deferred Revenue	74,144	65,582	139,726
Deposits Held	7,595,696	150,542	7,746,238
Compensated Absences Payable	20,429	6,066	26,495
Non-Current Liabilities Due in More Than One Year:			
Bonds Payable	37,118,082	11,690,000	48,808,082
Notes Payable	-	36,284,467	36,284,467
Capital Leases Payable	275,807	103,318	379,125
Compensated Absences Payable	206,685	82,664	289,349
Total Liabilities	56,859,577	53,067,984	109,927,561
Net Assets:			
Investment in Capital Assets, Net of Related Debt	144,428,668	98,061,398	242,490,066
Restricted for:			
Debt Service	3,447,008	-	3,447,008
Specific Projects and Programs	39,716,502	34,664,252	74,380,754
Unrestricted	37,800,917	5,787,062	43,587,979
Total Net Assets	\$ 225,393,095	\$ 138,512,712	\$ 363,905,807

City of Brentwood

Statement of Activities and Changes in Net Assets
For Year Ended June 30, 2003

Functions/Programs	Program Revenues					Net (Expenses) Revenues and Changes in Net Assets		
	Expenses	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Total	Governmental Activities	Business-Type Activities	Total
Primary Government:								
Government Activities								
General Government	\$ 18,329,899	\$ 2,938,053	\$ 43,913	\$ 1,622	\$ 2,983,588	\$ (15,346,311)	\$ -	\$ (15,346,311)
Public Safety	6,750,947	396,267	149,751	130,953	676,971	(6,073,976)	-	(6,073,976)
Community Development	2,886,102	6,071,912	-	-	6,071,912	3,185,810	-	3,185,810
Engineering	1,618,876	4,451,413	-	-	4,451,413	2,832,537	-	2,832,537
Public Works	2,942,088	4,861	-	-	4,861	(2,937,227)	-	(2,937,227)
Parks	806,336	-	32,906	-	32,906	(773,430)	-	(773,430)
Community Services	314,293	-	-	-	-	(314,293)	-	(314,293)
Other	1,158,986	-	-	-	-	(1,158,986)	-	(1,158,986)
Interest on Long-Term Debt	2,018,870	-	-	-	-	(2,018,870)	-	(2,018,870)
Total Governmental Activities	36,826,397	13,862,506	226,570	132,575	14,221,651	(22,604,746)	-	(22,604,746)
Business-Type Activities								
Wastewater	3,405,073	3,618,959	-	-	3,618,959	-	213,886	213,886
Solid Waste	3,060,101	4,243,126	-	-	4,243,126	-	1,183,025	1,183,025
Water	6,779,073	6,528,611	-	-	6,528,611	-	(250,462)	(250,462)
Parks and Recreation	2,891,809	668,503	-	-	668,503	-	(2,223,306)	(2,223,306)
City Rentals	429,833	660,367	-	-	660,367	-	230,534	230,534
Total Business-Type Activities	16,565,889	15,719,566	-	-	15,719,566	-	(846,323)	(846,323)
Total Primary Government	\$ 53,392,286	\$ 29,582,072	\$ 226,570	\$ 132,575	\$ 29,941,217	(22,604,746)	(846,323)	(23,451,069)

General Revenues:

Taxes:			
Property Taxes	6,933,900	680,375	7,614,275
Sales Tax and Gas Taxes	2,998,922	-	2,998,922
Business Licenses, Franchise Fees, Rental	668,657	5,375	674,032
Public Services Taxes	589,266	-	589,266
Measure C, TOT	448,498	-	448,498
Motor Vehicle Taxes	1,702,280	-	1,702,280
Investment Earnings	2,777,909	1,710,954	4,488,863
Contributions - Impact Fees and Credits	21,965,625	20,286,877	42,252,502
Capital Asset Contributions	9,572,626	20,733,980	30,306,606
Capital Assets Contributed To/From Other Funds	2,885,000	(2,885,000)	-
Miscellaneous	6,470,739	-	6,470,739
Transfers	7,349,207	(7,349,207)	-
Total General Revenues and Transfers	64,362,629	33,183,354	97,545,983
Change in Net Assets	41,757,883	32,337,031	74,094,914
Net Assets - Beginning of Year, Restated	183,635,212	106,175,681	289,810,893
Net Assets - End of Year	\$ 225,393,095	\$ 138,512,712	\$ 363,905,807

City of Brentwood

Balance Sheet

Governmental Funds

June 30, 2003

	General Fund	Thoroughfares	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Current Assets:					
Cash and Investments	\$ 25,658,442	\$ -	\$ 19,329,396	\$ 19,892,652	\$ 64,880,490
Restricted Cash and Investments	-	-	-	20,304,912	20,304,912
Receivables	1,421,009	1,127,733	25,217	566,919	3,140,878
Prepays	454,599	-	3,702	725	459,026
Due from Other Funds	307,386	-	-	2,105,918	2,413,304
Land Held for Resale	-	-	-	475,811	475,811
Non-Current Assets:					
Long-Term Loans Receivable	50,000	-	-	-	50,000
Total Assets	\$ 27,891,436	\$ 1,127,733	\$ 19,358,315	\$ 43,346,937	\$ 91,724,421
LIABILITIES AND FUND BALANCES					
Current Liabilities:					
Accounts Payable and Accrued Liabilities	\$ 924,138	\$ 35,727	\$ 6,118,594	\$ 2,738,143	\$ 9,816,602
Due to Other Funds	-	2,105,918	-	307,386	2,413,304
Other Liabilities	-	-	127,611	-	127,611
Deferred Revenue	73,803	1,124,941	-	111,716	1,310,460
Deposits Held	7,574,696	-	-	21,000	7,595,696
Compensated Absences Payable	16,307	-	2,533	550	19,390
Total Liabilities	8,588,944	3,266,586	6,248,738	3,178,795	21,283,063
Fund Balances:					
Reserved for:					
Prepays	454,599	-	3,702	725	459,026
Land Held for Resale	-	-	-	475,811	475,811
Debt Service	-	-	-	3,447,008	3,447,008
Specific Projects and Programs	-	-	13,105,875	25,675,790	38,781,665
Unreserved, Reported in:					
General Fund	18,847,893	-	-	-	18,847,893
Special Projects	-	-	-	118,862	118,862
Capital Projects	-	(2,138,853)	-	10,449,946	8,311,093
Total Fund Balances	19,302,492	(2,138,853)	13,109,577	40,168,142	70,441,358
Total Liabilities and Fund Balances	\$ 27,891,436	\$ 1,127,733	\$ 19,358,315	\$ 43,346,937	\$ 91,724,421

*Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Assets
June 30, 2003*

Total Fund Balances - Total Governmental Funds	\$ 70,441,358
Amounts reported for Governmental Activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheets.	182,838,525
Internal Service Funds are used by management to charge costs of certain activities, such as data processing and fleet management, to individual funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the Government-Wide Statement of Net Assets.	10,718,202
The long-term assets are not available to pay for current-period expenditures and, therefore are deferred in the funds.	431,814
Long-term liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Funds Balance Sheet.	<u>(39,036,804)</u>
Net Assets of Government Activities	<u><u>\$ 225,393,095</u></u>

City of Brentwood

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For Year Ended June 30, 2003

	General Fund	Thoroughfares	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 6,407,430	\$ -	\$ -	\$ 4,232,990	\$ 10,640,420
Licenses	124,823	-	-	-	124,823
Permits and Fines	9,354,198	-	-	-	9,354,198
Uses of Money and Property	1,289,592	13,629	-	1,258,524	2,561,745
Intergovernmental	1,816,406	43,913	-	536,132	2,396,451
Franchises	428,731	-	-	-	428,731
Charges for Other Services	531,791	-	-	-	531,791
Charges to Other Funds	3,922,881	-	-	-	3,922,881
Fees and Other Revenues	778,571	11,739,850	3,836,042	9,988,747	26,343,210
Total Revenues	24,654,423	11,797,392	3,836,042	16,016,393	56,304,250
EXPENDITURES					
Current:					
General Government	3,041,315	-	2,357,966	9,427,428	14,826,709
Public Safety	7,419,111	-	-	117,320	7,536,431
Community Development	2,631,597	-	-	1,012,776	3,644,373
Engineering	1,767,688	-	-	-	1,767,688
Public Works	1,305,993	-	-	-	1,305,993
Parks	839,368	-	-	-	839,368
Community Services	157,457	-	-	156,836	314,293
Other	781,864	280,956	-	96,166	1,158,986
Capital Outlay	-	3,687,863	27,569,810	602,470	31,860,143
Debt Service:					
Principal Retirement	-	-	-	808,325	808,325
Interest and Fiscal Charges	-	-	-	1,810,808	1,810,808
Total Expenditures	17,944,393	3,968,819	29,927,776	14,032,129	65,873,117
REVENUES OVER (UNDER) EXPENDITURES	6,710,030	7,828,573	(26,091,734)	1,984,264	(9,568,867)
OTHER FINANCING SOURCES (USES)					
Capital Contributions	-	-	-	4,657,010	4,657,010
Transfers In	14,021,317	595,995	34,788,301	7,192,797	56,598,410
Transfers Out	(10,389,401)	(10,857,997)	(5,018,212)	(26,811,840)	(53,077,450)
Total Other Financing Sources (Uses)	3,631,916	(10,262,002)	29,770,089	(14,962,033)	8,177,970
NET CHANGE IN FUND BALANCE	10,341,946	(2,433,429)	3,678,355	(12,977,769)	(1,390,897)
Fund Balance, Beginning of Year, Restated	8,960,546	294,576	9,431,222	53,145,911	71,832,255
Fund Balance, End of Year	\$ 19,302,492	\$ (2,138,853)	\$ 13,109,577	\$ 40,168,142	\$ 70,441,358

City of Brentwood

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-Wide Statement of Activities and Changes in Net Assets For Year Ended June 30, 2003

Net Changes in Fund Balances - Total Governmental Funds	\$	(1,390,897)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental Funds report capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Assets, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.		32,205,243
Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities and Changes in Net Assets, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in Governmental Funds.		(2,934,498)
The net effect of various miscellaneous transactions involving Capital Assets (i.e.: sales, trade-ins and contributions) is to increase net assets.		6,983,034
To record the net change in compensated absences in the Statement of Activities.		(292,050)
To record Redevelopment Agency interfund activity.		553,215
Bond proceeds provide current financial resources to governmental Funds, but issuing debt increases long-term liabilities in the Government-Wide Statement of Net Assets. Repayment of bond principal is an expenditure in Governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Assets.		
This amount represents long-term debt repayments.		808,325
This amount represents accretion interest.		(198,106)
This amount represents capital lease principal increase.		(345,100)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		431,814
Internal Service Funds are used by management to charge the costs of certain activities, such as data processing and fleet management, to individual funds. The net revenue of the Internal Service Funds is reported with Governmental Activities.		5,936,903
Changes in Net Assets of Government Activities	\$	41,757,883

City of Brentwood

Statement of Net Assets

Proprietary Funds

June 30, 2003

	<u>Wastewater</u>	<u>Solid Waste</u>	<u>Water</u>	<u>Parks and Recreation</u>	<u>City Rentals</u>	<u>Totals</u>	<u>Governmental Activities - Internal Service Funds</u>
ASSETS							
Current Assets:							
Cash and Investments	\$ 14,188,005	\$ 1,140,275	\$ 17,594,236	\$ 6,422,972	\$ 144	\$ 39,345,632	\$ 8,826,075
Restricted Cash and Investments	183,022	-	881,252	10	-	1,064,284	-
Receivables	275,756	344,555	985,580	47,627	208,469	1,861,987	68,975
Prepays	2,150	2,635	3,770	2,447	287	11,289	2,233
Non-Current Assets:							
Deferred Charges	119,354	-	480,886	-	-	600,240	-
Long-Term Loans Receivable	109,984	-	382,175	-	-	492,159	-
Capital Assets, Net of accumulated depreciation	75,506,906	1,674,824	48,046,417	20,969,453	-	146,197,600	2,010,590
Work in Progress	313,758	-	349,523	1,344,224	-	2,007,505	-
Total Assets	<u>90,698,935</u>	<u>3,162,289</u>	<u>68,723,839</u>	<u>28,786,733</u>	<u>208,900</u>	<u>191,580,696</u>	<u>10,907,873</u>
LIABILITIES AND NET ASSETS							
Current Liabilities:							
Accounts Payable	277,184	125,696	932,129	183,783	44,847	1,563,639	53,972
Other Liabilities	-	-	-	45,761	-	45,761	-
Long-Term Debt Due Within One Year	2,357,163	290,461	395,119	31,097	2,105	3,075,945	31,825
Deferred Revenue	-	-	-	47,953	17,629	65,582	341
Deposits Held	-	7,147	102,250	5,470	35,675	150,542	-
Compensated Absences Payable	1,218	1,245	1,766	1,733	104	6,066	1,039
Non-Current Liabilities Due in More Than One Year:							
Bonds Payable	2,207,577	-	9,482,423	-	-	11,690,000	-
Notes Payable	35,434,522	653,701	196,244	-	-	36,284,467	-
Capital Lease Payable	-	103,318	-	-	-	103,318	68,878
Compensated Absences Payable	14,420	13,365	28,685	24,936	1,258	82,664	33,616
Total Liabilities	<u>40,292,084</u>	<u>1,194,933</u>	<u>11,138,616</u>	<u>340,733</u>	<u>101,618</u>	<u>53,067,984</u>	<u>189,671</u>
Net Assets:							
Invested in Capital Assets, Net of Related Debt	35,817,896	826,136	39,103,689	22,313,677	-	98,061,398	-
Restricted for:							
Special Projects and Programs	11,877,631	851,707	16,038,065	5,896,849	-	34,664,252	-
Unrestricted	2,711,324	289,513	2,443,469	235,474	107,282	5,787,062	10,718,202
Total Net Assets	<u>\$ 50,406,851</u>	<u>\$ 1,967,356</u>	<u>\$ 57,585,223</u>	<u>\$ 28,446,000</u>	<u>\$ 107,282</u>	<u>\$ 138,512,712</u>	<u>\$ 10,718,202</u>

City of Brentwood

Statement of Revenues, Expenses and Changes in Fund Net Assets

Proprietary Funds

For Year Ended June 30, 2003

	Wastewater	Solid Waste	Water	Parks and Recreation	City Rentals	Totals	Governmental Activities - Internal Service Funds
Operating Revenues:							
Charges for Services	\$ 3,218,568	\$ 4,136,947	\$ 6,498,207	\$ 582,807	\$ 648,669	\$ 15,085,198	\$ 3,257,023
Other Income	400,391	111,554	30,404	85,696	11,698	639,743	47,640
Total Operating Revenues	3,618,959	4,248,501	6,528,611	668,503	660,367	15,724,941	3,304,663
Operating Expenses:							
Personnel Services	950,077	1,049,221	1,224,417	1,265,179	105,811	4,594,705	761,178
Repairs and Maintenance	36,581	98,597	356,341	154,014	80,474	726,007	77,011
Materials, Supplies and Services	1,973,813	2,320,887	4,060,006	1,343,959	227,845	9,926,510	811,391
Depreciation and Amortization	612,787	92,850	784,725	265,852	15,915	1,772,129	668,321
Total Operating Expense	3,573,258	3,561,555	6,425,489	3,029,004	430,045	17,019,351	2,317,901
Operating Income (Loss)	45,701	686,946	103,122	(2,360,501)	230,322	(1,294,410)	986,762
Non-Operating Revenues (Expenses):							
Interest Income	623,795	20,611	854,753	211,795	-	1,710,954	314,268
Property Tax	-	-	-	680,375	-	680,375	-
Interest Expense	(127,481)	(65,666)	(613,911)	-	-	(807,058)	(9,956)
Total Non-Operating Revenues (Expenses)	496,314	(45,055)	240,842	892,170	-	1,584,271	304,312
Income (Loss) before Contributions and Operating Transfers	542,015	641,891	343,964	(1,468,331)	230,322	289,861	1,291,074
Contributions - Impact Fees and Credits	5,377,740	-	10,467,036	5,702,621	-	21,547,397	-
Capital Asset Contributions	9,351,980	-	8,047,353	3,334,647	-	20,733,980	817,582
Capital Assets Contributed to Governmental Funds	-	-	-	-	(2,885,000)	(2,885,000)	-
Transfers In	10,095,092	428,615	2,492,490	2,393,450	-	15,409,647	3,828,247
Transfers Out	(11,868,902)	(677,369)	(6,865,769)	(3,342,454)	(4,360)	(22,758,854)	-
Change in Net Assets	13,497,925	393,137	14,485,074	6,619,933	(2,659,038)	32,337,031	5,936,903
Net Assets, Beginning of Year, Restated	36,908,926	1,574,219	43,100,149	21,826,067	2,766,320	106,175,681	4,781,299
Net Assets, End of Year	\$ 50,406,851	\$ 1,967,356	\$ 57,585,223	\$ 28,446,000	\$ 107,282	\$ 138,512,712	\$ 10,718,202

City of Brentwood
Statement of Cash Flows
Proprietary Funds
For Year Ended June 30, 2003

	Wastewater	Solid Waste	Water	Parks and Recreation	City Rentals	Totals	Governmental Activities - Internal Service Funds
Cash Flows from Operating Activities							
Cash Received from Customers/Other Funds	\$ 3,309,735	\$ 4,193,790	\$ 6,215,587	\$ 569,310	\$ 456,417	\$ 14,744,839	\$ 3,272,246
Cash Payments to Suppliers of Goods and Services	(2,790,915)	(2,602,779)	(4,244,028)	(1,590,447)	(278,343)	(11,506,512)	(855,844)
Cash Payments to Employees for Services	(950,077)	(1,049,221)	(1,224,417)	(1,265,179)	(105,811)	(4,594,705)	(761,178)
Other Recipients/Payments	394,061	111,859	(23,132)	163,559	56,263	702,610	-
Net Cash Provided By (Used for) Operating Activities:	(37,196)	653,649	724,010	(2,122,757)	128,526	(653,768)	1,655,224
Cash Flows from Non-Capital Financing Activities							
Property Tax	-	-	-	680,375	-	680,375	-
Transfers Received	10,095,092	428,615	2,492,490	2,393,450	-	15,409,647	3,233,947
Transfers Paid	(11,695,501)	(428,615)	(6,785,519)	(3,250,559)	(4,360)	(22,164,554)	-
Net Cash Provided By (Used for) Non-Capital Financing Activities	(1,600,409)	-	(4,293,029)	(176,734)	(4,360)	(6,074,532)	3,233,947
Cash Flows from Capital and Related Financing Activities							
Proceeds from Debt	4,223,720	-	-	-	-	4,223,720	-
Contributions - Impact Fees and Credits	5,377,740	-	10,467,036	5,702,621	-	21,547,397	-
Capital Assets Contributions	9,351,980	-	8,047,353	3,334,647	-	20,733,980	817,582
Interest Paid on Debt	(127,481)	(65,666)	(613,911)	-	-	(807,058)	(9,956)
Principal Paid on Debt	-	(194,298)	(365,866)	-	-	(560,164)	(77,400)
Acquisition and Construction of Assets	(13,887,898)	(38,661)	(8,227,890)	(4,331,016)	-	(26,485,465)	(1,558,431)
Net Cash Provided By (Used for) Capital and Related Financing Activities	4,938,061	(298,625)	9,306,722	4,706,252	-	18,652,410	(828,205)
Cash Flows from Investing Activities							
Interest on Investments	623,795	20,611	854,753	211,795	-	1,710,954	314,268
Net Cash Provided By Investing Activities:	623,795	20,611	854,753	211,795	-	1,710,954	314,268
Net Increase (Decrease) in Cash and Cash Equivalents	3,924,251	375,635	6,592,456	2,618,556	124,166	13,635,064	4,375,234
Cash and Cash Equivalents - Beginning of Year	10,263,754	764,640	11,001,780	3,804,416	(124,022)	25,710,568	4,450,841
Cash and Cash Equivalents - End of Year	\$ 14,188,005	\$ 1,140,275	\$ 17,594,236	\$ 6,422,972	\$ 144	\$ 39,345,632	\$ 8,826,075
Reconciliation of Operating Income to Net Cash Provided By (Used for) Operating Activities							
Operating Income (Loss)	\$ 45,701	\$ 686,946	\$ 103,122	\$ (2,360,501)	\$ 230,322	\$ (1,294,410)	\$ 986,762
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used for) Operating Activities							
Depreciation and Amortization	612,787	92,850	784,725	265,852	15,915	1,772,129	668,321
Changes in Assets and Liabilities:							
Receivables, Net	95,688	56,690	(60,039)	(13,734)	(147,602)	(68,997)	(32,415)
Inventories	114	(69)	(489)	366	(85)	(163)	-
Accounts Payable and Other Payables	(780,520)	(197,739)	89,016	(87,210)	20,218	(956,235)	32,556
Accrued Expenses	-	11,824	(4,979)	698	-	7,543	-
Due from Other Funds	-	-	(219,846)	-	-	(219,846)	-
Deposits	(10,966)	3,147	32,500	71,772	9,758	106,211	-
Net Cash Provided By (Used for) Operating Activities	(37,196)	653,649	724,010	(2,122,757)	128,526	(653,768)	1,655,224
Noncash Capital Activities:							
Transfer Assets to/from Other Funds	173,401	248,754	80,250	91,895	-	594,300	(594,300)



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City of Brentwood

Statement of Fiduciary Net Assets

Fiduciary Funds

June 30, 2003

	<u>Agency Funds</u>
ASSETS	
Cash and Investments	\$ 7,361,757
Restricted Cash and Investments	8,061,180
Accrued Interest Receivable	86,877
Prepaid	<u>1,041</u>
Total Assets	<u><u>\$ 15,510,855</u></u>
LIABILITIES	
Accounts Payable	\$ 269,790
Due to Bondholders	<u>15,241,065</u>
Total Liabilities	<u><u>\$ 15,510,855</u></u>



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NOTE # 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**A. Description of the Reporting Entity**

The City of Brentwood is located halfway between the cities of San Francisco and Sacramento at the eastern end of Contra Costa County. The City is governed by a five (5) member City Council under the Council–Manager form of government and provides the following services: public safety (police), highways and streets, sanitation, public improvements, planning and zoning, and general administrative services. The City has a current population of approximately 36,364, as of June 30, 2003, and encompasses approximately 13.73 square miles. Brentwood was incorporated in 1948 as a general law city under the laws of the State of California.

At June 30, 2003, the City’s staff comprised 220 full-time employees who were responsible for City provided services. In addition, the City employs approximately 100 seasonal recreation personnel.

The accounting policies of the City of Brentwood conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting Principles.

As required by accounting principles generally accepted in the United States of America, these financial statements present the City of Brentwood (the primary government) and its component units, entities for which the government is considered financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization or there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable for an organization if the organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). In certain cases, other organizations are included as component units if the nature and significance of their relationship with the City are such that their exclusion would cause the City’s financial statements to be misleading or incomplete.

Blended component units, although legally separate entities are, in substance, part of the governments operations and so data from these units are combined with data of the primary government. Each of the blended component units discussed below have a June 30, year-end, and meets the above-mentioned criteria.

NOTE # 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)Blended Component Units

- Brentwood Redevelopment Agency

The Brentwood Redevelopment Agency (the Agency) is organized under the State of California Community Redevelopment Law. The Agency Directors also serve as the City Council. Separate financial statements for the Redevelopment Agency may be obtained from the City of Brentwood Finance Department.

- Brentwood Joint Powers Financing Authority

The Brentwood Joint Powers Financing Authority (the Authority) is a joint powers authority between the City and the Authority. The primary purpose of the Authority is to render financial assistance to the City and the Agency by issuing debt and financing the construction of public facilities. Separate financial statements are not required for the Authority, and therefore, are not issued.

B. Basis of Accounting / Measurement Focus

The *basic financial statements* of the City are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

Financial reporting is based upon all GASB pronouncements, as well as the FASB Statements and Interpretations, APB Opinions, and Accounting Research Bulletins that were issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements. FASB Pronouncements issued after November 30, 1989, are not followed in preparation of the accompanying financial statements.

NOTE # 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A *Major Fund* is the general fund and other funds whose revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds for the same item. Any other government or enterprise fund may be reported as a major fund if the government's officials believe that fund is particularly important to financial statement users.

The government reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounting for in another fund.

Special Revenue Funds account for specific revenues that are legally restricted to expenditures for particular purposes. The major Special Revenue Fund included in the major governmental fund is *Thoroughfares*. Specific descriptions of this fund can be found on the Special Revenue section tab.

Capital Projects Funds account for the acquisition and construction of major capital facilities other than those financed by proprietary funds. The major Capital Projects Fund included in the major governmental funds is the *Capital Projects Fund*. Specific descriptions of this fund can be found on the Capital Projects section tab.

The government reports the following major proprietary funds:

The *Wastewater Enterprise* accounts for the operation and maintenance of the sewer system which is funded by user charges and other fees.

The *Solid Waste Enterprise* accounts for the operation and maintenance of the collection of solid waste generated within City limits.

The *Water Enterprise* accounts for the City's water operations and maintenance which supplies water to the City.

The *Parks and Recreation Enterprise* accounts for the maintenance and operation of the City-owned and maintained park and recreations programs.

The *City Rentals* accounts for all the City facilities rented and maintained through this fund.

NOTE # 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Additionally, the government reports for the following fund types:

Internal Service Funds account for data processing and fleet management services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis.

Debt Service Funds are used to account for the accumulation of resources for, and the payment of long-term debt principal, interest, and related costs.

C. Government-Wide and Fund Financial Statements

The City Government-Wide Financial Statements include a Statement of Net Assets and a Statement of Activities and Changes in Net Assets. These statements present summaries of Governmental and Business-Type Activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements.

These statements are presented on an “*economic resources*” focus and the accrual basis of accounting. Accordingly, all of the City’s assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The types of transactions reported as program revenues for the City are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

The governmental funds financial statements are presented on a spending or “*current financial resources*” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year – end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property tax, sales tax, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Assets have been eliminated except those representing balances between the governmental activities and

NOTE # 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities, which are presented as transfers, have not been eliminated. However, the transfers have been eliminated in the total primary government column.

Proprietary Fund Financial Statements

Proprietary Fund Financial Statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Fund Net Assets, and a Statement of Cash Flows for each major proprietary fund and non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

Proprietary funds are accounted for using the “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or non-current) are included on the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Fund Net Assets present increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses

Proprietary Fund Types:

- Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs, including depreciation, of providing goods or services to the general public on a continuing basis, be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

NOTE # 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Internal Service Funds – Internal Service Funds account for the financing of goods, services, or facilities provided by one City department to other City departments on a cost-reimbursement basis.

Fiduciary Financial Statements

- Fiduciary Funds – Fiduciary Fund Financial Statements include a Statement of Net Assets. The City’s Fiduciary funds represent Agency Funds, which are custodial in nature (assets equal liabilities). Agency Funds do not involve measurement of results of operations.

Reconciliation of the Fund financial statements to the Government-Wide financial statements is provided to explain the differences created by the integrated approach of GASB Statement No. 34.

D. Assets, Liabilities and Net Assets or Equity

i. Use of Restricted/Unrestricted Net Assets

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the City’s policy is to apply restricted net assets first.

ii. Cash and Investments

The City pools idle cash from all funds for the purpose of increasing income through investment activities. In compliance with Governmental Accounting Standards Board Statement No. 31, the City’s investments are stated at fair value, except for highly liquid markets investments with maturities of one year or less at the time of purchase, which are stated at amortized cost. Market value is used for those securities for which market quotations are readily available. For securities that lack readily available market quotations, reasonable estimates of fair value are used based on the market value of similar investments. The City generally holds all investments until maturity or until market values equal or exceed cost. Therefore, the fair value of securities in the investment pool does not reflect realized gains or losses but rather the fair value of those investments as of June 30, 2003.

NOTE # 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

iii. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the City considered all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. All cash and investments of the proprietary fund types are pooled with the City's pooled cash and investments.

iv. Unbilled Services Receivable

Utility Revenue is recorded when earned. Customers are billed monthly. The estimated value of services provided but unbilled at year-end has been included in the accompanying financial statements.

v. Use of Estimates

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

vi. Inventories, Prepaid Items and Land Held for Resale

Inventory is valued at cost using the first in, first out method. Inventory in the Proprietary Funds consists of expendable supplies held for future consumption or capitalization. The cost is recorded as an expense as inventory items are consumed. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Land held for resale is valued at the lower of cost or estimated net realizable value and is recorded in the capital project funds.

NOTE # 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

vii. Capital Assets

The City’s assets are capitalized at historical cost or estimated historical cost. City policy has set the capitalization threshold for capital assets at \$10,000 or more. Gifts or contributions of capital assets are recorded at fair market value when received. Depreciation is recorded on a straight-line basis over the useful lives of the assets as follows:

Land improvements	20 years
Building and structures	50 years
Machinery and equipment	3 - 20 years
Vehicles	3 - 8 years
Infrastructure	65 years

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34 which requires the inclusion of infrastructure capital assets in local governments’ basic financial statements. In accordance with Statement No. 34, the City has included the value of all infrastructure into the 2002/03 Basic Financial Statements.

The City defines infrastructure as long lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. The assets include the street system, water purification and distribution system, sewer collection and treatment system; park and recreation lands and improvement system, storm water conveyance system, and buildings combined with the site amenities such as parking and landscaped areas used by the City in the conduct of its business. Each major infrastructure system can be divided into subsystems. For example, the street system can be subdivided into pavement, curb and gutters, sidewalks, medians, streetlights, traffic control devices (signs, signals and pavement markings), landscaping and land. These subsystems were not delineated in the Basic Financial Statements. The appropriate operating department maintains information regarding the subsystems.

NOTE # 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**viii. Compensation Absences Payable**

A total of 11 to 28 vacation days, up to 60 hours of compensatory time off or 120 hours of administrative leave time and 12 days of sick leave may be accumulated by employees every year. Sick leave is not paid at termination but is used for additional service credits towards retirement and half (up to \$8,000) of accrued sick leave may be cashed in at time of retirement from Brentwood. Under certain restrictive circumstances, limited amounts of sick leave can be converted to vacation time. Vacation time is only to accumulate up to one and one-half years of earnings. All employees may elect to receive a lump sum payment of up to 40 hours of accumulated vacation each March and with Mid-Managers, Department Directors, and the City Manager eligible to elect payment of up to 80 hours in March. Additionally, each October, employees with five years of service may elect to receive a lump sum payment of up to 40 hours of accumulated vacation time; with Mid-Managers, Department Directors and the City Manager eligible to elect payment of up to 80 hours. Liabilities for compensated absences are included as a liability in the Government-Wide Financial Statements.

ix. Property Tax

Property tax valuation, lien, and levy for secured and unsecured property is March 1 of each year. Fifty percent of secured taxes are due on November 1 and February 1 of each fiscal year and are delinquent on December 10 and April 10, respectively. Unsecured property taxes are due on July 1 and delinquent on August 31. Contra Costa County bills and collects the City's property taxes, and the remittance of them to the City is accounted for in the City's General Fund. City property tax revenues are recognized when levied to the extent that they result in current receivables. The City receives their full assessment of property tax, and the County retains all delinquent charges.

NOTE # 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

x. Deferred Compensation Plan

City employees may defer a portion of their compensation under a City Sponsored deferred compensation plan created in accordance with Internal Revenue Code Section 457. Under the plan, participants are not taxed on the deferred portion of their compensation until it is distributed to them. Distribution may be made only at termination of employment, retirement, death or in emergency as defined by the Plan. In accordance with GASB 32, the City revised the plan to no longer make the funds available to the City's general creditors and accordingly, the City does not report any assets or liabilities associated with this plan in these financial statements.

NOTE # 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

• General Budget Policies

Formal budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds except the Capital Improvement Financing Programs (CIFP), Capital Improvement 2001, 2002 Series A & B, Community Development, Engineering, Street Improvement Projects, Capital Projects, Bypass Authority and Mark Roos Drainage Credit funds. These funds are not legally required to adopt budget as their appropriations are established by the related bond documentation and/or other legal documents. Expenditures may not exceed budgeted appropriations at fund level without City Council approval. The level of budgetary control is established at the fund level.

Prior to July 1, the budget is legally enacted through passage of a resolution. The City Council periodically reviews the budgets and adopts supplemental appropriations (amendments) at the fund level when required. Budgeted amounts presented in the financial statements are as originally adopted. Final budget includes amendments to the original budget. Individual amendments were not material in relation to original appropriations.

NOTE # 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

- Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. Open encumbrances are recorded as reservations of fund balance since the commitments will be paid by subsequent years' budget appropriations. Encumbrances do not constitute expenditures or liabilities. Encumbered appropriations are presented to Council each year for reappropriations in the ensuing year's budget.

- Budget Basis of Accounting

Budgets for governmental funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

Budgetary comparisons presented for the General, Special Revenue, Capital Project and Debt Service Funds.

These funds are not legally required to adopt budgets as their appropriations are established by the related bond documentation and/or other legal agreements.

Capital Projects Funds

Capital Improvement Financing Program 94-1
Capital Improvement Financing Program 98-1
Capital Improvement Financing Program 99-1
Capital Improvement Financing Program 2000-1
Capital Improvement Financing Program 2002-1
2002 Series A & B
Capital Improvement 2001
Street Improvement Projects
Capital Projects

NOTE # 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Special Revenue Funds

Bypass Authority
 Mark Roos Drainage Credit
 Community Development *(moved to General Fund)*
 Engineering *(moved to General Fund)*

B. Interfund Receivables, Payables and Transfers:

The composition of interfund balances as of June 30, 2003 are as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Street Improvement Projects	Thoroughfares	\$2,105,918
General Fund	Measure C	<u>307,386</u>
	Total	<u>\$2,413,304</u>

Advances from/to other funds:

There are no balances as of June 30, 2003.

NOTE # 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Deficit Fund Equity

The following funds contain a deficit fund or accumulated deficit balance as of June 30, 2003, which was due to a timing issue at year-end. Coverage of these funds was addressed in the fiscal year 2003/04 Budget:

Special Revenue:	
Thoroughfares	\$ 2,138,853
Capital Projects Fund:	
North Brentwood Redevelopment Project	\$ 3,882
Internal Service Fund:	
Information Services	\$ 4,662

D. Excess of Expenditures Over Appropriations

There are no excess of expenditures over appropriations as of June 30, 2003.

E. Interfund Transfers

The interfund transfers are in balance

Interfund Transfers
For the Year Ended June 30, 2003

Fund Description	General Fund	Capital Projects	Internal Service Funds	Non Major Governmental Fund	Thoroughfares	Parks and Recreation Enterprise	Solid Waste Enterprise	Wastewater Enterprise Fund	Water Enterprise	Grand Total Transfers Out
General Fund	\$ -	\$ 6,644,980	\$ 3,104,505	\$ 104,436	\$ -	\$ 540,000	\$ -	\$ -	\$ (4,520)	\$ 10,389,401
Capital Projects	-	-	21,136	4,441,686	555,390	-	-	-	-	5,018,212
Non Major Governmental Fund	14,021,317	10,431,044	71,860	2,246,969	40,605	40	-	5	-	26,811,840
Thoroughfares	-	10,458,291	-	399,706	-	-	-	-	-	10,857,997
City Rentals Enterprise	-	4,360	-	-	-	-	-	-	-	4,360
Parks and Recreation Enterprise	-	1,397,150	91,894	-	-	1,853,410	-	-	-	3,342,454
Solid Waste Enterprise	-	-	248,754	-	-	-	428,615	-	-	677,369
Wastewater Enterprise	-	1,600,414	173,401	-	-	-	-	10,095,087	-	11,868,902
Water Enterprise	-	4,252,062	116,697	-	-	-	-	-	2,497,010	6,865,769
Grand Total Transfers In	\$ 14,021,317	\$ 34,788,301	\$ 3,828,247	\$ 7,192,797	\$ 595,995	\$ 2,393,450	\$ 428,615	\$ 10,095,092	\$ 2,492,490	\$ 75,836,304

NOTE # 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various City operations and reallocations of special revenues. The follow schedule briefly summarizes the City’s significant, Major Fund and unusual or non-consistent fund type transfer activity:

Transfer From	Transfer To	Amount	Purpose
General Fund	Capital Improvement	\$ 3,000,000	Provide subsidy to cover a portion of the costs for the Police Station Project.
Non-major Governmental Fund	Capital Improvement	1,540,771	Provide subsidy to cover a portion of the costs for the Police Station Project.
Non-major Governmental Fund	Capital Improvement	1,600,000	Provide subsidy to cover a portion of the Maintenance Service Center.
Non-major Governmental Fund	General Fund	5,844,395	To close out Community Development to the General Fund.
Non-major Governmental Fund	General Fund	7,284,304	To close out Engineering to the General Fund.
Non-major Governmental Fund	Non-major Governmental Fund	1,146,720	Provide subsidy to cover a portion of the Lone Tree Way Project.
Thoroughfares	Capital Improvement	4,000,000	Provide subsidy to cover a portion of the Sand Creek Road Project.
Thoroughfares	Capital Improvement	3,500,000	Provide subsidy to cover a portion of the Northwest Quadrant of Lone Tree Project.
Thoroughfares	Capital Improvement	800,000	Provide subsidy to cover a portion of the Sunset Road Project.
Parks Enterprise	Capital Improvement	700,000	To fund a portion of the Sunset Industrial Project.
Wastewater Enterprise	Capital Improvement	530,074	To fund a portion of the Sand Creek Road Project.
Water Enterprise	Capital Improvement	2,423,845	To fund a portion of the Sand Creek Road Project.
Water Enterprise	Capital Improvement	551,546	To fund a portion of the Lone Tree Way Project.

NOTE # 3 - CASH AND INVESTMENTS

The City of Brentwood maintains a cash investment pool that is available for all funds. Each fund type balance in the pool is reflected on the combined balance sheet as cash and investments. The carrying amounts of the City’s cash deposits were \$887,704 at June 30, 2003. The bank balances at June 30, 2003 were \$2,369,524, which were either insured or collateralized with securities held by the pledging financing institutions in the City’s name as discussed below:

Pooled Deposits:	
Demand deposits	\$ 887,704
Petty Cash	4,350
Pooled Investments	<u>148,952,276</u>
Total Cash and Investments	<u><u>\$ 149,844,330</u></u>

Cash and investments appear on the balance sheet as follows:

Cash and investments	
Governmental Activities	\$ 73,706,565
Business-Type Activities	39,345,632
Fiduciary Funds	<u>7,361,757</u>
	<u>120,413,954</u>
Restricted cash and investments	
Governmental Activities	20,304,912
Business-Type Activities	1,064,284
Fiduciary Funds	<u>8,061,180</u>
	<u>29,430,376</u>
Total Cash and Investments	<u><u>\$ 149,844,330</u></u>

The City apportions interest earnings to all funds based on their monthly cash balances in accordance with California Government Code Section 53647. The City has an adopted investment policy pursuant to Government Code Section 53647 which authorizes the City to invest in Securities of the US Government or its agencies, Certificates of Deposit, the State of California Local Agency Investment Fund (LAIF), Bankers Acceptances, Commercial Paper, Negotiable Certificates of Deposit, Repurchase Agreements and Corporate Medium Term Notes. The City selects its investments based on safety, liquidity and yield.

NOTE # 3 - CASH AND INVESTMENTS (Continued)

The cash and cash equivalents at June 30, 2003, presented below categorized separately to give an indication of the level of risk assessment with each deposit.

	Bank Balance Category *			Total	Carrying Amount
	1	2	3		
Categorized					
Demand Deposits	\$ 100,000	\$ -	\$ 2,269,524	\$ 2,369,524	\$ 887,704
Uncategorized					
Petty Cash					4,350
Total Cash and Cash Equivalents					\$ 892,054

* In accordance with GASB Statement No. 3, deposits are categorized in the following manner:

Category 1: Insured or collateralized with securities held by the City or by its agent in the City’s name.

Category 2: Collateralized with securities held by the pledging financial institution’s trust department or agent in the City’s name.

Category 3: Uncollateralized. This includes any bank balance that is collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the City’s name.

NOTE # 3 - CASH AND INVESTMENTS (Continued)

A. Pooled Cash and Non-Negotiable Certificates of Deposit

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by outside fiscal agents, under the provisions of bond indentures.

B. Investments

Investments at June 30, 2003, held on behalf of the City of Brentwood are presented below, categorized separately to give an indication of the level of risk associated with each investment:

	Category			Reported Value	Fair Value
	1	2	3		
U.S. Treasury Notes / Bonds	\$ 31,697,142	\$ -	\$ -	\$ 31,697,142	\$ 32,080,216
Commercial Paper	6,293,859	-	-	6,293,859	6,298,530
Corporate Notes	6,248,254	-	-	6,248,254	6,528,526
Municipal Bonds / Notes	-	-	-	-	-
Federal Agency Bonds / Notes	44,068,728	-	-	44,068,728	44,947,842
	<u>\$ 88,307,983</u>	<u>\$ -</u>	<u>\$ -</u>	<u>88,307,983</u>	<u>89,855,114</u>
Uncategorized:					
Local Agency Investment Fund				56,484,765	56,645,536
Money Market Mutual Funds				28,299	28,299
Guaranteed Investment Contracts				4,131,229	4,131,229
				<u>\$ 148,952,276</u>	<u>\$ 150,660,178</u>

NOTE # 3 - CASH AND INVESTMENTS (Continued)

These categories are as follows:

- Category 1: Insured or registered, or securities held by the City or its agent in the City's name.
- Category 2: Uninsured and unregistered, with securities held by the counter party's trust department or agent in the City's name.
- Category 3: Uninsured and unregistered, with securities held by the counter party or by its trust department or agent but not in the City's name.

At June 30, 2003, the City had no investments in repurchase agreements. At no time during the fiscal year did the City borrow funds through use of a reverse-repurchase agreement, even though such transactions are authorized by the City's investment policy. Investments are stated at fair value. All investments held by the City at year-end had maturities of less than 5 years.

C. Investment In State Treasurer's Pool

The Local Agency Investment Fund (LAIF) is an external investment pool sponsored by the State of California authorized under Section 16429.1,2,3 of the California Government code. The fund is a voluntary program created by statute as an investment alternative for California local governments and special districts. The fund is administered by the California State Treasurer. The City deposits excess cash in LAIF is not required to be categorized. The fair value for these deposits was provided by the pool sponsor.

D. Cash and Investments with Fiscal Agent

The City has monies held by trustees or fiscal agents pledged to the payment or security of certain bonds, certificates of participation, and lease obligations. The California Government Code provides that these monies, in the absence of specific statutory provisions governing the issuance of bonds certificates, or leases, may be invested in accordance with the ordinance, resolutions or indentures specifying the types of investments its trustees or fiscal agents may make.

NOTE # 3 - CASH AND INVESTMENTS (Continued)**E. Fair Value of Investments**

Methods and assumptions used to estimate fair value: The City maintains investment accounting records on amortized cost and adjusts those records to “fair value” on a monthly basis when material. The Funds investment custodian provides market values on each investment instrument on a monthly basis. The investments held by the Fund are widely traded in the financial markets and trading values are readily available from numerous published sources. The Fund has elected to report its money market investments (those investments with maturities of less than one year) at amortized cost adjusted to fair value on a monthly basis. Unrealized gains and losses are recorded on a monthly basis and the carrying value of its investments is considered “fair value”.

State of California State Treasurer’s Local Agency Investment Fund (LAIF): The City holds an investment in LAIF that is subject to being adjusted to “fair value”. The City is required to disclose its methods and assumptions used to estimate the fair value of its holdings in LAIF. The City relied upon information provided by the State Treasurer in estimating the City’s fair value position of its holding in LAIF. The City had a contractual withdrawal value of \$56,484,765 whose pro-rata share of fair value was estimated by the state Treasurer to be \$56,645,536. The fair value change in this investment for the year came to an amount that was not material for presentation in the financial statements.

The State Treasurer’s Local Agency Investment Fund (“LAIF”) is a governmental investment pool managed and directed by the California State Treasurer and is not registered with the Securities and Exchange Commission. An oversight committee, comprised of California State officials and various participants, provide oversight to the management of the fund. The daily operations and responsibilities of LAIF fall under the auspices of the State Treasurer’s office. The City is a voluntary participant in the investment pool.

The management of LAIF has indicated to the City that as of June 30, 2003, the amortized cost of the pool was \$55,429,568,408. The fair value was \$55,587,336,494. Included in LAIF’s investment portfolio are certain derivative securities or similar products in the form of structured notes, totaling \$304,000,000 and asset-backed securities totaling \$985,676,000. LAIF’s (and the City’s) exposure to risk (credit, market or legal) is not currently available.

NOTE # 4 - CAPITAL ASSETS

In accordance with GASB Statement No. 34, the City has reported all capital assets including infrastructure in the Government-Wide Statement of Net Assets. Capital assets of the primary government at June 30, 2003 are as follows:

	Balance July 1, 2002	Increases	Decreases	Inventory Adjustments	Balance June 30, 2003
Governmental Activities :					
Capital assets, not being depreciated:					
Land	\$ 28,102,645	\$ 2,209,199	\$ (18,447)	\$ (1,838,423)	\$ 28,454,974
Work in progress - CIP	18,627,320	26,585,402	(6,504,244)	-	38,708,478
Total capital assets, not being depreciated	<u>46,729,965</u>	<u>28,794,601</u>	<u>(6,522,691)</u>	<u>(1,838,423)</u>	<u>67,163,452</u>
Capital assets, being depreciated:					
Land Improvements	282,074	-	-	467,478	749,552
Buildings	5,755,996	-	-	1,729,860	7,485,856
Infrastructure	119,054,973	16,307,169	-	334,720	135,696,862
Equipment	1,536,499	92,001	-	6,606	1,635,106
Vehicles	1,716,247	644,911	-	1,987,250	4,348,408
Total capital assets being depreciated	<u>128,345,789</u>	<u>17,044,081</u>	<u>-</u>	<u>4,525,914</u>	<u>149,915,784</u>
Less accumulated depreciation for :					
Land Improvements	109,096	34,021	-	58,416	201,533
Buildings and improvements	1,107,474	95,120	-	90,000	1,292,594
Infrastructure	25,275,262	1,965,529	-	-	27,240,791
Equipment	647,509	197,324	-	71,296	916,129
Vehicles	865,993	642,504	-	1,070,577	2,579,074
Total accumulated depreciation	<u>28,005,334</u>	<u>2,934,498</u>	<u>-</u>	<u>1,290,289</u>	<u>32,230,121</u>
Total capital assets, being depreciated, net	<u>100,340,455</u>	<u>14,109,583</u>	<u>-</u>	<u>3,235,625</u>	<u>117,685,663</u>
Governmental activities capital assets, net	<u>\$ 147,070,420</u>	<u>\$ 42,904,184</u>	<u>\$ (6,522,691)</u>	<u>\$ 1,397,202</u>	<u>\$ 184,849,115</u>
Business-type activities :					
Capital assets, not being depreciated:					
Land	\$ 414,352	\$ -	\$ -	\$ -	\$ 414,352
Work in Progress - CIP & Infrastructure	27,811,453	5,968,436	(31,772,384)	-	2,007,505
Total capital assets, not being depreciated	<u>28,225,805</u>	<u>5,968,436</u>	<u>(31,772,384)</u>	<u>-</u>	<u>2,421,857</u>
Capital assets, being depreciated:					
Land Improvements	1,763,693	-	-	2,366	1,766,059
Buildings	34,117,746	-	-	(16,803,346)	17,314,400
Infrastructure	60,722,034	61,015,635	-	14,874,260	136,611,929
Equipment	3,781,166	12,972	-	(464,772)	3,329,366
Vehicles	1,558,902	-	-	(1,558,902)	-
Intangible Assets	597,532	-	-	-	597,532
Capital Assets	-	-	-	-	-
Total capital assets being depreciated	<u>102,541,073</u>	<u>61,028,607</u>	<u>-</u>	<u>(3,950,394)</u>	<u>159,619,286</u>
Less accumulated depreciation for :					
Land Improvements	593,977	87,174	-	-	681,151
Buildings	2,851,802	266,074	-	(115,017)	3,002,859
Infrastructure	7,112,272	1,125,150	-	(34,631)	8,202,791
Equipment	1,742,080	254,032	-	(75,220)	1,920,892
Vehicles	964,601	-	-	(964,601)	-
Intangible Asset	19,152	9,193	-	-	28,345
Total accumulated depreciation	<u>13,283,884</u>	<u>1,741,623</u>	<u>-</u>	<u>(1,189,469)</u>	<u>13,836,038</u>
Total capital assets, being depreciated, net	<u>89,257,189</u>	<u>59,286,984</u>	<u>-</u>	<u>(2,760,925)</u>	<u>145,783,248</u>
Business-type activities capital assets, net	<u>\$ 117,482,994</u>	<u>\$ 65,255,420</u>	<u>\$ (31,772,384)</u>	<u>\$ (2,760,925)</u>	<u>\$ 148,205,105</u>

*Does not include amortization that was reported in prior year.

NOTE # 4 - CAPITAL ASSETS (Continued)

For the year ended June 30, 2003, depreciation expense on capital assets was charged to the governmental function as follows:

GOVERNMENTAL ACTIVITIES:	
General Government	\$ 387,885
Public Safety	7,008
Community Development	11,360
Public Works	1,859,924
Internal Service	668,321
	<hr/>
Total Depreciation Expense - Governmental Activities	\$ 2,934,498
	<hr/> <hr/>
BUSINESS-TYPE ACTIVITIES:	
Wastewater	\$ 606,686
Solid Waste	92,850
Water	760,320
Parks and Recreation	265,852
City Rentals	15,915
	<hr/>
Total Depreciation Expense - Business-Type Activities	\$ 1,741,623
	<hr/> <hr/>

The purchase of assets through capital lease transactions have been included in the preceding categories.

NOTE # 5 - LONG-TERM OBLIGATIONS

The following summarizes changes in long-term debt obligations during the year:

A. Governmental Activities:

	Balance June 30, 2002	Additions	Payment Adjustments	Balance June 30, 2003	Amounts Due Within One Year
Bonds:					
Certificates of Participation	\$ 595,000	\$ -	\$ (290,000)	\$ 305,000	\$ 305,000
2002 General Obligation Bonds	5,999,976	198,106	-	6,198,082	105,000
CIP 2001 Revenue Bonds	32,080,000	-	(445,000)	31,635,000	610,000
Total Bonds	38,674,976	198,106	(735,000)	38,138,082	1,020,000
Capital Leases (Governmental):					
Various Equipment	-	345,100	(73,325)	271,775	64,846
Other:					
Accumulated compensated absences (net)	361,423	1,055,604	(736,035)	680,992	474,307
Sub-Total General Long-Term Debt	39,036,399	1,598,810	(1,544,360)	39,090,849	1,559,153
Capital Leases (Internal Service)					
Various Equipment	178,104	-	(77,401)	100,703	31,825
Total General Long-Term Debt	\$ 39,214,503	\$ 1,598,810	\$ (1,621,761)	\$ 39,191,552	\$ 1,590,978

* Accreted Interest

NOTE # 5 - LONG-TERM OBLIGATIONS (Continued)

i. Bonds

- **Certificates of Participation**

On October 1, 1992, the City issued \$2,400,000 in Certificates of Participation (ABAG XXVI) to finance utility construction projects, total annual debt service payment, including interest at 4.5 percent to 6.4 percent, \$137,070 to \$328,520. The payment schedule is as follows:

Year Ending June 30,	Principal	Interest	Total
2004	\$ 305,000	\$ 9,760	\$ 314,760
Total	<u>\$ 305,000</u>	<u>\$ 9,760</u>	<u>\$ 314,760</u>

- **2002 General Obligation Bonds**

On February 22, 2002, the City issued \$5,999,976 in General Obligation Bonds, Series 2002 to finance the construction, acquisition, and improvement of a new police station located in the City of Brentwood. Total annual debt service payments, including interest at 3.625 percent to 5.68 percent, ranging from \$261,656 to \$925,000. The 2002 General Obligation Bond shall increase in value by the accumulation of earned interest from its initial denominational (principal) amount with such interest compounded semiannually on January 1st and July 1st, 2003.

NOTE # 5 - LONG-TERM OBLIGATIONS (Continued)

Year Ending June 30,	Principal	Interest	Total
2004	\$ 105,000	\$ 160,856	\$ 265,856
2005	105,000	156,656	261,656
2006	120,000	152,456	272,456
2007	140,000	148,256	288,256
2008	160,000	141,956	301,956
2009-2013	1,165,000	584,487	1,749,487
2014-2018	1,738,907	492,407	2,231,314
2019-2023	990,475	1,854,525	2,845,000
2024-2028	933,381	2,696,619	3,630,000
2029-2031	542,213	2,102,787	2,645,000
Sub-total	5,999,976	<u>\$ 8,491,005</u>	<u>\$ 14,490,981</u>
Accretion to date	198,106		
	<u>\$ 6,198,082</u>		

NOTE # 5 - LONG-TERM OBLIGATIONS (Continued)

- **CIP 2001 Revenue Bonds**

On September 27, 2001, the Brentwood Infrastructure Financing Authority issued \$32,080,000 in Brentwood Capital Improvement Revenue Bonds, Series 2001, to finance the refund of the CIP Bonds, under a Facilities Lease; to refund a series of tax allocation bonds issued by the Redevelopment Agency of the City of Brentwood; and to finance Redevelopment projects. The economic gain from the CIP Bonds was \$514,989. The economic gain from the tax allocation bonds was \$365,602. Total annual debt service payments, including interest at 3.0 percent to 5.375 percent, \$1,684,500 to \$2,105,294.

Year Ending June 30,	Principal	Interest	Total
2004	\$ 610,000	\$ 1,477,075	\$ 2,087,075
2005	635,000	1,457,606	2,092,606
2006	650,000	1,435,912	2,085,912
2007	675,000	1,412,725	2,087,725
2008	695,000	1,387,881	2,082,881
2009-2013	3,925,000	6,499,716	10,424,716
2014-2018	4,825,000	5,555,831	10,380,831
2019-2023	6,160,000	4,186,666	10,346,666
2024-2028	7,480,000	2,426,750	9,906,750
2029-2032	5,980,000	616,000	6,605,760
Total	<u>\$31,635,000</u>	<u>\$26,456,162</u>	<u>\$ 58,100,922</u>

NOTE # 5 - LONG-TERM OBLIGATIONS (Continued)

ii. Capital Leases

Governmental

On May 12, 2003, the City entered into an agreement with Koch Financial Corporation for \$345,100 with an interest rate of 3.12% for the acquisition of Equipment. The final payment shall be made on or before May 12, 2007.

<u>June 30,</u>	<u>Payments</u>
2004	\$ 73,325
2005	73,325
2006	73,325
2007	73,324
Subtotal	<u>293,299</u>
Less amount representing interest	<u>(21,524)</u>
Total	<u><u>\$ 271,775</u></u>

Internal Service

On October 22, 1999 the City entered into an agreement with Municipal Finance Corporation for \$560,000 with an interest rate of 5.38% for the acquisition of Equipment. The final payment shall be made on or before October 25, 2005

<u>Year Ending</u> <u>June 30,</u>	<u>Payments</u>
2004	\$ 37,243
2005	37,243
2006	37,242
Subtotal	<u>111,728</u>
Less amount representing interest	<u>(11,025)</u>
Total	<u><u>\$ 100,703</u></u>

• **Compensated Absences**

The long-term compensated absences balance at June 30, 2003, is:

Governmental	\$680,992
Business-Type	\$202,191

NOTE # 5 - LONG-TERM OBLIGATIONS (Continued)

B. Business-Type Activities:

	Balance June 30, 2002	Additions	Payments Adjustments	Balance June 30, 2003	Amounts Due Within One Year
Capital Leases					
Solid Waste - Equipment	\$ 196,355	\$ -	\$ (45,300)	\$ 151,055	\$ 47,737
Notes Payable					
Solid Waste note payable	846,629	-	(148,997)	697,632	158,531
Solid Waste note payable to BDS Settlement	229,200	-	(57,300)	171,900	57,300
CCWD Water Entitlement	370,901	-	(84,785)	286,116	89,872
State Water Resources Loan	33,439,743	4,273,823	-	37,713,566	2,279,044
Total Notes Payable	34,886,473	4,273,823	(291,082)	38,869,214	2,584,747
Wastewater Revenue Bonds	2,310,850	-	(50,103)	2,260,747	53,170
Water Revenue Bonds	10,019,150	-	(259,897)	9,759,253	276,830
Other					
Accumulated compensated absences	138,970	246,257	(183,036)	202,191	119,527
Total All Business-Type Funds	\$ 47,551,798	\$ 4,520,080	\$ (829,418)	\$ 51,242,460	\$ 3,082,011

NOTE # 5 - LONG-TERM OBLIGATIONS (Continued)

i. Leases

- **Solid Waste Capital Lease**

The Solid Waste Funds Capital Lease has future payments as follows:

Year Ending June 30,	Payments
2004	\$ 55,865
2005	55,865
2006	55,865
Subtotal	167,595
Less amount representing interest	(16,540)
Total	<u>\$ 151,055</u>

ii. Notes Payable

- **Solid Waste Note Payable**

The note payable to Koch Financial Corporation relates to the construction of the Solid Waste Transfer Station. Payments of \$100,012 are to be made semi-annually with interest at 6.3 percent. The estimated payment schedule is as follows:

Year Ending June 30,	Principal	Interest	Total
2004	\$ 158,531	\$ 41,493	\$ 200,024
2005	168,677	31,348	200,025
2006	179,470	20,554	200,024
2007	190,954	9,068	200,022
Total	<u>\$ 697,632</u>	<u>\$ 102,463</u>	<u>\$ 800,095</u>

NOTE # 5 - LONG-TERM OBLIGATIONS (Continued)

- **Solid Waste Note Payable - BDS Settlement**

The note payable to BDS is for the remainder of a settlement agreement. The agreement called for one half of the judgment to be payable during the 1995/96 fiscal year with the remainder to be financed over a ten year period. The remaining amount has a variable interest rate adjusted annually to coincide with the interest rate equal to that of a one year United States Treasury bill. The interest rate is estimated at approximately 6 percent for presentation purposes. The estimated payment schedule is as follows:

Year Ending June 30,	Principal	Interest	Total
2004	\$ 57,300	\$ 2,028	\$ 59,328
2005	57,300	1,352	58,652
2006	57,300	676	57,976
Total	<u>\$ 171,900</u>	<u>\$ 4,056</u>	<u>\$ 175,956</u>

- **Contra Costa Water District**

On February 29, 2000, the City entered into an agreement with Contra Costs Water District to equitably share the costs of CCWD's past payments required to maintain its entitlement to the ECCID water subject to the May 16, 1990 EDDI-CCWD Agreement. The total amount Brentwood is obligated to reimburse is approximately \$586,000. The final payment shall be made on or before December 31, 2006. The rate of interested paid to CCWD shall be six percent (6%).

Year Ending June 30,	Principal	Interest	Total
2004	\$ 89,872	\$ 17,167	\$ 107,039
2005	95,264	11,775	107,039
2006	100,980	6,059	107,039
Total	<u>\$ 286,116</u>	<u>\$ 35,001</u>	<u>\$ 321,117</u>

NOTE # 5 - LONG-TERM OBLIGATIONS (Continued)

- **State Water Resources Loan**

The City entered into a loan contract with the State of California (State Water Resources Control Board) in December of 2000, for the purpose of financing the System Improvement Project. During fiscal year 2002/03, the construction loan increased \$4,273,823 as a result of the completion of several projects. The loan amount totals \$37,713,566 with an interest rate of zero percent per annum. Principal payments are due annually beginning in fiscal year 2003/04.

Year Ending June 30,	Principal Only
2004	\$ 2,279,044
2005	2,279,044
2006	2,279,044
2007	2,279,044
2008	2,279,044
2009-2013	11,395,220
2014-2018	11,395,220
2019-2023	3,527,906
Total	<u>\$37,713,566</u>

NOTE # 5 - LONG-TERM OBLIGATIONS (Continued)

iii. Bonds

- **Water Revenue Bonds**

On October 25, 1994, the City issued \$6,570,000 in Water Revenue Bonds with interest rates ranging from 4.5 percent to 7.4 percent are due August 1, 2013. The balance at June 30, 2003, is \$965,000.

Future payments for the Water Revenue Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2004	\$ 70,000	\$ 69,956	\$ 139,956
2005	75,000	65,268	140,268
2006	80,000	60,168	140,168
2007	85,000	54,645	139,645
2008	90,000	48,690	138,690
2009-2013	565,000	134,259	699,259
Total	(1) \$ 965,000	\$ 432,986	\$ 1,397,986

⁽¹⁾ See Page 64

- **Water/Wastewater Revenue Bonds**

On December 11, 1996, the City issued \$12,195,000 in Water/Wastewater Revenue Bond with interest rates ranging from 4.0 percent to 5.5 percent due July 1, 2026. The balance at June 30, 2003, is \$11,055,000. Future payments for these bonds are as follows:

NOTE # 5 - LONG-TERM OBLIGATIONS (Continued)

Year Ending June 30,	Principal	Interest	Total		
2004	\$ 260,000	\$ 603,406	\$ 863,406		
2005	270,000	591,446	861,446		
2006	285,000	578,621	863,621		
2007	295,000	564,656	859,656		
2008	310,000	549,906	859,906		
2009-2013	1,830,000	2,487,505	4,317,505		
2014-2018	2,375,000	1,935,230	4,310,230		
2019-2023	3,110,000	1,195,256	4,305,256		
2024-2026	2,320,000	265,783	2,585,783		
Total	<u>\$ 11,055,000</u>	<u>\$ 8,771,809</u>	<u>\$ 19,826,809</u>		
Water Fund Portion	(1) \$ 8,794,253	\$ 6,977,974	\$ 15,772,227	(1) Total Water	\$ 8,794,253
Wastewater Fund Portion	<u>2,260,747</u>	<u>1,793,835</u>	<u>4,054,582</u>		<u>965,000</u>
	<u>\$ 11,055,000</u>	<u>\$ 8,771,809</u>	<u>\$ 19,826,809</u>		<u>\$ 9,759,253</u>

NOTE # 6 - SPECIAL ASSESSMENT DISTRICTS (No City Liability)

The following issue of Special Assessment District Bonds issued pursuant to the Municipal Improvement Act of 1915 were not reflected in the Long-term Debt Account Group, because these are special obligations payable from and secured by specific revenue sources described in the bond resolutions and official statements of the respective issues. Neither the faith and credit nor the taxing power of the City, the State of California, or any political subdivision thereof, is pledged for the payment of these bonds:

NOTE # 6 - SPECIAL ASSESSMENT DISTRICTS (Continued)

Brentwood Infrastructure Financing Authority 1996 Reassessment Revenue Bonds, Series A and B, debt date December 20, 1996, annual debt service payments, including interest at 4.05 percent to 6.8 percent, range from \$707,720 to \$763,230. Final payment due September 2017.	\$ 14,660,000
Brentwood Refunding Reassessment District, Series 1993, special assessment debt dated July 1993, annual debt service payments, including interest at 4.5 percent to 7.0 percent, range from \$577,020 to \$767,445. Final payment due September 2007.	2,285,000
Brentwood Infrastructure Financing Authority, CIFP 94-1 issued Infrastructure Revenue Bonds Series 1999 dated January 18, 1999, annual debt service payments including interest at 3.7 percent to 6.625 percent, range from \$1,114,344 to \$3,114,799. Final payment due September 2029.	40,990,000
Brentwood Infrastructure Financing Authority, CIFP 2000-1 issued Infrastructure Revenue Bonds Series 2000 dated September 2, 2000, annual debt service payments including interest at 4.60 percent to 6.375 percent range from \$962,300 to \$967,200. Final payment due September 2030.	12,560,000
Brentwood Infrastructure Financing Authority, Infrastructure Revenue Refunding Bond Series 2002 A & B, dated June 20, 2002, annual debt service payments, including interest at 4.75 percent to 6.0 percent range from \$636,000 to \$1,332,718. Refinanced CIFP's 98-1 and 99-1. Final payment due September 2029.	19,234,000
Brentwood Infrastructure Financing Authority, CIFP 2002-1 issued Infrastructure Revenue Bonds Series 2002 dated September 1, 2002, annual debt service payments including interest at 2.35 percent to 6.125 percent range from \$1,160,035 to \$1,194,766. Final payment due September 2032.	16,585,000
Grand Total Assessment District Debt	<u><u>\$ 106,314,000</u></u>

Debt Service for the special assessment district bonds is reported in the agency funds.

NOTE # 7 - CLASSIFICATION OF NET ASSETS

In the Government-Wide Financial Statements, net assets are classified in the following categories:

Investment 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 reduces 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.

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

NOTE # 8 - DEFINED BENEFIT PENSION PLAN

A. Plan Description

The City of Brentwood’s defined benefit pension plans, (Miscellaneous and Safety Plans), provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Plans are part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefits provisions as well as other requirements are established by the State statutes within the Public Employee’s Retirement Law. The City of Brentwood selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance or resolution. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS’s annual financial report may be obtained from the CalPERS Executive Office – 400 P Street – Sacramento, California 95814.

NOTE # 8 - DEFINED BENEFIT PENSION PLAN (Continued)

B. Fund Policy

Active plan members in the Miscellaneous Plan are required to contribute seven percent of their annual covered salary, while active plan members in the Safety plan are required to contribute nine percent of their annual covered salary, however, the City pays these contributions. The City of Brentwood is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for Fiscal Year 2002/03 was 6.181 percent for miscellaneous employees, and 16.037 percent for safety employees. 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 2002/03, the City of Brentwood’s annual pension cost was \$2,234,268 and was equal to the City’s required and actual contributions. The required contribution for Fiscal Year 2002/03 was determined as part of the June 30, 2002, actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included (a) 8.25 percent investment rate of return (net of administrative expenses); (b) projected salary increases that vary by duration of service ranging from 3.75 percent to 14.20 percent for miscellaneous members; and (c) zero percent cost-of-living adjustment. Both (a) and (b) include an inflation component of 3.5 percent. The actuarial value of the Plan’s assets were determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a two to five year period depending on the size of investment gains and/or losses. The Plan’s unfunded actuarial accrued liability (or excess assets) is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period ends June 30, 2022, for current service and June 30, 2015, for prior service.

D. Three-Year Trend Information for the Plans

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2001	\$ 1,440,143	100%	\$ -
6/30/2002	\$ 1,259,684	100%	\$ -
6/30/2003	\$ 2,234,268	100%	\$ -

NOTE # 9 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; natural disasters; errors and omissions; injuries to employees; and unemployment claims. The City along with other Contra Costa County cities belongs to Contra Costa County Municipal Risk Management Insurance Authority (Authority), a public entity risk pool currently operating as a common risk management and insurance program for the members. The City pays an annual premium to the Authority for its Liability (\$15 million coverage, \$10,000 deductible), Fire and Property (\$500 billion coverage, \$5,000 deductible), Auto (\$250,000 coverage; police \$3,000 deductible; all others \$2,000) and Workers Compensation (statutory coverage; zero deductible). The Agreement provides that the Authority will be self-sustaining through member premiums and assessments. The Authority purchases commercial insurance in excess of those amounts covered by the Authority's self-insurance pool.

Contra Costa County Municipal Risk Management Insurance Authority was formed June 1977, under a “joint exercise of power agreement”. The Authority was established to provide general liability, workers' compensation, property, and employee benefits insurance coverage. The Authority is governed by a Board of Directors composed of one appointed official from each City. Members at June 30, 2003, were the Cities of Antioch, Brentwood, Clayton, El Cerrito, Hercules, Lafayette, Manteca, Martinez, Oakley, Orinda, Pinole, Pittsburg, Pleasant Hill, San Pablo, Richmond, San Ramon and Walnut Creek and the Towns of Danville and Moraga. Audited financial information can be obtained from the Authority at 1911 San Miguel Drive, Walnut Creek, CA 94596. A summary of the latest annual financial information as of and for the year ended June 30, 2003, is as follows:

	<u>CCCMRMIA</u>
Total Assets	\$ 37,757,678
Total Liabilities	24,785,950
Total Equity	12,971,728
Total Revenues	18,278,093
Total Expenditures/Expenses	15,393,861
Net Increase (Decrease) in Retained Earnings	\$ 2,884,232

There have been no significant reductions in any of the City’s areas of insurance and settled claims have not exceeded coverage for these risks in any of the last three fiscal years. There were no outstanding claims payable at year end and the Incurred But Not Reported (IBNR) amount was calculated to be immaterial for presentation purposes.

NOTE #10 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The City maintains Enterprise funds which provide wastewater, solid waste, water, parks and recreation, and city rental services. Segment information for the year ended June 30, 2003, is as follows:

Condensed Statement of Net Assets:

	<u>Wastewater</u>	<u>Solid Waste</u>	<u>Water</u>	<u>Parks and Recreation</u>	<u>City Rentals</u>	<u>Total</u>
Assets						
Current Assets	\$ 14,648,933	\$ 1,487,465	\$ 19,464,838	\$ 6,473,056	\$ 208,900	\$ 42,283,192
Non-Current Assets	119,354	-	480,886	-	-	600,240
Restricted Assets	109,984	-	382,175	-	-	492,159
Capital Assets, Net	75,820,664	1,674,824	48,395,940	22,313,677	-	148,205,105
Total Assets	90,698,935	3,162,289	68,723,839	28,786,733	208,900	191,580,696
Liabilities						
Current Liabilities	2,635,565	424,549	1,431,264	315,797	100,360	4,907,535
Non-Current Liabilities	37,656,519	770,384	9,707,352	24,936	1,258	48,160,449
Total Liabilities	40,292,084	1,194,933	11,138,616	340,733	101,618	53,067,984
Net Asset						
Invested in Capital Assets, Net of Related Debt	35,817,896	826,136	39,103,689	22,313,677	-	98,061,398
Restricted Assets	11,877,631	851,707	16,038,065	5,896,849	-	34,664,252
Unrestricted	2,711,324	289,513	2,443,469	235,474	107,282	5,787,062
Total Net Assets	\$ 50,406,851	\$ 1,967,356	\$ 57,585,223	\$ 28,446,000	\$ 107,282	\$ 138,512,712

NOTE #10 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS (Continued)

Condensed Statement of Revenues, Expenses and Changes in Net Assets:

	<u>Wastewater</u>	<u>Solid Waste</u>	<u>Water</u>	<u>Parks and Recreation</u>	<u>City Rentals</u>	<u>Total</u>
Operating Revenue	\$ 3,618,959	\$ 4,248,501	\$ 6,528,611	\$ 668,503	\$ 660,367	\$ 15,724,941
Depreciation Expense	(612,787)	(92,850)	(784,725)	(265,852)	(15,915)	(1,772,129)
Other Operating Expenses	(2,960,471)	(3,468,705)	(5,640,764)	(2,763,152)	(414,130)	(15,247,222)
Operating Income (Loss)	<u>45,701</u>	<u>686,946</u>	<u>103,122</u>	<u>(2,360,501)</u>	<u>230,322</u>	<u>(1,294,410)</u>
Nonoperating Revenues (Expenses):						
Investment Earnings	623,795	20,611	854,753	211,795	-	1,710,954
Property Tax	-	-	-	680,375	-	680,375
Interest Expense	(127,481)	(65,666)	(613,911)	-	-	(807,058)
Contributions - Impact Fees and Credits	5,377,740	-	10,467,036	5,702,621	-	21,547,397
Capital Assets Contributions	9,351,980	-	8,047,353	3,334,647	-	20,733,980
Capital Assets Contributed to Governmental Funds	-	-	-	-	(2,885,000)	(2,885,000)
Transfer In (Out)	(1,773,810)	(248,754)	(4,373,279)	(949,004)	(4,360)	(7,349,207)
Change in Net Assets	<u>13,497,925</u>	<u>393,137</u>	<u>14,485,074</u>	<u>6,619,933</u>	<u>(2,659,038)</u>	<u>32,337,031</u>
Beginning Net Assets, Restated	<u>36,908,926</u>	<u>1,574,219</u>	<u>43,100,149</u>	<u>21,826,067</u>	<u>2,766,320</u>	<u>106,175,681</u>
Ending Net Assets	<u>\$ 50,406,851</u>	<u>\$ 1,967,356</u>	<u>\$ 57,585,223</u>	<u>\$ 28,446,000</u>	<u>\$ 107,282</u>	<u>\$ 138,512,712</u>

NOTE #10 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS (Continued)

Condensed Statement of Cash Flows:

	<u>Wastewater</u>	<u>Solid Waste</u>	<u>Water</u>	<u>Parks and Recreation</u>	<u>City Rentals</u>	<u>Total</u>
Net Cash Provided (Used) By:						
Operating Activities	\$ (37,196)	\$ 653,649	\$ 724,010	\$ (2,122,757)	\$ 128,526	\$ (653,768)
Noncapital Financing Activities	(1,600,409)	-	(4,293,029)	(176,734)	(4,360)	(6,074,532)
Capital and Related Financing Activities	4,938,061	(298,625)	9,306,722	4,706,252	-	18,652,410
Investing Activities	623,795	20,611	854,753	211,795	-	1,710,954
Net Increase (Decrease)	3,924,251	375,635	6,592,456	2,618,556	124,166	13,635,064
Beginning Cash and Cash Equivalents	10,263,754	764,640	11,001,780	3,804,416	(124,022)	25,710,568
Ending Cash and Cash Equivalents	<u>\$ 14,188,005</u>	<u>\$ 1,140,275</u>	<u>\$ 17,594,236</u>	<u>\$ 6,422,972</u>	<u>\$ 144</u>	<u>\$ 39,345,632</u>

NOTE # 11 - POST-RETIREMENT HEALTH CARE BENEFITS

In addition to the pension benefits described on Note #8, the City provides post-retirement health care benefits, in accordance with City Resolution, to miscellaneous employees who retire from the City on or after attaining age 50 with at least five years of service. Coverage is also included for one employee dependent. Currently, 28 retirees are receiving these benefits. The City pays up to \$571.44 per month of the amount of health insurance for retirees. Expenditures for post-retirement health care benefits are recognized on a pay as you go method. During the year, expenditures of \$167,198 were recognized for post-retirement health care.

NOTE # 12 - BRENTWOOD REDEVELOPMENT AGENCY TAX SHARING AGREEMENTS

The Brentwood Redevelopment Agency entered into tax sharing agreements with the East Diablo Fire District, The Brentwood Union School District, the Liberty Union High School District, the Oakley School District, the Knightsen School District, the Bryon Elementary School District, the Contra Costa Mosquito Abatement District, and the Contra Costa County Office of Education. The agreements call for a pass through of their proportionate share of the tax increment revenue. The pass through amounts from these agreements are not currently subordinated to other Agency debt. All payments due to date have been paid annually.

The Brentwood Redevelopment Agency entered into tax-sharing agreements with the Contra Costa Community College District, the East Bay Regional Park District, and the BBK Union Cemetery District. The agreements call for a pass through of their share of the tax increment revenue.

NOTE # 12 - BRENTWOOD REDEVELOPMENT AGENCY TAX SHARING AGREEMENTS (Continued)

The pass through amounts from these agreements are currently subordinated to other Agency debt. All payments due to date have been paid annually.

The Brentwood Redevelopment Agency entered into tax sharing agreements with the Contra Costa County and the Contra Costa Flood Control District. The agreements call for a pass through of a portion of the general tax levy. Under these agreements, a portion of the pass through amounts owed are deferred for payment until fiscal year 2003/04. The deferred amounts accumulate interest at an annually adjusted interest rate. The non-deferred portion of the pass through amounts have been paid annually.

Brentwood Redevelopment Agency Statutory Pass-Through Payments

Assembly Bill 1290 (AB1290) of 1994 provided for statutory pass-through payments to taxing agencies when redevelopment agencies amend their plans. In Year 2000, Brentwood Redevelopment Agency amended the Brentwood and North Brentwood Redevelopment Plans to financially merge the two project areas. Consequently, the 2000 Merger Amendment triggered statutory pass-through payments to taxing entities from the Brentwood ("Downtown") Project Area in 2002/03. All payments due to date have been paid to the appropriate taxing entities, and payments will continue in accordance with the provisions of AB1290.

NOTE # 13 - CONTINGENCIES

A. Litigation

The City is involved as a defendant in one legal proceeding. While it is not feasible to predict or determine the outcome in this case, it is the opinion of the City that the outcome will have no material adverse effect on the financial position of the City.

B. Federal Grants

The City has received State and Federal Funds for specific purposes that are subject to review by the grantor agencies. Although such audits could generate expenditure disallowances under the terms of the grants, it is believed that any required reimbursements will not be material.

C. Developer Fee Credits

The City entered into several agreements with various developers and merchant builders who are developing numerous residential and commercial projects throughout the City. The City agreed to grant the developers impact fee credits since the developers constructed certain

NOTE # 13 - CONTINGENCIES (Continued)

improvements beyond what was needed to serve their specific projects. The value of credits do not increase for inflation nor do they accrue interest. Any unused credits may be used by the developers on other projects located elsewhere in the City. The value of the credits as of June 30, 2003 was \$11,062,963 after a total of \$8,184,015 was used as credits through the fiscal year 2002/03. The accounting for the amounts due are not recorded as indebtedness since the payments (use of the credits) are contingent upon the collection of development fees from building growth that has not yet occurred.

D. Pass Through Agreement - East Bay Regional Park District

The Brentwood Redevelopment Agency has entered into a tax-sharing agreement with the East Bay Regional Park District. The agreement calls for a pass through of the Park District’s proportionate share of tax increment revenue, and the voter approved Measure AA tax levy. The Agency accurately and timely passes through both amounts each year based on increment allocation factors and annual Measure AA tax rate as provided by the Contra Costa County Auditor’s office.

E. Construction Commitments

As of June 30, 2003, the City had the following commitments with respect to unfinished capital projects:

<u>Project Name</u>	<u>Outstanding Commitment</u>
Lone Tree Way Widening - Segments 1 & 2	\$ 5,003,275
New Police Station	1,192,941
Sand Creek Road East 1 & B	3,808,368
Sunset Industrial Complex	1,330,869
	<u>\$ 11,335,453</u>

NOTE # 14 - FUND BALANCE RESTATEMENTS

The City has determined that certain transactions were recorded incorrectly in the prior year, due to valuation errors on contributed assets in the following funds:

	<u>Net Assets at 6/30/2002</u>	<u>Adjustments (Restatements)</u>	<u>Beginning Net Assets 7/1/2002</u>
<u>Propriety Funds</u>			
Solid Waste	\$ 1,371,367	\$ 202,852	\$ 1,574,219
Water	39,624,707	3,475,442	43,100,149
Parks and Recreation	18,658,177	3,167,890	21,826,067
Wastewater	34,541,123	2,367,803	36,908,926
<u>Internal Service Funds</u>			
Building Replacement	\$ 574,669	\$ (71,686)	\$ 502,983
Information Systems Replacement	767,498	(137,396)	630,102
Vehicle Replacement	1,402,372	249,588	1,651,960

BUDGETARY INFORMATION

Through the budget, the City Council sets the direction of the City, allocates its resources and establishes its priorities. The Annual Budget assures the efficient and effective uses of the City’s economic resources, as well as establishing that the highest priority objectives are accomplished.

The Annual Budget serves from July 1 to June 30, and is a vehicle that accurately and openly communicates these priorities to the community, businesses, vendors, employees and other public agencies. Additionally, it establishes the foundation of effective financial planning by providing resource planning, performance measures and controls that permit the evaluation and adjustment of the City’s performance.

The City’s budget is prepared and based on three expenditure categories: personnel, supplies and services, capital outlay. These are considered operational in nature or known as *recurring costs*. Capital improvement projects are asset acquisitions, facilities, systems, and infrastructure improvements typically over \$10,000, and/or those items “outside” of the normal operational budget. These are known as *one-time costs*.

The City collects and records revenue and expenditures within the following categories:

- Governmental Activities
- Business-Type Activities

The Governmental Funds include the General Fund, Special Revenue, Debt Service and Capital Projects funds. All funding sources are kept separate for both reporting and use of the money. The General Fund is where most City services are funded that are not required to be segregated. Brentwood follows the Budget and Fiscal Policies adopted by the City Council on April 24, 2001.

The two-year budget process begins as a team effort in January of the first year, starting with an annual strategic planning meeting. Then the individual departments use projected revenue assumptions to prioritize and recommend the next fiscal year’s objectives. The City Manager’s Office and the Finance Department review all budget proposals and revenue assumptions, as well as all current financial obligations before preparing the document that is proposed to the City Council. The City Council reviews the Proposed Budget through a series of committees and workshops and the final adoption of the two-year budget is scheduled for a City Council meeting in June.

Before the beginning of the second year of the two-year budget cycle, the Council will review progress during the first year and approve appropriations for the second year. For each of the two years, the City Council will adopt a resolution appropriating and approving the budget for the ensuing fiscal year.

*Budgetary Comparison Schedule, General Fund
For Year Ended June 30, 2003*

	Budget Amounts		Actual	Variance
	Original Budget	Final Budget		
REVENUES				
Taxes	\$ 6,024,081	\$ 6,178,581	\$ 6,407,430	\$ 228,849
Licenses	79,350	99,350	124,823	25,473
Permits and Fines	5,855,641	7,089,141	9,354,198	2,265,057
Uses of Money and Property	1,273,136	1,298,136	1,289,592	(8,544)
Intergovernmental	1,869,508	1,794,508	1,816,406	21,898
Franchises	389,116	414,116	428,731	14,615
Charges for Other Services	236,572	443,572	531,791	88,219
Charges to Other Funds	3,807,736	3,817,736	3,922,881	105,145
Fees and Other Revenues	159,500	159,500	778,571	619,071
Total Revenues	19,694,640	21,294,640	24,654,423	3,359,783
EXPENDITURES				
Current:				
General Government	2,994,658	3,067,659	3,041,315	26,344
Public Safety	8,388,838	8,329,937	7,419,111	910,826
Community Development	3,373,660	3,243,054	2,631,597	611,457
Engineering	2,113,483	2,129,099	1,767,688	361,411
Public Works	1,853,217	1,887,322	1,305,993	581,329
Parks	912,657	947,750	839,368	108,382
Community Services	168,222	166,641	157,457	9,184
Other	895,801	736,577	781,864	(45,287)
Total Expenditures	20,700,536	20,508,039	17,944,393	2,563,646
REVENUES OVER (UNDER) EXPENDITURES	(1,005,896)	786,601	6,710,030	5,923,429
OTHER FINANCING SOURCES (USES)				
Transfers In	14,087,931	14,087,931	14,021,317	(66,614)
Transfers Out	(5,973,000)	(10,440,000)	(10,389,401)	50,599
Total Other Financing Sources (Uses)	8,114,931	3,647,931	3,631,916	(16,015)
NET CHANGE IN FUND BALANCE	\$ 7,109,035	\$ 4,434,532	10,341,946	\$ 5,907,414
Fund Balance, Beginning of Year			8,960,546	
Fund Balance, End of Year			\$ 19,302,492	

*Budgetary Comparison Schedule, Thoroughfares
For Year Ended June 30, 2003*

	Budget Amounts		Actual	Variance
	Original Budget	Final Budget		
REVENUES				
Uses of Money and Property	\$ 100,000	\$ 100,000	\$ 13,629	\$ (86,371)
Intergovernmental	-	-	43,913	43,913
Fees and Other Revenues	9,876,782	9,876,782	11,739,850	1,863,068
Total Revenues	<u>9,976,782</u>	<u>9,976,782</u>	<u>11,797,392</u>	<u>1,820,610</u>
EXPENDITURES				
Current:				
Other	3,057,556	3,057,556	280,956	2,776,600
Capital Outlay	3,687,863	3,687,863	3,687,863	-
Total Expenditures	<u>6,745,419</u>	<u>6,745,419</u>	<u>3,968,819</u>	<u>2,776,600</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>3,231,363</u>	<u>3,231,363</u>	<u>7,828,573</u>	<u>4,597,210</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	595,995	595,995
Transfers Out	(13,048,678)	(13,048,678)	(10,857,997)	2,190,681
Total other Financing Sources (Uses)	<u>(13,048,678)</u>	<u>(13,048,678)</u>	<u>(10,262,002)</u>	<u>2,786,676</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ (9,817,315)</u>	<u>\$ (9,817,315)</u>	<u>(2,433,429)</u>	<u>\$ 7,383,886</u>
Fund Balance, Beginning of Year			<u>294,576</u>	
Fund Balance, End of Year			<u>\$ (2,138,853)</u>	

DEFINED BENEFIT PENSION PLAN

Funded Status of Plans:

Miscellaneous:

Valuation Date	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded Liability (Excess Assets)	Funded Status	Annual Covered Payroll	UAAL As a % of Payroll
6/30/2000	\$ 8,737,487	\$10,184,414	\$ (1,446,927)	116.60%	\$ 6,242,021	(23.2%)
6/30/2001	\$ 10,689,860	\$11,147,793	\$ (457,933)	104.30%	\$ 7,827,795	(5.9%)
6/30/2002	\$ 16,464,664	\$11,490,703	\$ 4,973,961	69.80%	\$ 9,320,568	53.4%

Safety:

Valuation Date	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded (Overfunded) Liability	Fund Ratio	Annual Covered Payroll	UAAL As a % of Payroll
6/30/2000	\$ 6,780,199	\$ 7,230,999	\$ (450,800)	106.6%	\$ 2,013,833	(22.4%)
6/30/2001	\$ 7,997,071	\$ 7,743,850	\$ 253,221	96.8%	\$ 2,384,791	10.6%
6/30/2002	\$ 11,379,582	\$ 7,573,953	\$ 3,805,629	66.6%	\$ 2,688,280	141.6%

City of Brentwood
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2003

	Special Revenues								
	Community Development	Engineering	Gas Tax	Police Grants	Other Grants	Community Facilities	Vehicle Abatement	Economic Development	Youth Diversion
ASSETS									
Current Assets:									
Cash and Investments	\$ -	\$ -	\$ 279	\$ 253,094	\$ 8,925	\$ 2,291,926	\$ 9,571	\$ 80,745	\$ 27,371
Restricted Cash and Investments	-	-	-	-	-	-	-	-	-
Receivables	-	-	60	558	-	76,615	14	163	10,583
Prepays	-	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-	-
Total Assets	\$ -	\$ -	\$ 339	\$ 253,652	\$ 8,925	\$ 2,368,541	\$ 9,585	\$ 80,908	\$ 37,954
LIABILITIES AND FUND BALANCES									
Current Liabilities:									
Accounts Payable	\$ -	\$ -	\$ -	\$ 2,420	\$ 7,000	\$ 751	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	66,950	-	-	-
Deposits Held	-	-	-	-	-	-	-	-	-
Compensated Absences Payable	-	-	-	-	-	-	-	-	-
Total Liabilities	-	-	-	2,420	7,000	67,701	-	-	-
Fund Balances:									
Reserved for:									
Prepays	-	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Specific Projects and Programs	-	-	339	251,232	1,925	-	9,585	-	-
Unreserved, Reported in:									
Special Projects	-	-	-	-	-	-	-	80,908	37,954
Capital Projects	-	-	-	-	-	2,300,840	-	-	-
Total Fund Balances	-	-	339	251,232	1,925	2,300,840	9,585	80,908	37,954
Total Liabilities and Fund Balances	\$ -	\$ -	\$ 339	\$ 253,652	\$ 8,925	\$ 2,368,541	\$ 9,585	\$ 80,908	\$ 37,954

Continued

City of Brentwood

Combining Balance Sheet

Non-Major Governmental Funds (Continued)

June 30, 2003

Special Revenues (Continued)

	Redevelopment		Bypass	Asset	Open	Mark Roos	Measure C	Facility	Agriculture
	Storm	Low Income	Authority	Forfeiture	Space	Drainage Credit		Fee	Conservation
	Drainage	Housing						Administration	
ASSETS									
Current Assets:									
Cash and Investments	\$ 411,161	\$ 1,466,186	\$ 4,727,274	\$ 13,668	\$ 175,670	\$ -	\$ -	\$ 4,348,426	\$ 3,373,837
Restricted Cash and Investments	-	-	-	-	-	-	-	-	-
Receivables	787	9,483	15,494	28	351	-	330,165	54,670	5,673
Prepays	-	145	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-	-
Land Held for Resale	-	248,113	-	-	-	-	-	-	-
Total Assets	\$ 411,948	\$ 1,723,927	\$ 4,742,768	\$ 13,696	\$ 176,021	\$ -	\$ 330,165	\$ 4,403,096	\$ 3,379,510
LIABILITIES AND FUND BALANCES									
Current Liabilities:									
Accounts Payable	\$ -	\$ 594	\$ 2,160,000	\$ -	\$ -	\$ -	\$ -	\$ 672	\$ 10
Due to Other Funds	-	-	-	-	-	-	307,386	-	-
Deferred Revenue	-	-	-	-	-	-	-	44,766	-
Deposits Held	-	21,000	-	-	-	-	-	-	-
Compensated Absences Payable	-	110	-	-	-	-	-	-	-
Total Liabilities	-	21,704	2,160,000	-	-	-	307,386	45,438	10
Fund Balances:									
Reserved for:									
Prepays	-	145	-	-	-	-	-	-	-
Land Held for Resale	-	248,113	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Specific Projects and Programs	-	1,453,965	2,582,768	13,696	176,021	-	22,779	-	-
Unreserved, Reported in:									
Special Projects	-	-	-	-	-	-	-	-	-
Capital Projects	411,948	-	-	-	-	-	-	4,357,658	3,379,500
Total Fund Balances	411,948	1,702,223	2,582,768	13,696	176,021	-	22,779	4,357,658	3,379,500
Total Liabilities and Fund Balances	\$ 411,948	\$ 1,723,927	\$ 4,742,768	\$ 13,696	\$ 176,021	\$ -	\$ 330,165	\$ 4,403,096	\$ 3,379,510

Continued

City of Brentwood
Combining Balance Sheet
Non-Major Governmental Funds (Continued)
June 30, 2003

	Debt Service Funds					Capital Projects Funds		
	Downtown Redevelopment Debt	North Brentwood Redevelopment Debt	Capital Improvement Program 2001	2002 General Obligation Bond	ABAG XXVI COP'S	Capital Lease Program	Capital Improvement Financing Program 94-1	Capital Improvement Financing Program 98-1
ASSETS								
Current Assets:								
Cash and Investments	\$ 906,727	\$ 461,332	\$ 156,852	\$ 106,951	\$ 2,546	\$ -	\$ -	\$ -
Restricted Cash and Investments	-	-	2,110,139	-	236,259	-	3,294,658	-
Receivables	3,239	1,017	-	-	-	-	-	-
Prepays	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-
Total Assets	\$ 909,966	\$ 462,349	\$ 2,266,991	\$ 106,951	\$ 238,805	\$ -	\$ 3,294,658	\$ -
LIABILITIES AND FUND BALANCES								
Current Liabilities:								
Accounts Payable	\$ -	\$ 288,886	\$ 244,315	\$ -	\$ 4,853	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-	-	-
Deposits Held	-	-	-	-	-	-	-	-
Compensated Absences Payable	-	-	-	-	-	-	-	-
Total Liabilities	-	288,886	244,315	-	4,853	-	-	-
Fund Balances:								
Reserved for:								
Prepays	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-
Debt Service	909,966	173,463	2,022,676	106,951	233,952	-	-	-
Specific Projects and Programs	-	-	-	-	-	-	3,294,658	-
Unreserved, Reported in:								
Special Projects	-	-	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-	-	-
Total Fund Balances	909,966	173,463	2,022,676	106,951	233,952	-	3,294,658	-
Total Liabilities and Fund Balances	\$ 909,966	\$ 462,349	\$ 2,266,991	\$ 106,951	\$ 238,805	\$ -	\$ 3,294,658	\$ -

Continued

City of Brentwood

Combining Balance Sheet
Non-Major Governmental Funds (Continued)
June 30, 2003

	Capital Projects Funds (Continued)								
	Capital Improvement Financing Program 99-1	Capital Improvement Financing Program 2000-1	Capital Improvement Financing Program 2002-1	2002 Series A & B	Capital Improvement 2001	Street Improvement Projects	Downtown Redevelopment Projects	North Brentwood Redevelopment Projects	Total Non-Major Governmental Funds
ASSETS									
Current Assets:									
Cash and Investments	\$ -	\$ 543	\$ 801	\$ -	\$ 13,018	\$ 1,000,701	\$ 48,043	\$ 7,005	\$ 19,892,652
Restricted Cash and Investments	346,982	855,331	2,209,759	-	36,497	-	11,215,287	-	20,304,912
Receivables	-	-	-	-	-	8,648	49,371	-	566,919
Prepays	-	-	-	-	-	-	290	290	725
Due from Other Funds	-	-	-	-	-	2,105,918	-	-	2,105,918
Land Held for Resale	-	-	-	-	-	-	227,698	-	475,811
Total Assets	\$ 346,982	\$ 855,874	\$ 2,210,560	\$ -	\$ 49,515	\$ 3,115,267	\$ 11,540,689	\$ 7,295	\$ 43,346,937
LIABILITIES AND FUND BALANCES									
Current Liabilities:									
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 672	\$ 17,013	\$ 10,957	\$ 2,738,143
Due to Other Funds	-	-	-	-	-	-	-	-	307,386
Deferred Revenue	-	-	-	-	-	-	-	-	111,716
Deposits Held	-	-	-	-	-	-	-	-	21,000
Compensated Absences Payable	-	-	-	-	-	-	220	220	550
Total Liabilities	-	-	-	-	-	672	17,233	11,177	3,178,795
Fund Balances:									
Reserved for:									
Prepays	-	-	-	-	-	-	290	290	725
Land Held for Resale	-	-	-	-	-	-	227,698	-	475,811
Debt Service	-	-	-	-	-	-	-	-	3,447,008
Specific Projects and Programs	346,982	855,874	2,210,560	-	49,515	3,114,595	11,295,468	(4,172)	25,675,790
Unreserved, Reported in:									
Special Projects	-	-	-	-	-	-	-	-	118,862
Capital Projects	-	-	-	-	-	-	-	-	10,449,946
Total Fund Balances	346,982	855,874	2,210,560	-	49,515	3,114,595	11,523,456	(3,882)	40,168,142
Total Liabilities and Fund Balances	\$ 346,982	\$ 855,874	\$ 2,210,560	\$ -	\$ 49,515	\$ 3,115,267	\$ 11,540,689	\$ 7,295	\$ 43,346,937

City of Brentwood

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-Major Governmental Funds

For Year Ended June 30, 2003

	Special Revenues								
	Community Development	Engineering	Gas Tax	Police Grants	Other Grants	Community Facilities	Vehicle Abatement	Economic Development	Youth Diversion
REVENUES									
Taxes	\$ -	\$ -	\$ 557,696	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	-	-	662	13,727	69	115,963	298	908	655
Intergovernmental	-	-	-	130,953	32,906	-	-	-	42,108
Fees and Other Revenues	-	-	-	-	-	4,204,312	10,724	84,442	1,020
Total Revenues	-	-	558,358	144,680	32,975	4,320,275	11,022	85,350	43,783
EXPENDITURES									
Current:									
General Government	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	67,124	-	-	720	-	46,140
Community Development	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	48,084	91,398	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal Retirement	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	67,124	48,084	91,398	720	-	46,140
REVENUES OVER (UNDER) EXPENDITURES	-	-	558,358	77,556	(15,109)	4,228,877	10,302	85,350	(2,357)
OTHER FINANCING SOURCES (USES)									
Capital Contributions	-	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	11,111	4,445,869	-	-	20,000
Transfers Out	(5,844,395)	(7,284,304)	(558,176)	(71,859)	-	(7,859,551)	(10,000)	(4,442)	-
Total Other Financing Sources (Uses)	(5,844,395)	(7,284,304)	(558,176)	(71,859)	11,111	(3,413,682)	(10,000)	(4,442)	20,000
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(5,844,395)	(7,284,304)	182	5,697	(3,998)	815,195	302	80,908	17,643
Fund Balance, Beginning of Year	5,844,395	7,284,304	157	245,535	5,923	1,485,645	9,283	-	20,311
Fund Balance, End of Year	\$ -	\$ -	\$ 339	\$ 251,232	\$ 1,925	\$ 2,300,840	\$ 9,585	\$ 80,908	\$ 37,954

Continued

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-Major Governmental Funds (Continued)

For Year Ended June 30, 2003

Special Revenues (Continued)

	Redevelopment		Bypass Authority	Asset Forfeiture	Open Space	Mark Roos		Measure C	Facility Fee Administration	Agriculture Conservation
	Storm Drainage	Low Income Housing				Drainage Credit				
REVENUES										
Taxes	\$ -	\$ 676,386	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	17,404	69,907	-	661	8,268	-	590	179,576	101,944	
Intergovernmental	-	-	-	-	-	-	330,165	-	-	
Fees and Other Revenues	102,249	-	2,567,647	-	-	-	-	980,179	1,854,112	
Total Revenues	119,653	746,293	2,567,647	661	8,268	-	330,755	1,159,755	1,956,056	
EXPENDITURES										
Current:										
General Government	-	161,257	-	-	-	-	-	3,416	-	
Public Safety	-	-	-	1,000	-	-	2,336	-	-	
Community Development	-	-	-	-	-	-	-	-	-	
Community Services	-	-	-	-	11,999	5,355	-	-	-	
Other	65,704	-	-	-	-	-	-	-	30,462	
Capital Outlay	-	534,040	-	-	-	-	-	-	-	
Debt Service:										
Principal Retirement	-	-	-	-	-	-	-	-	-	
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	
Total Expenditures	65,704	695,297	-	1,000	11,999	5,355	2,336	3,416	30,462	
REVENUES OVER (UNDER) EXPENDITURES	53,949	50,996	2,567,647	(339)	(3,731)	(5,355)	328,419	1,156,339	1,925,594	
OTHER FINANCING SOURCES (USES)										
Capital Contributions	-	-	-	-	-	-	-	-	-	
Transfers In	14,504	-	-	-	-	595	-	-	-	
Transfers Out	(595)	(64,920)	-	-	-	(14,504)	(420,000)	-	-	
Total Other Financing Sources (Uses)	13,909	(64,920)	-	-	-	(13,909)	(420,000)	-	-	
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	67,858	(13,924)	2,567,647	(339)	(3,731)	(19,264)	(91,581)	1,156,339	1,925,594	
Fund Balance, Beginning of Year	344,090	1,716,147	15,121	14,035	179,752	19,264	114,360	3,201,319	1,453,906	
Fund Balance, End of Year	\$ 411,948	\$ 1,702,223	\$ 2,582,768	\$ 13,696	\$ 176,021	\$ -	\$ 22,779	\$ 4,357,658	\$ 3,379,500	

Continued

City of Brentwood

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-Major Governmental Funds (Continued)

For Year Ended June 30, 2003

	Debt Service Funds					Capital Projects Funds		
	Downtown	North	Capital	2002		Capital	Capital	
	Redevelopment	Brentwood	Improvement	General	ABAG	Improvement	Improvement	
	Debt	Debt	Program 2001	Obligation	XXVI COP'S	Financing	Financing	
			Bond		Lease	Program 94-1	Program 98-1	
					Program			
REVENUES								
Taxes	\$ 1,597,719	\$ 1,107,826	\$ -	\$ 293,363	\$ -	\$ -	\$ -	
Uses of Money and Property	54,056	10,994	106,464	2	7,112	-	185	
Intergovernmental	-	-	-	-	-	-	-	
Fees and Other Revenues	-	-	-	-	-	-	-	
Total Revenues	1,651,775	1,118,820	106,464	293,365	7,112	-	185	
EXPENDITURES								
Current:								
General Government	-	-	-	-	-	-	2,739,884	
Public Safety	-	-	-	-	-	-	-	
Community Development	91,066	897,937	14,566	7,300	1,907	-	-	
Community Services	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	-	-	
Debt Service:								
Principal Retirement	411,900	193,100	130,000	-	-	73,325	-	
Interest and Fiscal Charges	719,119	309,830	572,388	209,471	-	-	-	
Total Expenditures	1,222,085	1,400,867	716,954	216,771	1,907	73,325	101,482	
REVENUES OVER (UNDER) EXPENDITURES	429,690	(282,047)	(610,490)	76,594	5,205	(73,325)	(101,297)	
OTHER FINANCING SOURCES (USES)								
Capital Contributions	-	-	-	-	-	-	-	
Transfers In	-	553,215	622,607	-	-	73,325	-	
Transfers Out	(298,943)	(265,809)	-	-	-	-	(22,682)	
Total Other Financing Sources (Uses)	(298,943)	287,406	622,607	-	-	73,325	(22,682)	
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	130,747	5,359	12,117	76,594	5,205	-	(103,512)	
Fund Balance, Beginning of Year	779,219	168,104	2,010,559	30,357	228,747	-	6,008,502	
Fund Balance, End of Year	\$ 909,966	\$ 173,463	\$ 2,022,676	\$ 106,951	\$ 233,952	\$ -	\$ 3,294,658	

City of Brentwood

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-Major Governmental Funds (Continued)

For Year Ended June 30, 2003

	Capital Projects Funds (Continued)								
	Capital Improvement Financing Program 99-1	Capital Improvement Financing Program 2000-1	Capital Improvement Financing Program 2002-1	2002 Series A & B	Capital Improvement 2001	Street Improvement Projects	Downtown Redevelopment Projects	North Brentwood Redevelopment Projects	Total Non-Major Governmental Funds
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,232,990
Uses of Money and Property	4,080	17,376	25,776	32	1,624	164,628	306,841	-	1,258,524
Intergovernmental	-	-	-	-	-	-	-	-	536,132
Fees and Oher Revenues	-	137	-	163,985	-	-	19,940	-	9,988,747
Total Revenues	4,080	17,513	25,776	164,017	1,624	164,628	326,781	-	16,016,393
EXPENDITURES									
Current:									
General Government	107,898	2,038,365	-	164,017	-	3,417	3,596,566	511,126	9,427,428
Public Safety	-	-	-	-	-	-	-	-	117,320
Community Development	-	-	-	-	-	-	-	-	1,012,776
Community Services	-	-	-	-	-	-	-	-	156,836
Other	-	-	-	-	-	-	-	-	96,166
Capital Outlay	-	-	-	-	-	-	68,430	-	602,470
Debt Service:									
Principal Retirement	-	-	-	-	-	-	-	-	808,325
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	1,810,808
Total Expenditures	107,898	2,038,365	-	164,017	-	3,417	3,664,996	511,126	14,032,129
REVENUES OVER (UNDER) EXPENDITURES	(103,818)	(2,020,852)	25,776	-	1,624	161,211	(3,338,215)	(511,126)	1,984,264
OTHER FINANCING SOURCES (USES)									
Capital Contributions	-	-	4,657,010	-	-	-	-	-	4,657,010
Transfers In	-	-	-	-	-	23,367	363,863	1,064,341	7,192,797
Transfers Out	(1,966)	(35,468)	(2,472,226)	-	(228,038)	-	(798,532)	(553,215)	(26,811,840)
Total Other Financing Sources (Uses)	(1,966)	(35,468)	2,184,784	-	(228,038)	23,367	(434,669)	511,126	(14,962,033)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(105,784)	(2,056,320)	2,210,560	-	(226,414)	184,578	(3,772,884)	-	(12,977,769)
Fund Balance, Beginning of Year	452,766	2,912,194	-	-	275,929	2,930,017	15,296,340	(3,882)	53,145,911
Fund Balance, End of Year	\$ 346,982	\$ 855,874	\$ 2,210,560	\$ -	\$ 49,515	\$ 3,114,595	\$ 11,523,456	\$ (3,882)	\$ 40,168,142

City of Brentwood

Combining Statement of Net Assets

All Internal Service Funds

June 30, 2003

	Emergency Preparedness	Information Services	Vehicle Replacement	Information Systems Replacement	Building Replacement	Tuition Program	Fleet Maintenance	TOTALS
ASSETS								
Current Assets:								
Cash and Investments	\$ 5,159,626	\$ 17,963	\$ 2,286,163	\$ 459,907	\$ 656,017	\$ 49,831	\$ 196,568	\$ 8,826,075
Receivables	9,740	100	18,293	38,630	1,759	91	362	68,975
Prepays	-	1,303	-	-	402	-	528	2,233
Non-Current Assets:								
Capital Assets, Net	-	-	1,849,603	160,987	-	-	-	2,010,590
Total Assets	5,169,366	19,366	4,154,059	659,524	658,178	49,922	197,458	10,907,873
LIABILITIES AND NET ASSETS								
Current Liabilities:								
Accounts Payable	-	4,920	10,048	4,779	2,083	2,969	29,173	53,972
Long-Term Debt Due Within One Year	-	-	31,825	-	-	-	-	31,825
Deferred Revenue	-	-	-	-	341	-	-	341
Compensated Absences Payable	-	573	-	-	174	-	292	1,039
Non-Current Liabilities Due in More Than One Year:								
Capital Leases Payable	-	-	68,878	-	-	-	-	68,878
Compensated Absences Payable	-	18,535	-	-	5,624	-	9,457	33,616
Total Liabilities	-	24,028	110,751	4,779	8,222	2,969	38,922	189,671
Net Assets:								
Unrestricted	5,169,366	(4,662)	4,043,308	654,745	649,956	46,953	158,536	10,718,202
Total Net Assets	\$ 5,169,366	\$ (4,662)	\$ 4,043,308	\$ 654,745	\$ 649,956	\$ 46,953	\$ 158,536	\$ 10,718,202

City of Brentwood

Combining Statement of Activities and Changes in Net Assets

All Internal Service Funds

For Year Ended June 30, 2003

	Emergency Preparedness	Information Services	Vehicle Replacement	Information Systems Replacement	Building Replacement	Tuition Program	Fleet Maintenance	TOTALS
Operating Revenues:								
Charge for Services	\$ -	\$ 630,794	\$ 1,331,112	\$ 297,674	\$ 346,981	\$ 49,850	\$ 600,612	\$ 3,257,023
Other Income	-	-	34,140	13,500	-	-	-	47,640
Total Operating Revenues	-	630,794	1,365,252	311,174	346,981	49,850	600,612	3,304,663
Operating Expenses:								
Personnel Services	-	432,256	-	-	151,587	-	177,335	761,178
Repairs and Maintenance	-	19,293	-	-	50,544	-	7,174	77,011
Materials, Supplies and Services	-	190,985	26,552	310,439	25,132	4,105	254,178	811,391
Depreciation and Amortization	-	-	668,321	-	-	-	-	668,321
Total Operating Expense	-	642,534	694,873	310,439	227,263	4,105	438,687	2,317,901
Operating Income (Loss)	-	(11,740)	670,379	735	119,718	45,745	161,925	986,762
Non-Operating Revenue (Expenses):								
Interest Income	169,366	2,639	85,096	23,908	27,255	1,208	4,796	314,268
Interest Expense	-	-	(9,956)	-	-	-	-	(9,956)
Total Non-Operating Revenues (Expenses)	169,366	2,639	75,140	23,908	27,255	1,208	4,796	304,312
Income (Loss) before Contributions and Operating Transfers	169,366	(9,101)	745,519	24,643	146,973	46,953	166,721	1,291,074
Capital Asset Contributions	-	-	817,582	-	-	-	-	817,582
Transfers In	3,000,000	-	828,247	-	-	-	-	3,828,247
Change in Net Assets	3,169,366	(9,101)	2,391,348	24,643	146,973	46,953	166,721	5,936,903
Net Assets, Beginning of Year, Restated	2,000,000	4,439	1,651,960	630,102	502,983	-	(8,185)	4,781,299
Net Assets, End of Year	\$ 5,169,366	\$ (4,662)	\$ 4,043,308	\$ 654,745	\$ 649,956	\$ 46,953	\$ 158,536	\$ 10,718,202

City of Brentwood

Combining Statement of Cash Flows
All Internal Service Funds
For Year Ended June 30, 2003

	Emergency Preparedness	Information Services	Vehicle Replacement	Information Systems Replacement	Building Replacement	Tuition Program	Fleet Maintenance	TOTALS
Cash Flows from Operating Activities								
Cash Received from Customers/Other Funds	\$ (9,740)	\$ 630,481	\$ 1,351,134	\$ 300,279	\$ 347,139	\$ 52,728	\$ 600,225	\$ 3,272,246
Cash Payments to Suppliers of Goods and Services	-	(207,847)	(16,506)	(309,259)	(75,290)	(4,105)	(242,837)	(855,844)
Cash Payments to Employees for Services	-	(432,256)	-	-	(151,587)	-	(177,335)	(761,178)
Net Cash Provided By (Used for) Operating Activities	(9,740)	(9,622)	1,334,628	(8,980)	120,262	48,623	180,053	1,655,224
Cash Flows from Non-Capital Financing Activities								
Transfers Received	3,000,000	-	233,947	-	-	-	-	3,233,947
Net Cash Provided By (Used for) Non-Capital Financing Activities	3,000,000	-	233,947	-	-	-	-	3,233,947
Cash Flows from Capital and Related Financing Activities								
Capital Asset Contributions	-	-	817,582	-	-	-	-	817,582
Interest Paid on Debt	-	-	(9,956)	-	-	-	-	(9,956)
Principal Paid on Debt	-	-	(77,400)	-	-	-	-	(77,400)
Acquisition and Construction of Assets	-	-	(1,554,216)	(4,215)	-	-	-	(1,558,431)
Net Cash Provided By (Used for) Capital and Related Financing Activities	-	-	(823,990)	(4,215)	-	-	-	(828,205)
Cash Flows from Investing Activities								
Interest on Investments	169,366	2,639	85,096	23,908	27,255	1,208	4,796	314,268
Net Cash Provided By Investing Activities	169,366	2,639	85,096	23,908	27,255	1,208	4,796	314,268
Net Increase (Decrease) in Cash and Cash Equivalents	3,159,626	(6,983)	829,681	10,713	147,517	49,831	184,849	4,375,234
Cash and Cash Equivalents - Beginning of Year	2,000,000	24,946	1,456,482	449,194	508,500	-	11,719	4,450,841
Cash and Cash Equivalents - End of Year	\$ 5,159,626	\$ 17,963	\$ 2,286,163	\$ 459,907	\$ 656,017	\$ 49,831	\$ 196,568	\$ 8,826,075
Reconciliation of Operating Income to Net Cash Provided By (Used for) Operating Activities:								
Operating Income (Loss)	\$ -	\$ (11,740)	\$ 670,379	\$ 735	\$ 119,718	\$ 45,745	\$ 161,925	\$ 986,762
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used for) Operating Activities								
Depreciation and Amortization	-	-	668,321	-	-	-	-	668,321
Change in Assets and Liabilities:								
Receivables, Net	(9,740)	(312)	(14,118)	(10,895)	159	2,878	(387)	(32,415)
Accounts Payable and Other Payables	-	2,430	10,046	1,180	385	-	18,515	32,556
Net Cash Provided By (Used for) Operating Activities	\$ (9,740)	\$ (9,622)	\$ 1,334,628	\$ (8,980)	\$ 120,262	\$ 48,623	\$ 180,053	\$ 1,655,224
Noncash Capital Activities:								
Transfer Assets from Other Funds	-	-	(594,300)	-	-	-	-	(594,300)



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City of Brentwood

Balance Sheet

General Fund

June 30, 2003

	<u>General Fund</u>
ASSETS	
Current Assets:	
Cash and Investments	\$ 25,658,442
Receivables	1,421,009
Prepays	454,599
Due from Other Funds	307,386
Non-Current Assets:	
Long-Term Loans Receivable	50,000
Total Assets	<u>\$ 27,891,436</u>
LIABILITIES AND FUND BALANCES	
Current Liabilities:	
Accounts Payable and Accrued Liabilities	\$ 924,138
Deferred Revenue	73,803
Deposits Held	7,574,696
Compensated Absences Payable	16,307
Total Liabilities	<u>8,588,944</u>
Fund Balances:	
Reserved for:	
Prepays	454,599
Unreserved, Reported in:	
General Fund	18,847,893
Total Fund Balances	<u>19,302,492</u>
Total Liabilities and Fund Balances	<u>\$ 27,891,436</u>

City of Brentwood

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

General Fund

For Year Ended June 30, 2003

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Taxes	\$ 6,178,581	\$ 6,407,430	\$ 228,849
Licenses	99,350	124,823	25,473
Permits and Fines	7,089,141	9,354,198	2,265,057
Uses of Money and Property	1,298,136	1,289,592	(8,544)
Intergovernmental	1,794,508	1,816,406	21,898
Franchises	414,116	428,731	14,615
Charges for Other Services	443,572	531,791	88,219
Charges to Other Funds	3,817,736	3,922,881	105,145
Fees and Other Revenues	159,500	778,571	619,071
Total Revenues	<u>21,294,640</u>	<u>24,654,423</u>	<u>3,359,783</u>
EXPENDITURES			
Current:			
General Government	3,067,659	3,041,315	26,344
Public Safety	8,329,937	7,419,111	910,826
Community Development	3,243,054	2,631,597	611,457
Engineering	2,129,099	1,767,688	361,411
Public Works	1,887,322	1,305,993	581,329
Parks	947,750	839,368	108,382
Community Services	166,641	157,457	9,184
Other	736,577	781,864	(45,287)
Total Expenditures	<u>20,508,039</u>	<u>17,944,393</u>	<u>2,563,646</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>786,601</u>	<u>6,710,030</u>	<u>5,923,429</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	14,087,931	14,021,317	(66,614)
Transfers Out	(10,440,000)	(10,389,401)	50,599
Total Other Financing Sources (Uses)	<u>3,647,931</u>	<u>3,631,916</u>	<u>(16,015)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 4,434,532</u>	<u>10,341,946</u>	<u>\$ 5,907,414</u>
Fund Balance, Beginning of Year		<u>8,960,546</u>	
Fund Balance, End of Year		<u>\$ 19,302,492</u>	

City of Brentwood
Combining Balance Sheet
All Special Revenue Funds
June 30, 2003

	<u>Thoroughfares</u>	<u>Community Development</u>	<u>Engineering</u>	<u>Gas Tax</u>	<u>Police Grants</u>	<u>Other Grants</u>	<u>Community Facilities</u>	<u>Vehicle Abatement</u>	<u>Economic Development</u>	<u>Youth Diversion</u>
ASSETS										
Current Assets:										
Cash and Investments	\$ -	\$ -	\$ -	\$ 279	\$ 253,094	\$ 8,925	\$ 2,291,926	\$ 9,571	\$ 80,745	\$ 27,371
Receivables	1,127,733	-	-	60	558	-	76,615	14	163	10,583
Prepays	-	-	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ 1,127,733	\$ -	\$ -	\$ 339	\$ 253,652	\$ 8,925	\$ 2,368,541	\$ 9,585	\$ 80,908	\$ 37,954
LIABILITIES AND FUND BALANCES										
Current Liabilities:										
Accounts Payable and Accrued Liabilities	\$ 35,727	\$ -	\$ -	\$ -	\$ 2,420	\$ 7,000	\$ 751	\$ -	\$ -	\$ -
Due to Other Funds	2,105,918	-	-	-	-	-	-	-	-	-
Deferred Revenue	1,124,941	-	-	-	-	-	66,950	-	-	-
Deposits Held	-	-	-	-	-	-	-	-	-	-
Non-Current Liabilities Due in More Than One Year:										
Compensated Absences Payable	-	-	-	-	-	-	-	-	-	-
Total Liabilities	3,266,586	-	-	-	2,420	7,000	67,701	-	-	-
Fund Balances:										
Reserved for:										
Prepays	-	-	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-	-	-
Specific Projects and Programs	-	-	-	339	251,232	1,925	-	9,585	-	-
Unreserved, Reported in:										
Special Projects	-	-	-	-	-	-	-	-	80,908	37,954
Capital Projects	(2,138,853)	-	-	-	-	-	2,300,840	-	-	-
Total Fund Balances	(2,138,853)	-	-	339	251,232	1,925	2,300,840	9,585	80,908	37,954
Total Liabilities and Fund Balances	\$ 1,127,733	\$ -	\$ -	\$ 339	\$ 253,652	\$ 8,925	\$ 2,368,541	\$ 9,585	\$ 80,908	\$ 37,954

Continued

City of Brentwood
Combining Balance Sheet
All Special Revenue Funds (Continued)
June 30, 2003

	Storm Drainage	Redevelopment Low Income Housing	Bypass Authority	Asset Forfeiture	Open Space	Mark Roos Drainage Credit	Measure C	Facility Fee Administration	Agriculture Conservation	Totals
ASSETS										
Current Assets:										
Cash and Investments	\$ 411,161	\$ 1,466,186	\$ 4,727,274	\$ 13,668	\$ 175,670	\$ -	\$ -	\$ 4,348,426	\$ 3,373,837	\$ 17,188,133
Receivables	787	9,483	15,494	28	351	-	330,165	54,670	5,673	1,632,377
Prepays	-	145	-	-	-	-	-	-	-	145
Land Held for Resale	-	248,113	-	-	-	-	-	-	-	248,113
Total Assets	\$ 411,948	\$ 1,723,927	\$ 4,742,768	\$ 13,696	\$ 176,021	\$ -	\$ 330,165	\$ 4,403,096	\$ 3,379,510	\$ 19,068,768
LIABILITIES AND FUND BALANCES										
Current Liabilities:										
Accounts Payable and Accrued Liabilities	\$ -	\$ 594	\$ 2,160,000	\$ -	\$ -	\$ -	\$ -	\$ 672	\$ 10	\$ 2,207,174
Due to Other Funds	-	-	-	-	-	-	307,386	-	-	2,413,304
Deferred Revenue	-	-	-	-	-	-	-	44,766	-	1,236,657
Deposits Held	-	21,000	-	-	-	-	-	-	-	21,000
Compensated Absences Payable	-	110	-	-	-	-	-	-	-	110
Total Liabilities	-	21,704	2,160,000	-	-	-	307,386	45,438	10	5,878,245
Fund Balances:										
Reserved for:										
Prepays	-	145	-	-	-	-	-	-	-	145
Land Held for Resale	-	248,113	-	-	-	-	-	-	-	248,113
Specific Projects and Programs	-	1,453,965	2,582,768	13,696	176,021	-	22,779	-	-	4,512,310
Unreserved, Reported in:										
Special Projects	-	-	-	-	-	-	-	-	-	118,862
Capital Projects	411,948	-	-	-	-	-	-	4,357,658	3,379,500	8,311,093
Total Fund Balances	411,948	1,702,223	2,582,768	13,696	176,021	-	22,779	4,357,658	3,379,500	13,190,523
Total Liabilities and Fund Balances	\$ 411,948	\$ 1,723,927	\$ 4,742,768	\$ 13,696	\$ 176,021	\$ -	\$ 330,165	\$ 4,403,096	\$ 3,379,510	\$ 19,068,768

City of Brentwood

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

All Special Revenue Funds

For Year Ended June 30, 2003

	Thoroughfares	Community Development	Engineering	Gas Tax	Police Grants	Other Grants	Community Facilities	Vehicle Abatement	Economic Development	Youth Diversion
REVENUES										
Taxes	\$ -	\$ -	\$ -	\$ 557,696	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	13,629	-	-	662	13,727	69	115,963	298	908	655
Intergovernmental	43,913	-	-	-	130,953	32,906	-	-	-	42,108
Fees and Other Revenues	11,739,850	-	-	-	-	-	4,204,312	10,724	84,442	1,020
Total Revenues	11,797,392	-	-	558,358	144,680	32,975	4,320,275	11,022	85,350	43,783
EXPENDITURES										
Current:										
General Government	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	67,124	-	-	720	-	46,140
Community Services	-	-	-	-	-	48,084	91,398	-	-	-
Other	280,956	-	-	-	-	-	-	-	-	-
Capital Outlay	3,687,863	-	-	-	-	-	-	-	-	-
Total Expenditures	3,968,819	-	-	-	67,124	48,084	91,398	720	-	46,140
REVENUES OVER (UNDER) EXPENDITURES	7,828,573	-	-	558,358	77,556	(15,109)	4,228,877	10,302	85,350	(2,357)
OTHER FINANCING SOURCES (USES)										
Transfers In	595,995	-	-	-	-	11,111	4,445,869	-	-	20,000
Transfers Out	(10,857,997)	(5,844,395)	(7,284,304)	(558,176)	(71,859)	-	(7,859,551)	(10,000)	(4,442)	-
Total Other Financing Sources (Uses)	(10,262,002)	(5,844,395)	(7,284,304)	(558,176)	(71,859)	11,111	(3,413,682)	(10,000)	(4,442)	20,000
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES										
	(2,433,429)	(5,844,395)	(7,284,304)	182	5,697	(3,998)	815,195	302	80,908	17,643
Fund Balance, Beginning of Year	294,576	5,844,395	7,284,304	157	245,535	5,923	1,485,645	9,283	-	20,311
Fund Balance, End of Year	\$ (2,138,853)	\$ -	\$ -	\$ 339	\$ 251,232	\$ 1,925	\$ 2,300,840	\$ 9,585	\$ 80,908	\$ 37,954

Continued

City of Brentwood

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

All Special Revenue Funds (Continued)

For Year Ended June 30, 2003

	Storm Drainage	Redevelopment Low Income Housing	Bypass Authority	Asset Forfeiture	Open Space	Mark Roos Drainage Credit	Measure C	Facility Fee Administration	Agriculture Conservation	Totals
REVENUES										
Taxes	\$ -	\$ 676,386	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,234,082
Uses of Money and Property	17,404	69,907	-	661	8,268	-	590	179,576	101,944	524,261
Intergovernmental	-	-	-	-	-	-	330,165	-	-	580,045
Fees and Other Revenues	102,249	-	2,567,647	-	-	-	-	980,179	1,854,112	21,544,535
Total Revenues	119,653	746,293	2,567,647	661	8,268	-	330,755	1,159,755	1,956,056	23,882,923
EXPENDITURES										
Current:										
General Government	-	161,257	-	-	-	-	-	3,416	-	164,673
Public Safety	-	-	-	1,000	-	-	2,336	-	-	117,320
Community Services	-	-	-	-	11,999	5,355	-	-	-	156,836
Other	65,704	-	-	-	-	-	-	-	30,462	377,122
Capital Outlay	-	534,040	-	-	-	-	-	-	-	4,221,903
Total Expenditures	65,704	695,297	-	1,000	11,999	5,355	2,336	3,416	30,462	5,037,854
REVENUES OVER (UNDER) EXPENDITURES	53,949	50,996	2,567,647	(339)	(3,731)	(5,355)	328,419	1,156,339	1,925,594	18,845,069
OTHER FINANCING SOURCES (USES)										
Transfers In	14,504	-	-	-	-	595	-	-	-	5,088,074
Transfers Out	(595)	(64,920)	-	-	-	(14,504)	(420,000)	-	-	(32,990,743)
Total Other Financing Sources (Uses)	13,909	(64,920)	-	-	-	(13,909)	(420,000)	-	-	(27,902,669)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES										
	67,858	(13,924)	2,567,647	(339)	(3,731)	(19,264)	(91,581)	1,156,339	1,925,594	(9,057,600)
Fund Balance, Beginning of Year	344,090	1,716,147	15,121	14,035	179,752	19,264	114,360	3,201,319	1,453,906	22,248,123
Fund Balance, End of Year	\$ 411,948	\$ 1,702,223	\$ 2,582,768	\$ 13,696	\$ 176,021	\$ -	\$ 22,779	\$ 4,357,658	\$ 3,379,500	\$ 13,190,523

City of Brentwood

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual

Certain Special Revenue Funds

For Year Ended June 30, 2003

	Thoroughfares			Gas Tax			Police Grants		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ 580,000	\$ 557,696	\$ (22,304)	\$ -	\$ -	\$ -
Uses of Money and Property	100,000	13,629	(86,371)	-	662	662	-	13,727	13,727
Intergovernmental	-	43,913	43,913	-	-	-	100,000	130,953	30,953
Fees and Other Revenues	9,876,782	11,739,850	1,863,068	-	-	-	-	-	-
Total Revenues	9,976,782	11,797,392	1,820,610	580,000	558,358	(21,642)	100,000	144,680	44,680
EXPENDITURES									
Current:									
General Government	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	70,000	67,124	2,876
Community Services	-	-	-	-	-	-	-	-	-
Other	3,057,556	280,956	2,776,600	-	-	-	-	-	-
Capital Outlay	3,687,863	3,687,863	-	-	-	-	-	-	-
Total Expenditures	6,745,419	3,968,819	2,776,600	-	-	-	70,000	67,124	2,876
REVENUES OVER (UNDER) EXPENDITURES	3,231,363	7,828,573	4,597,210	580,000	558,358	(21,642)	30,000	77,556	47,556
OTHER FINANCING SOURCES (USES)									
Transfers In	-	595,995	595,995	-	-	-	-	-	-
Transfers Out	(13,048,678)	(10,857,997)	2,190,681	(530,000)	(558,176)	(28,176)	-	(71,859)	(71,859)
Total Other Financing Sources (Uses)	(13,048,678)	(10,262,002)	2,786,676	(530,000)	(558,176)	(28,176)	-	(71,859)	(71,859)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ (9,817,315)	(2,433,429)	\$ 7,383,886	\$ 50,000	182	\$ (49,818)	\$ 30,000	5,697	\$ (24,303)
Fund Balance, Beginning of Year		294,576			157			245,535	
Fund Balance, End of Year		\$ (2,138,853)			\$ 339			\$ 251,232	

Continued

City of Brentwood

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual

Certain Special Revenue Funds (Continued)

For Year Ended June 30, 2003

	Other Grants			Community Facilities			Vehicle Abatement		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	-	69	69	15,000	115,963	100,963	500	298	(202)
Intergovernmental	50,000	32,906	(17,094)	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	2,040,000	4,204,312	2,164,312	10,000	10,724	724
Total Revenues	50,000	32,975	(17,025)	2,055,000	4,320,275	2,265,275	10,500	11,022	522
EXPENDITURES									
Current:									
General Government	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	720	(720)
Community Services	50,000	48,084	1,916	154,781	91,398	63,383	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	71,000	-	71,000	3,000	-	3,000
Total Expenditures	50,000	48,084	1,916	225,781	91,398	134,383	3,000	720	2,280
REVENUES OVER (UNDER) EXPENDITURES	-	(15,109)	(15,109)	1,829,219	4,228,877	2,399,658	7,500	10,302	2,802
OTHER FINANCING SOURCES (USES)									
Transfers In	-	11,111	11,111	4,441,686	4,445,869	4,183	-	-	-
Transfers Out	-	-	-	(8,297,848)	(7,859,551)	438,297	(7,000)	(10,000)	(3,000)
Total Other Financing Sources (Uses)	-	11,111	11,111	(3,856,162)	(3,413,682)	442,480	(7,000)	(10,000)	(3,000)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES									
	<u>\$ -</u>	<u>(3,998)</u>	<u>\$ (3,998)</u>	<u>\$ (2,026,943)</u>	<u>815,195</u>	<u>\$ 2,842,138</u>	<u>\$ 500</u>	<u>302</u>	<u>\$ (198)</u>
Fund Balance, Beginning of Year		<u>5,923</u>			<u>1,485,645</u>			<u>9,283</u>	
Fund Balance, End of Year		<u>\$ 1,925</u>			<u>\$ 2,300,840</u>			<u>\$ 9,585</u>	

Continued

City of Brentwood

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual

Certain Special Revenue Funds (Continued)

For Year Ended June 30, 2003

	Economic Development			Youth Diversion			Storm Drainage		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	-	908	908	-	655	655	-	17,404	17,404
Intergovernmental	-	-	-	42,108	42,108	-	-	-	-
Fees and Other Revenues	10,000	84,442	74,442	2,000	1,020	(980)	-	102,249	102,249
Total Revenues	10,000	85,350	75,350	44,108	43,783	(325)	-	119,653	119,653
EXPENDITURES									
Current:									
General Government	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	74,490	46,140	28,350	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	66,700	65,704	996
Capital Outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	74,490	46,140	28,350	66,700	65,704	996
REVENUES OVER (UNDER) EXPENDITURES	10,000	85,350	75,350	(30,382)	(2,357)	28,025	(66,700)	53,949	120,649
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	40,000	20,000	(20,000)	-	14,504	14,504
Transfers Out	-	(4,442)	(4,442)	-	-	-	-	(595)	(595)
Total Other Financing Sources (Uses)	-	(4,442)	(4,442)	40,000	20,000	(20,000)	-	13,909	13,909
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ 10,000	80,908	\$ 70,908	\$ 9,618	17,643	\$ 8,025	\$ (66,700)	67,858	\$ 134,558
Fund Balance, Beginning of Year		-			20,311			344,090	
Fund Balance, End of Year		\$ 80,908			\$ 37,954			\$ 411,948	

Continued

City of Brentwood

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual

Certain Special Revenue Funds (Continued)

For Year Ended June 30, 2003

	Redevelopment Low Income Housing			Asset Forfeiture			Open Space		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ 556,237	\$ 676,386	\$ 120,149	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	75,000	69,907	(5,093)	500	661	161	5,000	8,268	3,268
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	200,000	-	(200,000)	2,000	-	(2,000)	-	-	-
Total Revenues	831,237	746,293	(84,944)	2,500	661	(1,839)	5,000	8,268	3,268
EXPENDITURES									
Current:									
General Government	342,774	161,257	181,517	-	-	-	-	-	-
Public Safety	-	-	-	2,000	1,000	1,000	-	-	-
Community Services	-	-	-	-	-	-	11,999	11,999	-
Other	-	-	-	-	-	-	-	-	-
Capital Outlay	540,722	534,040	6,682	-	-	-	-	-	-
Total Expenditures	883,496	695,297	188,199	2,000	1,000	1,000	11,999	11,999	-
REVENUES OVER (UNDER) EXPENDITURES	(52,259)	50,996	103,255	500	(339)	(839)	(6,999)	(3,731)	3,268
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	(64,920)	(64,920)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	(64,920)	(64,920)	-	-	-	-	-	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ (52,259)	(13,924)	\$ 38,335	\$ 500	(339)	\$ (839)	\$ (6,999)	(3,731)	\$ 3,268
Fund Balance, Beginning of Year		1,716,147			14,035			179,752	
Fund Balance, End of Year		\$ 1,702,223			\$ 13,696			\$ 176,021	

Continued

City of Brentwood

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual

Certain Special Revenue Funds (Continued)

For Year Ended June 30, 2003

	Measure C			Facility Fee Administration		
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	-	590	590	80,000	179,576	99,576
Intergovernmental	350,000	330,165	(19,835)	-	-	-
Fees and Other Revenues	-	-	-	775,000	980,179	205,179
Total Revenues	350,000	330,755	(19,245)	855,000	1,159,755	304,755
EXPENDITURES						
Current:						
General Government	-	-	-	7,500	3,416	4,084
Public Safety	2,336	2,336	-	-	-	-
Community Services	-	-	-	-	-	-
Other	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	2,336	2,336	-	7,500	3,416	4,084
REVENUES OVER (UNDER) EXPENDITURES	347,664	328,419	(19,245)	847,500	1,156,339	308,839
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	-
Transfers Out	(420,000)	(420,000)	-	-	-	-
Total Other Financing Sources (Uses)	(420,000)	(420,000)	-	-	-	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ (72,336)	(91,581)	\$ (19,245)	\$ 847,500	1,156,339	\$ 308,839
Fund Balance, Beginning of Year		114,360			3,201,319	
Fund Balance, End of Year		\$ 22,779			\$ 4,357,658	

Continued

City of Brentwood

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual

Certain Special Revenue Funds (Continued)

For Year Ended June 30, 2003

	Agriculture Conservation			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ 1,136,237	\$ 1,234,082	\$ 97,845
Uses of Money and Property	-	101,944	101,944	276,000	524,261	248,261
Intergovernmental	-	-	-	542,108	580,045	37,937
Fees and Other Revenues	-	1,854,112	1,854,112	12,915,782	18,976,888	6,061,106
Total Revenues	-	1,956,056	1,956,056	14,870,127	21,315,276	6,445,149
EXPENDITURES						
Current:						
General Government	-	-	-	350,274	164,673	185,601
Public Safety	-	-	-	148,826	117,320	31,506
Community Services	-	-	-	216,780	151,481	65,299
Other	102,683	30,462	72,221	3,226,939	377,122	2,849,817
Capital Outlay	-	-	-	4,302,585	4,221,903	80,682
Total Expenditures	102,683	30,462	72,221	8,245,404	5,032,499	3,212,905
REVENUES OVER (UNDER) EXPENDITURES	(102,683)	1,925,594	2,028,277	6,624,723	16,282,777	9,658,054
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	4,481,686	5,087,479	605,793
Transfers Out	-	-	-	(22,303,526)	(19,847,540)	2,455,986
Total Other Financing Sources (Uses)	-	-	-	(17,821,840)	(14,760,061)	3,061,779
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ (102,683)	1,925,594	\$ 2,028,277	\$ (11,197,117)	1,522,716	\$ 12,719,833
Fund Balance, Beginning of Year		1,453,906			9,085,039	
Fund Balance, End of Year		\$ 3,379,500			\$ 10,607,755	

City of Brentwood
Combining Balance Sheet
All Debt Service Funds
June 30, 2003

	Downtown Redevelopment Debt	North Brentwood Redevelopment Debt	Capital Improvement Program 2001	2002 General Obligation Bond	ABAG XXVI COP'S	Capital Lease Program	TOTALS
ASSETS							
Current Assets:							
Cash and Investments	\$ 906,727	\$ 461,332	\$ 156,852	\$ 106,951	\$ 2,546	\$ -	\$ 1,634,408
Restricted Cash and Investments	-	-	2,110,139	-	236,259	-	2,346,398
Receivables	3,239	1,017	-	-	-	-	4,256
Total Assets	\$ 909,966	\$ 462,349	\$ 2,266,991	\$ 106,951	\$ 238,805	\$ -	\$ 3,985,062
LIABILITIES AND FUND BALANCES							
Current Liabilities:							
Accounts Payable and Accrued Liabilities	\$ -	\$ 288,886	\$ 244,315	\$ -	\$ 4,853	\$ -	\$ 538,054
Total Liabilities	-	288,886	244,315	-	4,853	-	538,054
Fund Balances:							
Reserved for:							
Debt Service	909,966	173,463	2,022,676	106,951	233,952	-	3,447,008
Total Fund Balance	909,966	173,463	2,022,676	106,951	233,952	-	3,447,008
Total Liabilities and Fund Balance	\$ 909,966	\$ 462,349	\$ 2,266,991	\$ 106,951	\$ 238,805	\$ -	\$ 3,985,062

City of Brentwood

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

***All Debt Service Funds
For Year Ended June 30, 2003***

	Downtown Redevelopment Debt	North Brentwood Redevelopment Debt	Capital Improvement Program 2001	2002 General Obligation Bond	ABAG XXVI COP'S	Capital Lease Program	TOTALS
REVENUES							
Taxes	\$ 1,597,719	\$ 1,107,826	\$ -	\$ 293,363	\$ -	\$ -	\$ 2,998,908
Uses of Money and Property	54,056	10,994	106,464	2	7,112	-	178,628
Total Revenues	1,651,775	1,118,820	106,464	293,365	7,112	-	3,177,536
EXPENDITURES							
Current:							
Community Development	91,066	897,937	14,566	7,300	1,907	-	1,012,776
Debt Service:							
Principal Retirement	411,900	193,100	130,000	-	-	73,325	808,325
Interest and Fiscal Charges	719,119	309,830	572,388	209,471	-	-	1,810,808
Total Expenditures	1,222,085	1,400,867	716,954	216,771	1,907	73,325	3,631,909
REVENUES OVER (UNDER) EXPENDITURES	429,690	(282,047)	(610,490)	76,594	5,205	(73,325)	(454,373)
OTHER FINANCING SOURCES (USES)							
Transfers In	-	553,215	622,607	-	-	73,325	1,249,147
Transfers Out	(298,943)	(265,809)	-	-	-	-	(564,752)
Total Other Financing Sources (Uses)	(298,943)	287,406	622,607	-	-	73,325	684,395
NET CHANGE IN FUND BALANCE	130,747	5,359	12,117	76,594	5,205	-	230,022
Fund Balance, Beginning of Year	779,219	168,104	2,010,559	30,357	228,747	-	3,216,986
Fund Balance, End of Year	\$ 909,966	\$ 173,463	\$ 2,022,676	\$ 106,951	\$ 233,952	\$ -	\$ 3,447,008

City of Brentwood

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual

All Debt Service Funds

For Year Ended June 30, 2003

	Downtown Redevelopment Debt			North Brentwood Redevelopment Debt		
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES						
Taxes	\$ 1,492,213	\$ 1,597,719	\$ 105,506	\$ 721,736	\$ 1,107,826	\$ 386,090
Uses of Money and Property	50,000	54,056	4,056	11,000	10,994	(6)
Fees and Other Revenues	-	-	-	-	-	-
Total Revenues	1,542,213	1,651,775	109,562	732,736	1,118,820	386,084
EXPENDITURES						
Current:						
Community Development	100,700	91,066	9,634	899,649	897,937	1,712
Debt Service:						
Principal Retirement	411,900	411,900	-	180,971	193,100	(12,129)
Interest and Fiscal Charges	719,119	719,119	-	309,830	309,830	-
Total Expenditures	1,231,719	1,222,085	9,634	1,390,450	1,400,867	(10,417)
REVENUES OVER (UNDER) EXPENDITURES	310,494	429,690	119,196	(657,714)	(282,047)	375,667
OTHER FINANCING SOURCES (USES)						
Loan and Bond Proceeds	-	-	-	-	-	-
Transfers In	-	-	-	554,000	553,215	(785)
Transfers Out	(466,067)	(298,943)	167,124	(316,592)	(265,809)	50,783
Total Other Financing Sources (Uses)	(466,067)	(298,943)	167,124	237,408	287,406	49,998
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ (155,573)	130,747	\$ 286,320	\$ (420,306)	5,359	\$ 425,665
Fund Balance, Beginning of Year		779,219			168,104	
Fund Balance, End of Year		\$ 909,966			\$ 173,463	

Continued

City of Brentwood

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual

All Debt Service Funds (Continued)

For Year Ended June 30, 2003

	<u>Capital Improvement Program 2001</u>			<u>2002 General Obligation Bond</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 293,363	\$ 293,363
Uses of Money and Property	90,000	106,464	16,464	210,000	2	(209,998)
Fees and Other Revenues	-	-	-	-	-	-
Total Revenues	<u>90,000</u>	<u>106,464</u>	<u>16,464</u>	<u>210,000</u>	<u>293,365</u>	<u>83,365</u>
EXPENDITURES						
Current:						
Community Development	15,000	14,566	434	8,000	7,300	700
Debt Service:						
Principal Retirement	445,000	130,000	315,000	-	-	-
Interest and Fiscal Charges	1,333,317	572,388	760,929	209,471	209,471	-
Total Expenditures	<u>1,793,317</u>	<u>716,954</u>	<u>1,076,363</u>	<u>217,471</u>	<u>216,771</u>	<u>700</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,703,317)</u>	<u>(610,490)</u>	<u>1,092,827</u>	<u>(7,471)</u>	<u>76,594</u>	<u>84,065</u>
OTHER FINANCING SOURCES (USES)						
Loan and Bond Proceeds	-	-	-	-	-	-
Transfers In	1,704,000	622,607	(1,081,393)	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>1,704,000</u>	<u>622,607</u>	<u>(1,081,393)</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ 683</u>	<u>12,117</u>	<u>\$ 11,434</u>	<u>\$ (7,471)</u>	<u>76,594</u>	<u>\$ 84,065</u>
Fund Balance, Beginning of Year		<u>2,010,559</u>			<u>30,357</u>	
Fund Balance, End of Year		<u>\$ 2,022,676</u>			<u>\$ 106,951</u>	

Continued

City of Brentwood

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual

All Debt Service Funds (Continued)

For Year Ended June 30, 2003

	ABAG XVII COP'S			Capital Lease Programs			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,213,949	\$ 2,998,908	\$ 784,959
Uses of Money and Property	-	7,112	7,112	-	-	-	361,000	178,628	(182,372)
Fees and Other Revenues	10,000	-	(10,000)	-	-	-	10,000	-	(10,000)
Total Revenues	10,000	7,112	(2,888)	-	-	-	2,584,949	3,177,536	592,587
EXPENDITURES									
Current:									
Community Development	2,000	1,907	93	-	-	-	1,025,349	1,012,776	12,573
Debt Service:									
Principal Retirement	290,000	-	290,000	74,000	73,325	675	1,401,871	808,325	593,546
Interest and Fiscal Charges	26,655	-	26,655	-	-	-	2,598,392	1,810,808	787,584
Total Expenditures	318,655	1,907	316,748	74,000	73,325	675	5,025,612	3,631,909	1,393,703
REVENUES OVER (UNDER) EXPENDITURES	(308,655)	5,205	313,860	(74,000)	(73,325)	675	(2,440,663)	(454,373)	1,986,290
OTHER FINANCING SOURCES (USES)									
Loan and Bond Proceeds	309,000	-	(309,000)	-	-	-	309,000	-	(309,000)
Transfers In	-	-	-	74,000	73,325	(675)	2,332,000	1,249,147	(1,082,853)
Transfers Out	-	-	-	-	-	-	(782,659)	(564,752)	217,907
Total Other Financing Sources (Uses)	309,000	-	(309,000)	74,000	73,325	(675)	1,858,341	684,395	(1,173,946)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ 345	5,205	\$ 4,860	\$ -	-	\$ -	\$ (582,322)	230,022	\$ 812,344
Fund Balance, Beginning of Year		228,747			-			3,216,986	
Fund Balance, End of Year		\$ 233,952			\$ -			\$ 3,447,008	



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City of Brentwood
Combining Balance Sheet
All Capital Projects Funds
June 30, 2003

	Capital Improvement Financing Program 94-1	Capital Improvement Financing Program 98-1	Capital Improvement Financing Program 99-1	Capital Improvement Financing Program 2000-1	Capital Improvement Financing Program 2002-1	2002 Series A & B	Capital Improvement 2001
ASSETS							
Current Assets:							
Cash and Investments	\$ -	\$ -	\$ -	\$ 543	\$ 801	\$ -	\$ 13,018
Restricted Cash and Investments	3,294,658	-	346,982	855,331	2,209,759	-	36,497
Receivables	-	-	-	-	-	-	-
Prepays	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-
Total Assets	\$ 3,294,658	\$ -	\$ 346,982	\$ 855,874	\$ 2,210,560	\$ -	\$ 49,515
LIABILITIES AND FUND BALANCES							
Current Liabilities:							
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Liabilities	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-	-
Fund Balances:							
Reserved for:							
Prepays	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-
Specific Projects and Programs	3,294,658	-	346,982	855,874	2,210,560	-	49,515
Total Fund Balances	3,294,658	-	346,982	855,874	2,210,560	-	49,515
Total Liabilities and Fund Balance	\$ 3,294,658	\$ -	\$ 346,982	\$ 855,874	\$ 2,210,560	\$ -	\$ 49,515

Continued

City of Brentwood

Combining Balance Sheet
All Capital Projects Funds (Continued)
June 30, 2003

	Street Improvement Projects	Capital Projects	Downtown Redevelopment Projects	North Brentwood Redevelopment Projects	TOTALS
ASSETS					
Current Assets:					
Cash and Investments	\$ 1,000,701	\$ 19,329,396	\$ 48,043	\$ 7,005	\$ 20,399,507
Restricted Cash and Investments	-	-	11,215,287	-	17,958,514
Receivables	8,648	25,217	49,371	-	83,236
Prepays	-	3,702	290	290	4,282
Due from Other Funds	2,105,918	-	-	-	2,105,918
Land Held for Resale	-	-	227,698	-	227,698
Total Assets	\$ 3,115,267	\$ 19,358,315	\$ 11,540,689	\$ 7,295	\$ 40,779,155
LIABILITIES AND FUND BALANCES					
Current Liabilities:					
Accounts Payable and Accrued Liabilities	\$ 672	\$ 6,118,594	\$ 17,013	\$ 10,957	\$ 6,147,236
Other Liabilities	-	127,611	-	-	127,611
Compensated Absences Payable	-	2,533	220	220	2,973
Total Liabilities	672	6,248,738	17,233	11,177	6,277,820
Fund Balances:					
Reserved for:					
Prepays	-	3,702	290	290	4,282
Land Held for Resale	-	-	227,698	-	227,698
Specific Projects and Programs	3,114,595	13,105,875	11,295,468	(4,172)	34,269,355
Total Fund Balances	3,114,595	13,109,577	11,523,456	(3,882)	34,501,335
Total Liabilities and Fund Balance	\$ 3,115,267	\$ 19,358,315	\$ 11,540,689	\$ 7,295	\$ 40,779,155

City of Brentwood

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

All Capital Projects Funds

For Year Ended June 30, 2003

	Capital Improvement Financing Program 94-1	Capital Improvement Financing Program 98-1	Capital Improvement Financing Program 99-1	Capital Improvement Financing Program 2000-1	Capital Improvement Financing Program 2002-1	2002 Series A & B	Capital Improvement 2001
REVENUES							
Uses of Money and Property	\$ 48,722	\$ 185	\$ 4,080	\$ 17,376	\$ 25,776	\$ 32	\$ 1,624
Fees and Other Revenues	-	-	-	137	-	163,985	-
Total Revenues	48,722	185	4,080	17,513	25,776	164,017	1,624
EXPENDITURES							
Current:							
General Government	2,739,884	101,482	107,898	2,038,365	-	164,017	-
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	2,739,884	101,482	107,898	2,038,365	-	164,017	-
REVENUES OVER (UNDER) EXPENDITURES	(2,691,162)	(101,297)	(103,818)	(2,020,852)	25,776	-	1,624
OTHER FINANCING SOURCES (USES)							
Capital Contributions	-	-	-	-	4,657,010	-	-
Transfers In	-	-	-	-	-	-	-
Transfers Out	(22,682)	(2,215)	(1,966)	(35,468)	(2,472,226)	-	(228,038)
Total Other Financing Sources (Uses)	(22,682)	(2,215)	(1,966)	(35,468)	2,184,784	-	(228,038)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(2,713,844)	(103,512)	(105,784)	(2,056,320)	2,210,560	-	(226,414)
Fund Balance, Beginning of Year	6,008,502	103,512	452,766	2,912,194	-	-	275,929
Fund Balance, End of Year	\$ 3,294,658	\$ -	\$ 346,982	\$ 855,874	\$ 2,210,560	\$ -	\$ 49,515

Continued

City of Brentwood

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

All Capital Projects Funds (Continued)

For Year Ended June 30, 2003

	Street Improvement Projects	Capital Projects	Downtown Redevelopment Projects	North Brentwood Redevelopment Projects	TOTALS
REVENUES					
Uses of Money and Property	\$ 164,628	\$ -	\$ 306,841	\$ -	\$ 569,264
Fees and Other Revenues	-	3,836,042	19,940	-	4,020,104
Total Revenues	164,628	3,836,042	326,781	-	4,589,368
EXPENDITURES					
Current:					
General Government	3,417	2,357,966	3,596,566	511,126	11,620,721
Capital Outlay	-	27,569,810	68,430	-	27,638,240
Total Expenditures	3,417	29,927,776	3,664,996	511,126	39,258,961
REVENUES OVER (UNDER) EXPENDITURES	161,211	(26,091,734)	(3,338,215)	(511,126)	(34,669,593)
OTHER FINANCING SOURCES (USES)					
Capital Contributions	-	-	-	-	4,657,010
Transfers In	23,367	34,788,301	363,863	1,064,341	36,239,872
Transfers Out	-	(5,018,212)	(798,532)	(553,215)	(9,132,554)
Total Other Financing Sources (Uses)	23,367	29,770,089	(434,669)	511,126	31,764,328
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	184,578	3,678,355	(3,772,884)	-	(2,905,265)
Fund Balance, Beginning of Year	2,930,017	9,431,222	15,296,340	(3,882)	37,406,600
Fund Balance, End of Year	\$ 3,114,595	\$ 13,109,577	\$ 11,523,456	\$ (3,882)	\$ 34,501,335

City of Brentwood

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Certain Capital Projects Funds

For Year Ended June 30, 2003

	Downtown Redevelopment Projects			North Brentwood Redevelopment Projects			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Uses of Money and Property	\$ 477,000	\$ 306,841	\$ (170,159)	\$ 1,393,920	\$ -	\$ (1,393,920)	\$ 1,870,920	\$ 306,841	\$ (1,564,079)
Fees and Other revenues	-	19,940	19,940	-	-	-	-	19,940	19,940
Total Revenues	<u>477,000</u>	<u>326,781</u>	<u>(150,219)</u>	<u>1,393,920</u>	<u>-</u>	<u>(1,393,920)</u>	<u>1,870,920</u>	<u>326,781</u>	<u>(1,544,139)</u>
EXPENDITURES									
Current:									
General Government	3,996,529	3,596,566	399,963	1,686,990	511,126	1,175,864	5,683,519	4,107,692	1,575,827
Capital Outlay	42,950	68,430	(25,480)	349,000	-	349,000	391,950	68,430	323,520
Total Expenditures	<u>4,039,479</u>	<u>3,664,996</u>	<u>374,483</u>	<u>2,035,990</u>	<u>511,126</u>	<u>1,524,864</u>	<u>6,075,469</u>	<u>4,176,122</u>	<u>1,899,347</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(3,562,479)</u>	<u>(3,338,215)</u>	<u>224,264</u>	<u>(642,070)</u>	<u>(511,126)</u>	<u>130,944</u>	<u>(4,204,549)</u>	<u>(3,849,341)</u>	<u>355,208</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	466,067	363,863	(102,204)	1,587,028	1,064,341	(522,687)	2,053,095	1,428,204	(624,891)
Transfers Out	(625,000)	(798,532)	(173,532)	(554,000)	(553,215)	785	(1,179,000)	(1,351,747)	(172,747)
Total Other Financing Sources (Uses)	<u>(158,933)</u>	<u>(434,669)</u>	<u>(275,736)</u>	<u>1,033,028</u>	<u>511,126</u>	<u>(521,902)</u>	<u>874,095</u>	<u>76,457</u>	<u>(797,638)</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES									
	<u>\$ (3,721,412)</u>	<u>(3,772,884)</u>	<u>\$ (51,472)</u>	<u>\$ 390,958</u>	<u>-</u>	<u>\$ (390,958)</u>	<u>\$ (3,330,454)</u>	<u>(3,772,884)</u>	<u>\$ (442,430)</u>
Fund Balance, Beginning of Year		<u>15,296,340</u>			<u>(3,882)</u>			<u>15,292,458</u>	
Fund Balance, End of Year		<u>\$ 11,523,456</u>			<u>\$ (3,882)</u>			<u>\$ 11,519,574</u>	



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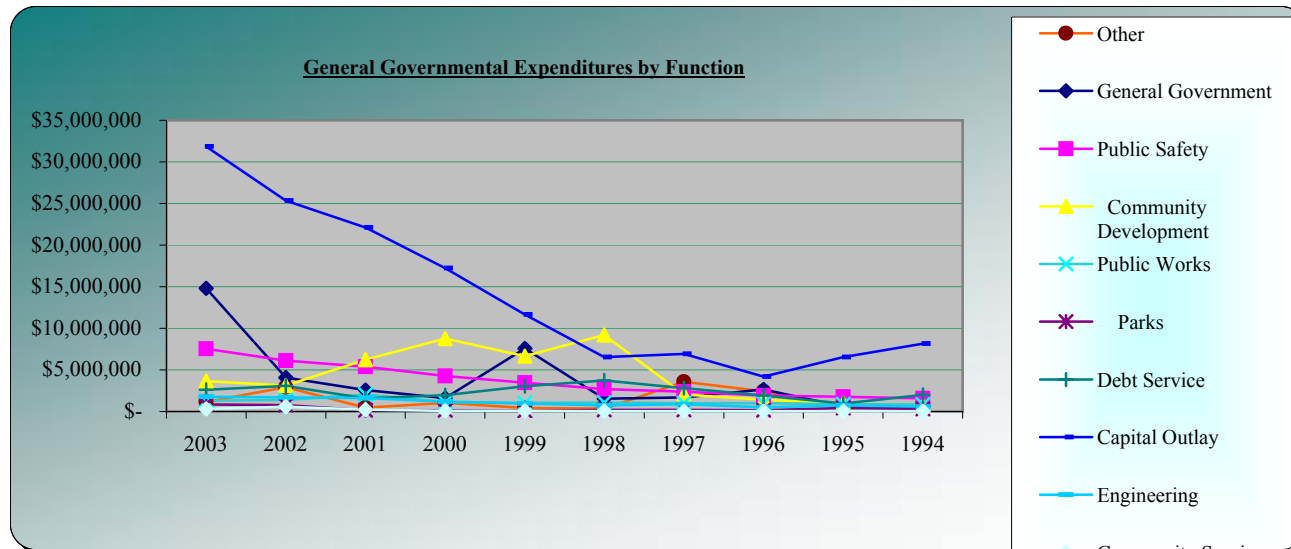
City of Brentwood

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION ⁽¹⁾
LAST TEN FISCAL YEARS
 (Unaudited)

Fiscal Year	General Government	Public Safety	Community Development	Engineering	Public Works	Parks	Community Services	Other	Capital Outlay	Debt Service	Total
2003	\$ 14,826,709	\$ 7,536,431	\$ 3,644,373	\$ 1,767,688	\$ 1,305,993	\$ 839,368	\$ 314,293	\$ 1,158,986	\$ 31,860,143	\$ 2,619,133	\$ 65,873,117
2002	4,083,505	6,110,676	3,131,617	1,687,754	1,398,012	773,284	581,152	2,916,275	25,341,961	3,070,993	49,095,229
2001	2,585,410	5,384,223	6,218,530	1,596,330	2,019,618	169,711	224,153	463,613	22,130,025	1,569,785	42,361,398
2000	1,625,934	4,250,440	8,768,571	1,174,471	1,110,390	153,090	89,414	1,019,390	17,238,684	1,957,767	37,388,151
1999	7,575,008	3,455,518	6,647,878	954,177	1,039,850	82,322	76,485	417,905	11,666,787	3,045,906	34,961,836
1998	1,540,523	2,710,923	9,199,496	722,107	1,086,997	210,008	51,644	350,792	6,538,801	3,713,434	26,124,725
1997	1,689,912	2,391,425	2,054,461	876,507	1,013,799	184,576	36,125	3,583,879	6,924,580	2,820,147	21,575,411
1996	2,637,477	1,904,121	1,429,697	485,214	988,637	163,853	27,768	2,434,621	4,187,735	1,932,268	16,191,391
1995	566,493	1,754,298	999,780	721,547	868,578	413,781	24,683	383,091	6,551,445	979,624	13,263,320
1994	613,111	1,574,685	695,249	567,264	838,012	301,869	19,538	646,677	8,159,652	2,011,603	15,427,660

(1) Includes General, Special Revenue, Capital Projects and Debt Service funds.

Source: City of Brentwood Finance Department



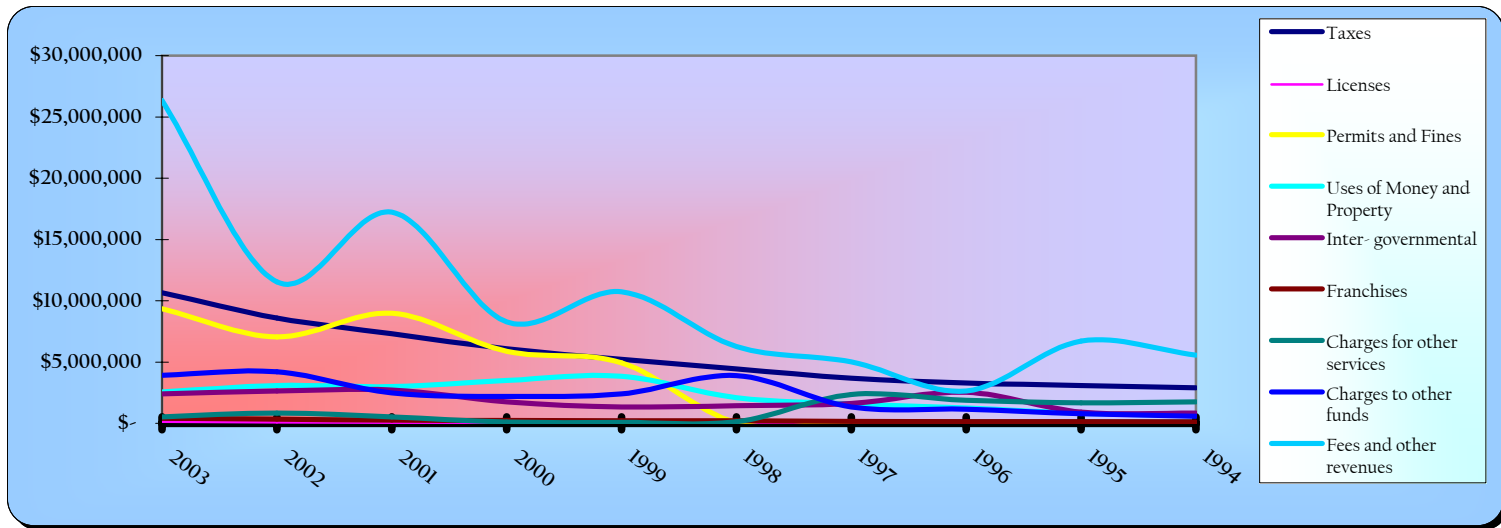
City of Brentwood

GENERAL GOVERNMENTAL REVENUES BY SOURCE ⁽¹⁾
LAST TEN FISCAL YEARS
 (Unaudited)

Fiscal Year	Taxes	Licenses	Permits and Fines	Uses of Money and Property	Inter-governmental	Franchises	Charges for other services	Charges to other funds	Fees and other revenues	Total
2003	\$ 10,640,420	\$ 124,823	\$ 9,354,198	\$ 2,561,745	\$ 2,396,451	\$ 428,731	\$ 531,791	\$ 3,922,881	\$ 26,343,210	\$ 56,304,250
2002	8,587,358	66,810	7,041,625	3,091,109	2,629,058	338,692	825,618	4,203,653	11,542,069	38,325,992
2001	7,311,476	61,554	8,987,674	3,011,813	2,710,186	264,651	513,923	2,478,056	17,229,787	42,569,120
2000	6,072,785	52,690	5,876,423	3,509,121	1,738,177	225,795	95,239	2,186,433	8,267,534	28,024,197
1999	5,225,146	44,838	4,947,769	3,835,052	1,343,531	197,030	67,158	2,400,849	10,729,832	28,791,205
1998	4,427,103	39,555	46,286	2,079,074	1,446,225	203,500	138,200	3,890,184	6,256,575	18,526,702
1997	3,692,659	36,629	44,688	1,589,298	1,617,960	161,991	2,357,729	1,332,145	5,001,231	15,834,330
1996	3,284,481	27,457	27,260	1,246,655	2,540,237	140,159	1,873,585	1,152,484	2,641,251	12,933,569
1995	3,073,680	28,697	20,679	797,793	913,885	128,170	1,665,827	792,311	6,700,140	14,121,182
1994	2,893,319	24,858	18,613	635,588	837,685	111,331	1,739,337	574,026	5,567,678	12,402,435

(1) Includes General, Special Revenue, Capital Projects and Debt Service funds.

Source: City of Brentwood Finance Department

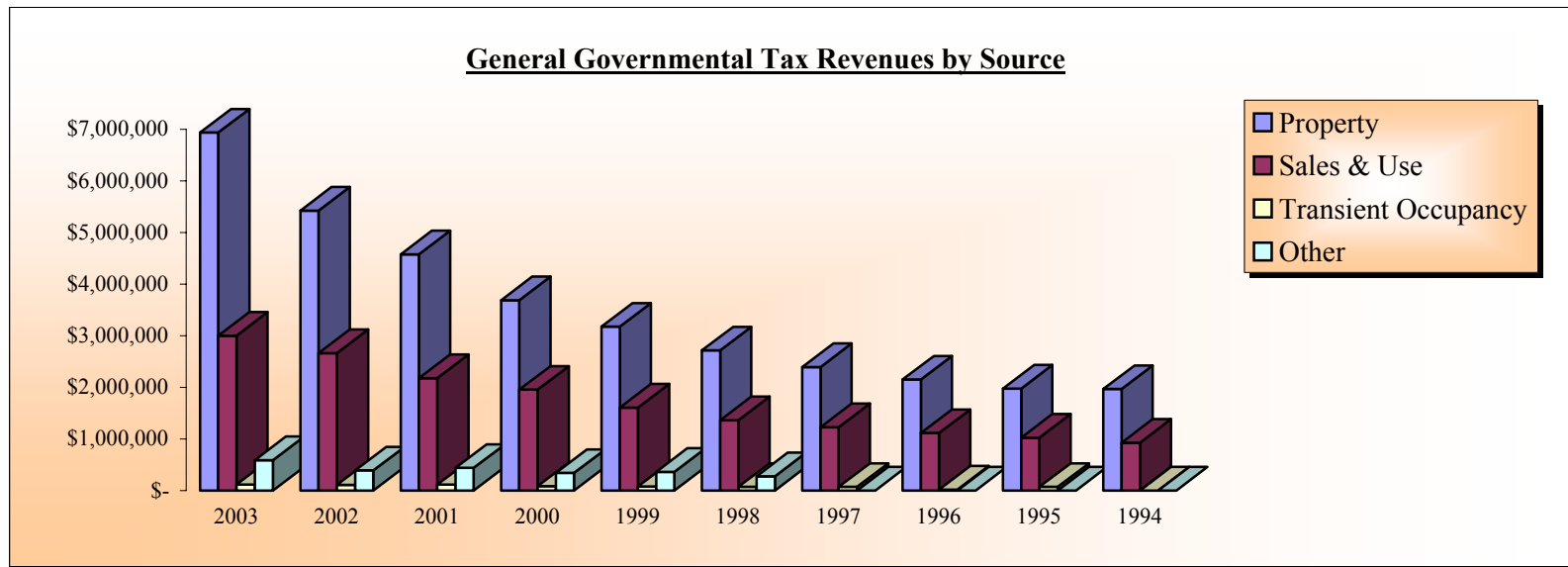


City of Brentwood

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Property	Sales & Use	Transient Occupancy	Other	Total
2003	\$ 6,933,900	\$ 2,998,922	\$ 118,332	\$ 589,266	\$ 10,640,420
2002	5,423,132	2,661,107	112,031	391,088	8,587,358
2001	4,576,990	2,178,366	115,367	440,753	7,311,476
2000	3,687,940	1,954,804	88,147	341,894	6,072,785
1999	3,174,930	1,607,208	81,662	361,346	5,225,146
1998	2,715,841	1,363,371	71,046	276,845	4,427,103
1997	2,392,738	1,227,802	72,119	-	3,692,659
1996	2,151,909	1,113,446	19,126	-	3,284,481
1995	1,974,313	1,027,138	72,229	-	3,073,680
1994	1,966,379	926,940	-	-	2,893,319

Source: City of Brentwood Finance Department



City of Brentwood

GENERAL PROPERTY TAX LEVIES & COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Current Tax Levy (1)	Current Tax Collections (2)
2003	\$ 28,489,847	\$ 28,489,847
2002	21,975,330	21,975,330
2001	16,953,226	16,953,226
2000	13,689,947	13,689,947
1999	10,848,576	10,848,576
1998	9,347,401	9,347,401
1997	8,233,970	8,233,970
1996	7,266,646	7,266,646
1995	6,311,856	6,311,856
1994	5,638,090	5,638,090

(1) General taxes are calculated at 1 percent of total assessed value less local exemptions.

(2) Special assessments collected are the same as the amount 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 agencies regardless of whether they are collected in the current year or not. A tax losses reserve fund insures losses resulting when a property is sold for taxes, and the proceeds are insufficient to pay the outstanding amounts due.

Source: Contra Costa County Auditor/Controller

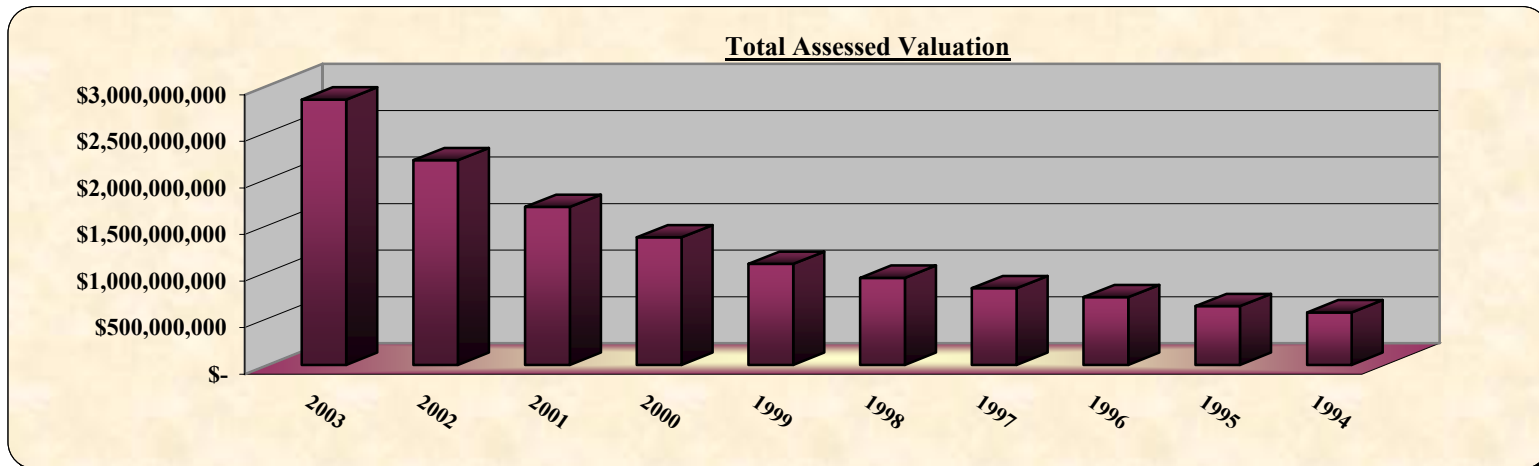
City of Brentwood

**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	Secured Property	Secured Utility (1)	Unsecured Property	Total Assessed Valuation	Percentage Increase
2003	\$ 2,803,844,130	\$ 393,418	\$ 44,747,115	\$ 2,848,984,663	29.64%
2002	2,158,826,555	289,943	38,416,499	2,197,532,997	29.62%
2001	1,661,627,361	27,185	33,668,004	1,695,322,550	23.84%
2000	1,343,423,659	29,407	25,541,617	1,368,994,683	26.19%
1999	1,061,957,024	229,085	22,671,455	1,084,857,564	16.06%
1998	910,287,285	57,618	24,395,197	934,740,100	13.52%
1997	801,247,248	47,486	22,102,286	823,397,020	13.31%
1996	708,447,455	465,557	17,751,558	726,664,570	15.13%
1995	614,528,519	444,008	16,213,092	631,185,619	11.95%
1994	539,121,307	204,350	24,483,307	563,808,964	14.21%

(1) Beginning with Fiscal Year 1989 and pursuant to AB 454, Unitary Utilities are excluded from regular tax rate areas.

Source: Contra Costa County Auditor/Controller



City of Brentwood

PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year	General Tax Levy	BART	City of Brentwood	East Bay Regional Park	Liberty High	Brentwood Elementary	Community College	Total
2003	1.0000%	-	0.0095%	0.0065%	0.0510%	0.0465%	0.0040%	1.1175%
2002	1.0000%	-	-	0.0072%	0.0478%	0.0577%	-	1.1127%
2001	1.0000%	-	-	0.0065%	0.0575%	0.0522%	-	1.1162%
2000	1.0000%	-	-	0.0088%	0.0621%	0.0415%	-	1.1124%
1999	1.0000%	0.0167%	-	0.0092%	0.0656%	0.0478%	-	1.1393%
1998	1.0000%	0.0220%	-	0.0081%	0.0726%	0.0500%	-	1.1527%
1997	1.0000%	0.0225%	-	0.0080%	0.0719%	0.0560%	-	1.1584%
1996	1.0000%	0.0230%	-	0.0094%	0.0789%	0.0663%	-	1.1776%
1995	1.0000%	0.0235%	-	0.0066%	0.0603%	0.0600%	-	1.1504%
1994	1.0000%	0.0240%	-	0.0069%	0.0296%	0.0611%	-	1.1216%

Source: Contra Costa County Auditor/Controller

City of Brentwood
SPECIAL ASSESSMENT TAX REVENUE
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Brentwood Assessment District 93R	Brentwood Lights and Landscaping Districts	Brentwood Assessment District 94-1	Brentwood Assessment District 96R	Brentwood Assessment District 98-2	Brentwood Park Maintenance	Brentwood Assessment 99-1 Bond	Brentwood Assessment 2000-1 Bond	Brentwood Assessment General Bond	Brentwood Assessment CFD #2	Brentwood Assessment 2002-1	Total
2003	\$ 575,029	\$ 1,189,616	\$ 3,236,142	\$ 1,609,797	\$ 723,829	\$ 944,744	\$ 656,171	\$ 990,624	\$ 293,363	\$ 1,575	\$ 1,174,314	\$ 11,395,204
2002	606,535	770,918	3,188,384	1,616,182	714,058	719,044	654,344	984,044	-	-	-	9,253,509
2001	609,519	773,452	3,233,166	1,623,802	717,139	420,455	660,384	378,111	-	-	-	8,416,028
2000	646,685	632,933	2,542,807	1,631,345	713,574	221,791	721,697	-	-	-	-	7,110,832
1999	659,063	341,328	2,099,465	1,635,060	778,486	507,340	-	-	-	-	-	6,020,742
1998	658,965	254,909	1,658,301	1,633,847	-	-	-	-	-	-	-	4,206,022
1997	781,865	206,366	996,565	8,449	-	-	-	-	-	-	-	1,993,245
1996	779,828	150,602	-	-	-	-	-	-	-	-	-	930,430
1995	783,225	72,240	-	-	-	-	-	-	-	-	-	855,465
1994	753,783	-	-	-	-	-	-	-	-	-	-	753,783

SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Special Assessment Billings (1)	Special Assessment Collections (2)
2003	\$ 11,395,204	\$ 11,395,204
2002	9,253,509	9,253,509
2001	8,416,028	8,416,028
2000	7,110,832	7,110,832
1999	6,020,742	6,020,742
1998	4,206,022	4,206,022
1997	1,993,245	1,993,245
1996	930,430	930,430
1995	855,465	855,465
1994	753,783	753,783

(1) Special assessments are amounts levied to pay special assessment debt with government commitment.

(2) Special assessments collected are the same as the amount 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 agencies regardless of whether they are collected in the current year or not. A tax losses reserve fund insures losses resulting when a property is sold for taxes, and the proceeds are insufficient to pay the outstanding amounts due.

Source: Muni Financial

City of Brentwood

COMPUTATION OF LEGAL DEBT MARGIN

JUNE 30, 2003

(Unaudited)

Total assessed value of all real and personal property (1)	\$ 2,848,984,663
Debt limit percentage (2)	<u>3.75%</u>
Total debt limit	106,836,925
Amount of debt applicable to debt limit (3)	<u>6,198,082</u>
Legal debt margin	<u><u>\$ 100,638,843</u></u>

Source: (1) Contra Costa County Auditor/Controller
 (2) State of California Government Code 25 and 43605
 (3) Sutro and Company

City of Brentwood

**RATIO OF NET GENERAL BONDED DEBT TO ASSESSED
VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS**

(Unaudited)

Fiscal Year	Population (1)	Total Assessed Value	Net General Bonded Debt	Ratio of Net Bonded Debt To Assessed Value	Net Bonded Debt per Capita
2003	33,364	\$ 2,848,984,663	\$ 38,138,082	0.0134	\$ 1,143
2002	29,630	2,197,532,997	38,674,976	0.0176	1,305
2001	25,325	1,695,322,550	9,425,000	0.0056	372
2000	23,090	1,368,994,683	10,065,000	0.0074	436
1999	20,235	1,084,857,564	10,665,000	0.0098	527
1998	17,108	934,740,100	11,235,000	0.0120	657
1997	14,623	823,397,020	11,775,000	0.0143	805
1996	13,218	726,664,570	12,280,000	0.0169	929
1995	11,563	631,185,619	6,905,000	0.0109	597
1994	10,468	563,808,964	7,285,000	0.0129	696

(1) Population as of January of each year

Source: City of Brentwood Finance Department

City of Brentwood

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES LAST TEN FISCAL YEARS

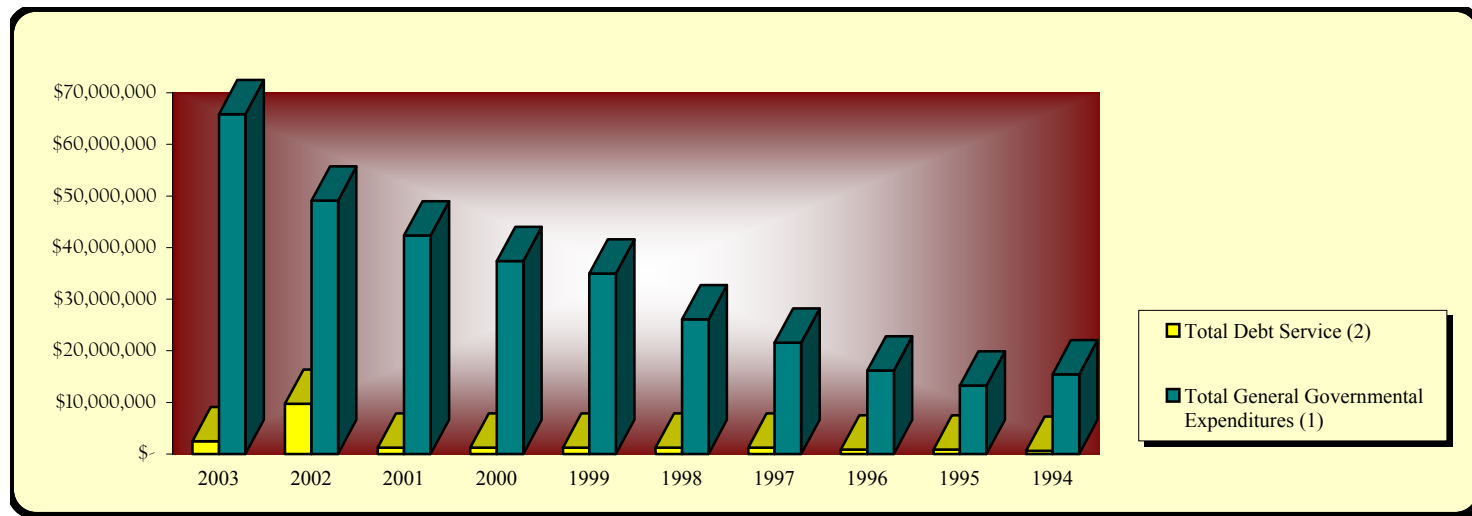
(Unaudited)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service (2)</u>	<u>Total General Governmental Expenditures (1)</u>	<u>Ratio of Debt Service to General Governmental Expenditures (1)</u>
2003	\$ 735,000	\$ 1,730,221	\$ 2,465,221	\$ 65,873,117	3.74%
2002	8,830,000	896,985	9,726,985	49,095,229	19.81%
2001	640,000	603,395	1,243,395	42,361,398	2.94%
2000	600,000	643,112	1,243,112	37,388,151	3.32%
1999	570,000	679,800	1,249,800	34,961,836	3.57%
1998	540,000	713,737	1,253,737	26,124,725	4.80%
1997	505,000	730,280	1,235,280	21,575,411	5.73%
1996	405,000	465,521	870,521	16,191,391	5.38%
1995	380,000	487,885	867,885	13,263,320	6.54%
1994	180,000	435,655	615,655	15,427,660	3.99%

(1) Includes General, Special Revenue, Capital Projects and Debt Service funds.

(2) Does not include any General Obligations for Enterprise funds.

Source: City of Brentwood Finance Department



City of Brentwood

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

JUNE 30, 2003

(Unaudited)

	<u>Percentage Applicable</u>	<u>Net Bonded Debt 6/30/03</u>
OVERLAPPING TAX AND ASSESSMENT DEBT:		
Contra Costa Community College District	2.877 %	\$ 1,438,500
Liberty Union High School District	42.699	22,454,404
Brentwood Union School District	93.353	25,073,948
Oakley Union School District	0.004	382
City of Brentwood	100.000	6,198,082 ⁽¹⁾
City of Brentwood 1915 Act Bonds	100.000	106,314,000
East Bay Regional Park District	1.286	2,063,773
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		<u>163,543,089</u>
DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:		
Contra Costa County General Fund Obligations	2.874 %	9,273,105
Contra Costa County Pension Obligations	2.874	16,876,703
Contra Costa County Board of Education Certificates of Participation	2.874	68,976
Contra Costa County Mosquito Abatement District Certificates of Participation	2.874	23,423
Contra Costa Community College District Certificates of Participation	2.877	38,983
Liberty Union High School District Certificates of Participation	42.699	1,272,430
Brentwood Union School District Certificates of Participation	93.353	6,329,333
City of Brentwood General Fund Obligations	100.000	10,840,000
TOTAL DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT		<u>44,722,953</u>
COMBINED TOTAL DEBT		<u><u>\$ 208,266,042</u></u> ⁽²⁾

⁽¹⁾ Includes \$198,105 accreted value.

⁽²⁾ Excludes tax and revenue anticipation notes, revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2002/03 Assessed Valuation:

Direct Debt (\$6,198,082)	0.22%
Total Overlapping Tax and Assessment Debt	5.74%

Ratios to Adjusted Assessed Valuation:

Combined Direct Debt (\$17,038,082)	0.67%
Combined Total Debt	8.18%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/03: \$ 0

Source: California Municipal Statistics, Inc.

City of Brentwood

**REVENUE BOND COVERAGE
WATER AND WASTEWATER FUND
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service (3)	Revenue Bond Debt Service Requirements			Ratio of Debt Service Requirements to Net Revenue Available
				Principal	Interest	Total	
2003	\$ 26,729,502	\$ 8,601,235	\$ 18,128,267	\$ 310,000	\$ 687,981	\$ 997,981	6%
2002	18,055,924	8,059,593	9,996,331	295,000	703,786	998,786	10%
2001	16,481,774	7,928,562	8,553,212	290,000	715,306	1,005,306	12%
2000	11,359,259	5,775,804	5,583,455	275,000	727,681	1,002,681	18%
1999	8,024,591	3,449,889	4,574,702	260,000	738,236	998,236	22%
1998	6,315,493	2,736,368	3,579,125	50,000	741,100	791,100	22%
1997	4,621,484	2,431,478	2,190,006	45,000	472,186	517,186	24%
1996	3,316,558	1,969,127	1,347,431	45,000	94,394	139,394	10%
1995	3,187,883	2,907,276	280,607	30,000	128,459	158,459	56%
1994	1,963,995	1,264,907	699,088	-	-	-	100%

(1) Total revenues (including interest)

(2) Total operating expenses exclusive of depreciation

(3) Required by Bond Covenances

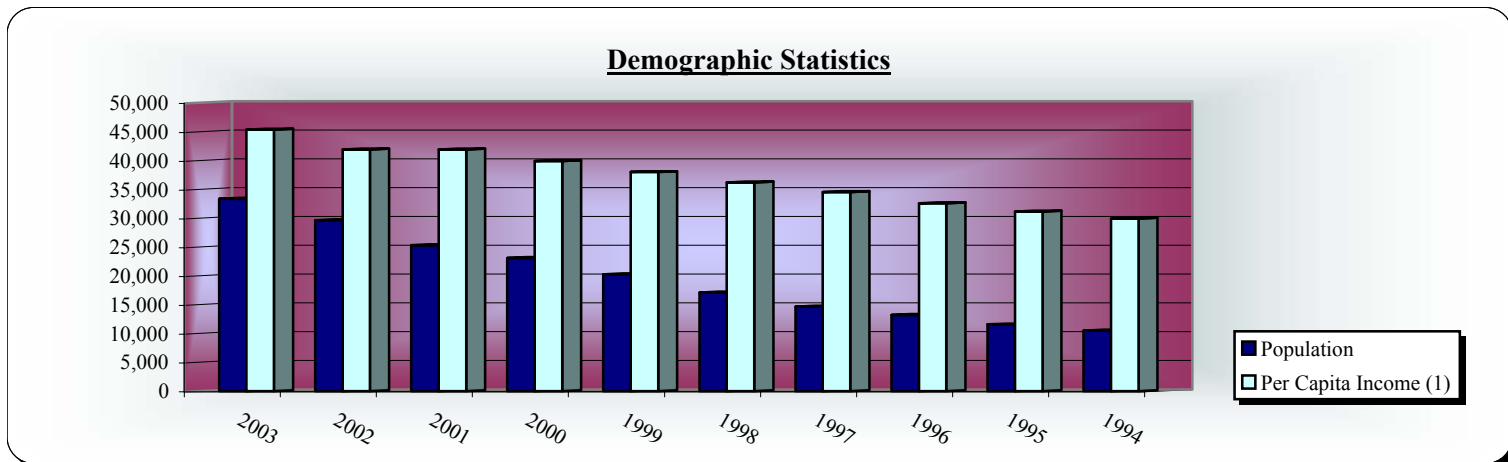
Source: City of Brentwood Finance Department

City of Brentwood

**DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	Population January 1st	Per Capita Income (1)	Median Age (2)	School Enrollment (3)	Unemployment Rate (4)
2003	33,364	\$ 45,373	37.0	10,510	5.6%
2002	29,630	41,889	36.8	8,984	5.5%
2001	25,325	41,889	36.4	4,390	5.5%
2000	23,090	39,894	36.8	3,886	2.7%
1999	20,235	37,994	36.4	3,549	3.0%
1998	17,108	36,178	36.0	3,211	3.6%
1997	14,623	34,507	35.3	2,954	4.1%
1996	13,218	32,558	35.3	2,745	4.9%
1995	11,563	31,159	35.0	2,442	5.7%
1994	10,468	29,924	35.3	2,144	6.1%

Source: (1) Department of Finance Economic Research Unit
 (2) US Census Bureau
 (3) Brentwood Union School District (1994 - 2001) Liberty Union and Brentwood School Districts 2002 and thereafter
 (4) Employment Development Department



City of Brentwood

**PROPERTY VALUE AND CONSTRUCTION ACTIVITY
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	Commercial Industrial Construction		Residential Construction		Total Construction	
	Number of Units	Valuation	Number of Units	Valuation	Number of Units	Valuation
2003	22	\$ 19,675,286	1,400	\$ 267,322,388	1,422	\$ 286,997,674
2002	33	17,815,452	1,160	219,497,422	1,193	237,312,874
2001	9	4,394,473	1,485	272,104,867	1,494	276,499,340
2000	6	5,966,094	883	152,583,109	889	158,549,203
1999	8	9,216,760	980	158,089,138	988	167,305,898
1998	11	4,468,999	685	103,799,600	696	108,268,599
1997	21	8,374,236	843	95,625,800	864	104,000,036
1996	4	2,185,237	497	75,231,900	501	77,417,137
1995	6	7,530,189	557	79,898,500	563	87,428,689
1994	4	2,167,428	386	54,776,900	390	56,944,328

Source: City of Brentwood Community Development Department

City of Brentwood

**LARGEST PROPERTY TAXPAYERS
WITHIN THE CITY LIMITS
JUNE 30, 2003
(Unaudited)**

<u>Property Owners Name</u>	<u>Primary Use</u>	<u>Total Secured Assessed Value</u>	<u>Percentage of Secured Assessed Value</u>
Pulte Home Corporation	Residential	\$ 43,946,284	1.5425%
California Sun Properties	Commercial	40,818,621	1.4327%
HPH Properties Limited Partnership	Commercial	27,334,244	0.9594%
Brookfield Brentwood Lakes LLC	Residential	27,332,891	0.9594%
Shea Homes	Residential	20,909,890	0.7339%
US Print Corporation	Commercial	19,708,287	0.6918%
Brentwood Country Club Partners	Commercial	15,158,193	0.5321%
Lafferty Homes at Deer Creek	Residential	12,745,792	0.4474%
Signature Properties	Residential	8,867,182	0.3112%
Safeway Stores	Commercial	7,549,569	0.2650%
		<u>\$ 224,370,953</u>	<u>7.88%</u>

Source: HdL, Coren & Cone

City of Brentwood

MISCELLANEOUS STATISTICAL INFORMATION

June 30, 2003

(Unaudited)

Date of Incorporation:	January 19, 1948
Forms of Government:	General Law Council-Manager
Fiscal Year Begins:	July 1
Area of City:	13.73 Sq Miles
Population as of January 2003:	33,364

Number of Full-time Equivalent Positions	Year End
220.00	2003
198.00	2002
188.45	2001
154.50	2000
130.20	1999
106.85	1998
95.95	1997
87.75	1996
77.88	1995
61.20	1994

<u>Public Schools</u>	
Elementary	5
Intermediate	2
High School	1

<u>Miles of Streets</u>	
Arterial Miles	27.55
Local Miles	91.03
Miles of Sanitary Sewers	67
Miles of Watermains	149
Number of Street Lights	2,858

<u>Municipal Wastewater System</u>	
Number of lift stations	4
Sanitary	3
Storm	0
Number of connections	9,400
Average daily flow	2.8 million gallons

<u>Municipal Water System</u>	
Number of wells	8
Number of reservoirs	4
Storage capacity (gallons)	10.8 million gallons
Average daily consumption	14.7 ac.ft
Peak daily consumption	10 MGD
Number of fire hydrants	1,323
Number of connections	10,952

<u>Municipal Solid Waste</u>	
Number of Residential Services	9,310
Number of Commercial Services	425

<u>Parks and Recreation</u>	
Playlots	1.65 Acres
Neighborhood Parks	94.66 Acres
Aquatic Complex	7.5 Acres
Community Playfields	16

<u>Parks Facilities</u>	
Tennis Courts	2
Multi-use ballfields	12
Baseball/softball fields	5
Football/soccer fields	11
Basketball/surfaced courts	10
Bocce ball / Volleyball courts	3
Gazebos	2
Permanent park buildings	5
Playgrounds	20
Picnic grounds	23

<u>Police Protection</u>	
Sworn Officers	48
Non-Sworn	12
Reserves	3
Vehicles	34
Motorcycles	7

<u>East Diablo Fire District</u>	
Stations located in Brentwood	2
Firefighters	18