

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED
JUNE 30, 2005

*PREPARED BY:
FINANCE DEPARTMENT
CITY OF BRENTWOOD
708 THIRD STREET
BRENTWOOD, CALIFORNIA 94513*





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City of Brentwood
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Fiscal Year Ended June 30, 2005

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November 24, 2005

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

Dear Mayor Swisher, Members of the City Council and Citizens of the City of Brentwood:

State law requires all general-purpose local governments to publish a complete set of financial statements, presented in conformity with Generally Accepted Accounting Principles (GAAP), within six months of the close of each fiscal year. Therefore, we are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Brentwood, California for the fiscal year ended June 30, 2005. This is the fifth year the City's Finance Department has prepared this report and the fourth year using the reporting requirements as prescribed by the Governmental Accounting Standards Board (GASB) in Statement No. 34. Responsibility for both the accuracy of the data and the completeness and fairness of the information, including all disclosures, rests with the City. To the best of the City staff's knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of the 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.

INTERNAL CONTROLS

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. The Finance Department, in conjunction with the City's management, is also responsible for establishing and maintaining an internal control structure designed to ensure that the City's assets are protected from loss, theft or misuse. 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 Hall – 708 Third Street, Brentwood, California 94513 Phone: (925) 516-5400 Fax: (925) 516-5401
Public Works – 2201 Elkins Way, Brentwood, California 94513 Phone: (925) 516-6000 Fax: (925) 516-5497
Community Development – 104 Oak Street, Brentwood, California 94513 Phone: (925) 516-5405 Fax: (925) 516-5407
Engineering – 120 Oak Street, Brentwood, California 94513 Phone: (925) 516-5420 Fax: (925) 516-5421
Police – 9100 Brentwood Boulevard, Brentwood, California 94513 Phone: (925) 634-6911 Fax: (925) 809-7799
Parks and Recreation – 740 Third Street, Brentwood, California 94513 Phone: (925) 516-5444 Fax: (925) 516-5445

City administration believes the existing internal control systems are adequate to provide reasonable assurance that the City's assets are safeguarded against loss and that the financial records are reliable for preparing financial statements and maintaining accountability for assets. This belief is supported by the City's sixth consecutive "Unqualified" Audit issued in 2005.

INDEPENDENT AUDIT

The City Council is responsible for: 1) assuring the City administration fulfills its responsibilities in the preparation of the financial statements and 2) engaging certified public accountants with whom the City Council reviews the scope of the audits and the accounting principles to be applied in financial reporting.

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. 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. 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 auditor's report on the general purpose financial statements is the first item in the accompanying Financial Section.

In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Federal Single Audit Act of 1984 and related Office of Management and Budget (OMB) Circular A-133. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements but also on the audited government's internal controls and compliance with legal requirements. This report is available in the City's separately issued Single Audit Report.

COMPONENTS OF THE CAFR

Pursuant to GAAP requirements, the City has provided a narrative introduction, overview and analysis titled "Management's Discussion and Analysis" (MD&A). The MD&A, found in the Financial Section, provides financial highlights and interprets the financial reports by analyzing trends and 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. The Letter of Transmittal is designed to complement the MD&A and should be read in conjunction with the MD&A. Components of the CAFR are:

1. **INTRODUCTORY SECTION** – This section is the Letter of Transmittal which focuses on the City and its financial condition. Included in the Letter of Transmittal are a list of the City's principal officials, an organization chart and additional City information.
2. **FINANCIAL SECTION** – The results of each fund's performance for the year are presented in the Financial Section which begins with the Auditor's Report and the MD&A. These are followed by the Basic Financial Statements, the Fund Financial Statements, Notes to the Basic Financial Statements, Required Supplementary Information and the Combining and Individual Fund Statements and Schedules.

3. **STATISTICAL SECTION** – This section consists of selected financial and demographic information which is generally presented on a multi-year basis.

PROFILE OF BRENTWOOD

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 member City Council, under the Council–Manager form of government. As of June 30, 2005 the City had a population of approximately 43,020 and encompassed approximately 14.83 square miles.

The City provides a full range of services including: Police, Public Works, Economic Development, Planning, Building, Engineering and Inspection, Parks and Recreation, Housing and General Administrative services. The City also operates public water and wastewater utilities, as well as providing refuse collection and disposal, and a recycling program. All of these services are accounted for in the City’s financial statements.



In addition, the City is financially accountable for two component units, the Brentwood Redevelopment Agency and the Brentwood Joint Powers Financing Authority. Although legally separate entities, these blended component units are, in substance, part of the government’s operations. Financial data for these units is combined with the data of the primary government. Each of the blended components has a June 30 year-end date for accounting purposes. See Note #1–A, found on page 31, for a more detailed discussion of these two component units.

The City’s annual budget serves as the foundation for planning and controlling the City’s finances. As such, the City maintains extensive 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. The level of budgetary control is established at the fund level. Budgets are prepared and expenditures recorded at the object of expenditure level. The accounting records are

maintained using either the accrual basis or modified accrual basis of accounting, as appropriate. The City also maintains an encumbrance accounting system as one technique for accomplishing budgetary control.

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 and the final adoption of the two-year

City of Brentwood

Letter of Transmittal

budget is scheduled for a City Council meeting in June. Before the beginning of the second year of the two-year budget cycle, the City Council reviews the progress during the first year and approves appropriations for the second year.

Activities of the General Fund, Special Revenue Funds, Debt Service Funds, Enterprises and Capital Project Funds are included in the annual appropriated budget. Budget-to-actual comparisons are included in the Financial Section for the General Fund, certain Special Revenue Funds, the Debt Service Funds and certain Capital Project Funds. The following funds are not legally required to adopt budgets as their appropriations are established by the related bond documentation and/or other legal agreements: Capital Improvement Financing Programs (CIFPs), Capital Improvement 2001, 2002 Series A&B, Street Improvement Projects, Drainage Improvement Projects and Bypass Authority funds. See Note #2–A, beginning on page 42, for additional information.

BRENTWOOD TODAY

The City of Brentwood continues to thrive and all economic indicators point to the City's continued growth and stability as shown by the following statistics from fiscal year 2004/05:

- The City's population increased by 8%
- Residential construction valuation increased by 3.9%
- The median price for existing homes increased by 27.5%

The Office / Research and Development / Flex-Tech Industrial has two major projects in either the planning or construction phase – Harvest Business Park, a 56,000 sq. ft. complex which can be subdivided as required, and the Sand Creek Business Center, a 40-acre project scheduled to include offices, a motel / inn and restaurant. The Sunset Industrial Complex, a 28-acre medium which consists of 19 lots already sold to multiple end-users, will be open for business in fiscal year 2005/06.



Los Medanos College, which provides a full AA degree curriculum, is in its fourth year of operation. Current enrollment stands at 600 full-time equivalent students. The City also has a 17,000 square foot Business and Technology Center adjacent to the Los Medanos College campus. The Center, which is fully leased, provides an affordable workplace for our resident entrepreneurs.

The City has opened the following commercial centers: Lone Tree Plaza, a 475,000 sq. ft. commercial center; Lone Tree Center, an 180,000 sq. ft. commercial center; Sand Creek Shopping Center; Balfour Center and Garin Landing. The Shops at Fairview is a 10-acre development under construction. These new centers will increase job opportunities and sales tax revenues and will also provide Brentwood residents a wealth of local shopping opportunities.

Professional services are also contributing to the quality of life for Brentwood residents. The John Muir Medical Center, a fully entitled medical office project consisting of a three-story, 110,000 sq. ft. medical facility and helicopter pad, opened in 2005. There are also plans for 22,000 sq. ft. of medical and professional offices at this site and 13,000 sq. ft. committed for a dentist office, optometrist and various salons.

Brentwood continues to cultivate a vital, thriving and charming historical Downtown consisting of restaurants, unique retail businesses and personal service businesses. These are businesses which typically anchor classic downtown settings and cannot be found in typical suburban shopping centers. Downtown provides a pleasant backdrop to community events and street festivals and enjoys a 99% occupancy rate.

FUTURE OUTLOOK

The City of Brentwood enjoys a very bright future. The standard of new development in the community has provided excellent housing, schools, parks and trails, streets and recreation programs. Our City is safe and clean and our residents appreciate the high quality of life. The City is beginning a new phase in which the Council's policy is to slow down residential development and to pace build-out over the next 10 – 15 years.



Managing Growth

The **Regional Growth Management Plan (RGMP)** is the City's main tool for managing growth. The intent of the RGMP is to maintain a consistent, sustainable rate of growth over the next 10 to 15 years and to better synchronize growth with public infrastructure and facilities. The 2001 General Plan reduced the build out population to approximately 75,000. The 2004 revision to the RGMP enhances this system by introducing controls missing in the first edition. The RGMP also ensures compliance with our fair share of regional housing set by the Association of Bay Area Governments (ABAG) and helps to maintain growth at an orderly, well-planned and deliberate pace.

Infrastructure

The City of Brentwood established a Development Fee Program in 1989. The program sets forth the relationship between contemplated future development, facilities needed to serve future development and the estimated costs of those improvements based on the current General Plan and Capital Improvement Program (CIP). The purpose of the fees, referred to as AB 1600 fees, is to finance municipal public facilities to mitigate the impacts caused by future development. These capital improvement facility fees are adopted pursuant to Government Code §66000, et seq.

The Development Fee Program implements policies of the City's General Plan including the policy that "...new development shall contribute its fair share of the cost of on-site and off-site public infrastructure and services. This shall include installation of public facilities, payment of impact fees and participation in a Capital Improvement Financing Program (CIFP)." CIFPs provide 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.).

City of Brentwood

Letter of Transmittal

Bonds are sold using the participating Developer's property as 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. Additionally, the City is able to obtain very low interest rates through its outstanding financial reputation. As the properties develop, the bonds are repaid by the new property owner over a 30-year period.

Services

The City of Brentwood utilizes several different types of revenue sources to pay for City services including Community Facility Districts (CFDs), Landscape and Lighting Districts (LLDs) and User Fees.

CFDs – The State of California passed the Community Facilities Act in 1982 which allows cities to establish CFDs to finance one or more of the following types of services: police protection services, fire protection and suppression services, recreation program services, library services, maintenance services for elementary and secondary schools and structures, maintenance and operation of museums and cultural facilities, maintenance of parks, parkways and open spaces, flood and storm protection services, services with respect to removal or remedial action for the cleanup of any hazardous substance released or threatened to be released into the environment.

The City of Brentwood has established three CFDs which finance fire suppression and emergency medical services, police protection and public safety services, open space services, flood and storm drainage services and joint use school site services.

LLDs – In 1972 the City Council approved the Landscaping and Lighting Act which authorizes the formation of assessment districts to ensure the proper flow of funds for the ongoing operation, maintenance and servicing of specific improvements within the City of Brentwood. Specific improvements include, but are not limited to: landscaping, street lighting, parks, open space facilities, trails and Contra Costa County Flood Control channel landscaping. Currently there are 46 LLDs in the City of Brentwood.

User Fees – The City of Brentwood utilizes a User Fee Model to compute city-wide and departmental overhead factors, full hourly rate costs by City Classification and/or full costs associated with the provision of selected services. The City reviews and updates the fees on an annual basis based on changes in the Consumer Price Index (CPI). Examples of City fees covered in the Cost Allocation Plan and Schedule of City fees include: Building, Inspection, Planning, Engineering, Parks and Recreation, Water Service, Wastewater Service and Solid Waste Service fees.

Quality of Life

In September 2003 the City Council passed a "Percent-For-Art" public art program which applies to both public projects and residential development. This program stipulates that any new public project, valued over \$100,000, contribute 1% of construction costs towards a public art project. The following projects are already in the works:

- A Farmer Sculpture to honor the agricultural heritage of Brentwood



Balfour Road Overlay Project

Letter of Transmittal

- Two new pieces for the new Police Station have been completed and installed
- Cloud Park in the Pulte Rose Garden housing development



Public Art at New Police Station

Partnerships – The Police Department provides three full-time Resource Officers to work with Liberty High School, Bristow Middle School, and Edna Hill Middle School students. The City’s Parks and Recreation Department has partnered with the Police Activities League (PAL) to develop and enhance the after school program for students in sixth through eighth grades, to include an educational element at three sites.

As a result of the joint-use agreements between the City of Brentwood, the Brentwood Union School District and the Liberty Union High School District, the City has either funded, or is in the process of funding, three middle school community gymnasiums, two high school gymnasiums, a 50-meter swimming pool, field lighting and the renovation of a high school athletic field. Total City funding to date is \$6,595,000.

The **Affordable Housing Program**, adopted September 9, 2003, provides the following benefits:

- Creates affordable housing by constructing 10% of all new dwelling units as affordable housing for very-low and low income households
- Provides affordable housing options for workforce while reducing congestion on regional roadways
- 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

During fiscal year 2004/05, the Housing Division served 50 local families through their classes on how to purchase a home and assisted 15 families in obtaining their first home through the Affordable Housing Program. The City Council negotiated and finalized 11 affordable housing agreements resulting in the creation of 20 additional affordable homes for sale, 18 units for the City’s rental housing program and \$3.8 million to assist future affordable housing projects. This City is also providing financial assistance to Eden Housing, the developer of the Brentwood Senior Commons Housing project, to build 79 units for very-low income seniors.

Agriculture

For decades Brentwood has been known for its bountiful cropland and “U-pick” fruit stands. However, the rapid population growth in the late ‘90s resulted in the loss of farmland. In 2001, the City adopted the Agriculture Preservation Program in order to mitigate and offset the loss of valuable farmland resources. In October 2002, the Brentwood Agricultural Land Trust (BALT), a non-profit corporation, was formed to preserve agricultural land, promote local agriculture and implement the City’s Agricultural Enterprise Program.



The City of Brentwood has the only Agricultural Preservation Program in the County. This award-winning program permanently preserves up to 11,000 acres of agricultural open space and some of the most productive soil in the region. This will limit urban sprawl and provide farmers with a new revenue source to help them continue farming. Furthermore, the Brentwood Grown Marketing Program, adopted by City Council April 26, 2005, provides for a contractual relationship with Safeway Food Stores to market Brentwood-grown produce.

Fiscal Responsibility

Long-Range Financial Planning – Key to planning for build-out is the development of a fiscal model that ensures the City continues to budget conservatively, with revenues exceeding expenditures, and with adequate reserves to cover future liabilities and unexpected emergencies. Staff anticipates that during the next year we will continue refinement of our 10-year fiscal model. The fiscal model will incorporate customer service standards identified by the community and adopted by the City Council. Once adopted by Council, the fiscal model will be the long-term road map for the executive staff.

Cash Management – The City invests temporarily idle cash in accordance with California Government Code Section 53601 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.

In accordance with the policy, deposits are either collateralized or insured by federal depository insurance, 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 end at June 30, 2005, are classified in the category of lowest credit risk as defined by GASB.

Last year the City implemented GASB Statement No. 40 which is designed to inform financial statement users about deposit and investment risks which could affect a government’s ability to provide services and meet its obligations as they become due. For more information refer to Note #3 found on pages 46 – 50.

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. For more information refer to Note #9 found on pages 66 – 67.

MAJOR INITIATIVES

The capital budget for fiscal year 2005/06 includes 91 projects totaling approximately \$43 million dollars. Major projects include:

- **John Marsh House Restoration** – The City’s Vineyards at Marsh Creek development will provide financial assistance to the State of California for both the John Marsh Restoration efforts and the development of Pioneer State Park. The Vineyards project, located just north of the John Marsh House, includes a winery, a 2,500 seat amphitheater, executive home sites, a recreation center and a Community College. The current restoration efforts are focused on stabilizing the John Marsh House to prevent its collapse.
- **Community Facilities** – There are currently three community facilities either in the planning stage, the design stage or under construction. These three are: a new City Hall, a Recreation Center and Concession Stand to be located at the Brentwood Family Aquatic Center and a Civic Center and Library to be located in the downtown area.
- **Surface Water Treatment Facility Phases I & II** – The City Council recently approved an agreement with the Contra Costa Water District (CCWD) which consists of 1) the City purchasing 3,200 acre-feet per year of existing treatment capacity at the Randall-Bold Water Treatment Plant (RBWTP) and 2) constructing a scaled down water treatment facility adjacent to the RBWTP to treat water purchased under a 1999 agreement between Brentwood and the CCWD. This agreement allows the City to construct a smaller facility than originally anticipated, at a net capital savings of \$7 million, while ensuring the City has adequate, long-term supplies of treated water.
- **Lone Tree Way – Union Pacific Undercrossing** – Lone Tree Way is a major east / west road at the northern edge of Brentwood. Major retailers located on Lone Tree Way include Home Depot, Kohl’s, Target and Winco Foods. This project will change the current at-grade Union Pacific crossing to a grade separation crossing.



John Marsh House Restoration

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. Both 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, 2004, the City’s third CAFR. We believe our 2004/05 CAFR continues to meet the Certificate of Achievement

Program's requirements and therefore we are submitting this year's CAFR to the GFOA to determine its eligibility for this year's Certificate of Achievement for Excellence in Financial Reporting.

ACKNOWLEDGEMENTS

We wish to thank the City Council for providing the clear policy direction and goals that have been used to prepare this CAFR. A great deal of effort and attention to detail, representing many hours of work by staff members throughout the organization, is required to produce a report of this quality. We would like to express our appreciation to all City of Brentwood staff members who have taken the time to participate in the development of this year's CAFR. Special recognition is given to the Finance Department and specifically the Administrative Services, Business Services and Financial Services staff. Appreciation is also expressed to the Mayor and the City Council 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 due to its committed elected leadership and the talents and ingenuity of its City employees. 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 inter-governmental 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 CAFR 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,

Donna Landeros

Donna Landeros
City Manager

Pamela Ehler

Pamela Ehler
City Treasurer
Director of Finance and Information Systems



The Government Finance Officers Association
of the United States and Canada

presents this

AWARD OF FINANCIAL REPORTING ACHIEVEMENT

to

Department of Finance
City of Brentwood, California



The award of Financial Reporting Achievement is presented by the Government Finance Officers Association to the individual(s) designated as instrumental in their government unit achieving a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is presented to those government units whose annual financial reports are judged to adhere to program standards and represents the highest award in government financial reporting.

Executive Director

Date June 10, 2005

*California Society of
Municipal Finance Officers*

Certificate of Award

Outstanding Financial Reporting 2003-04

Presented to the

City of Brentwood



*This certificate is issued in recognition of meeting professional standards and criteria in reporting
which reflect a high level of quality in the annual financial statements
and in the underlying accounting system from which the reports were prepared.*

February 24, 2005

William A. Thomas

Bill Thomas, Chair
Professional & Technical Standards Committee

Dedicated to Excellence in Municipal Financial Management

LIST OF PRINCIPAL OFFICIALS

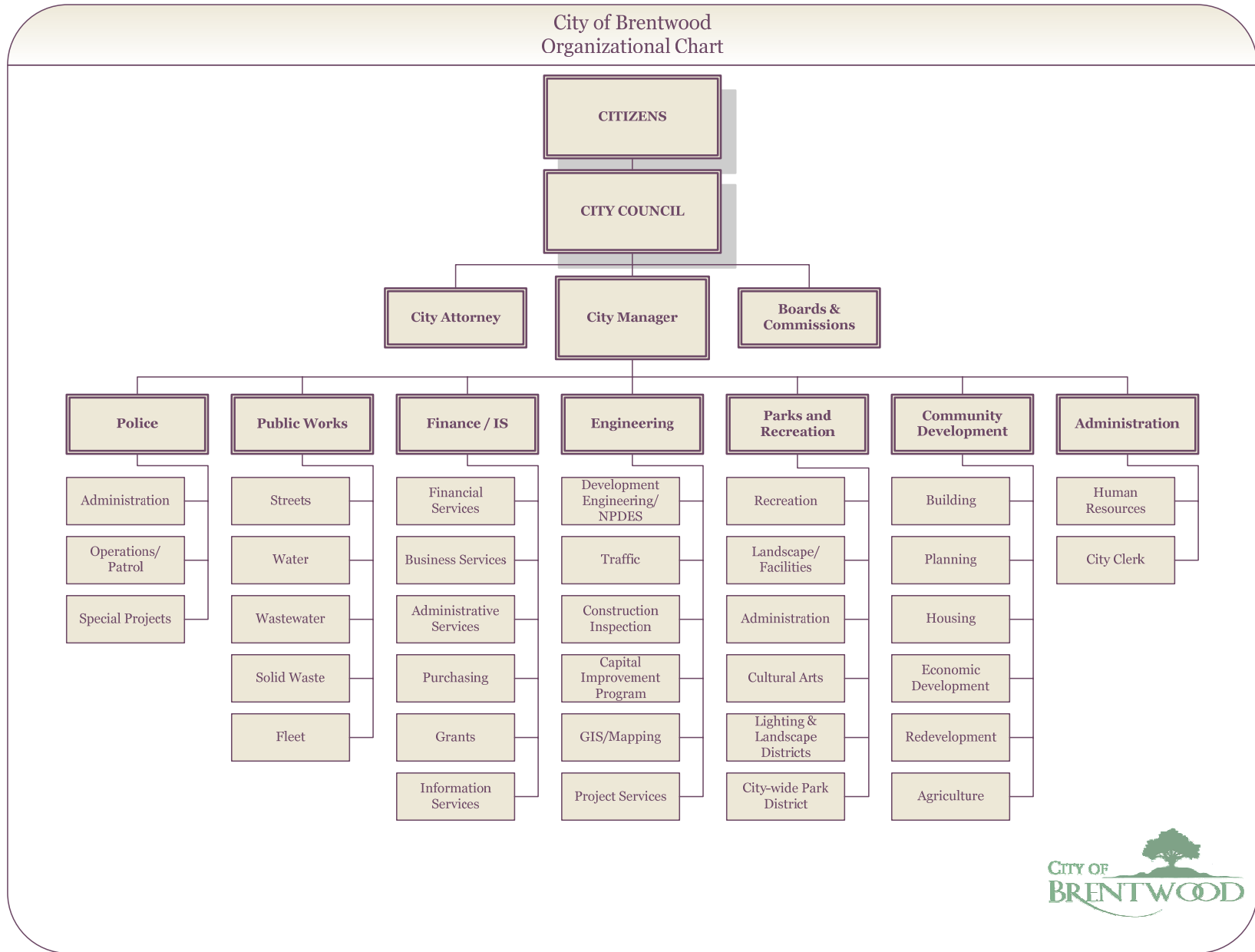
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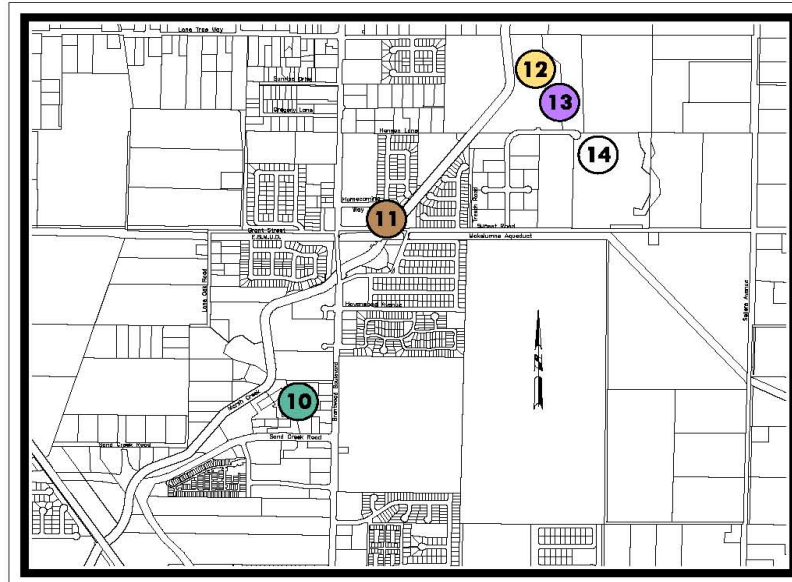
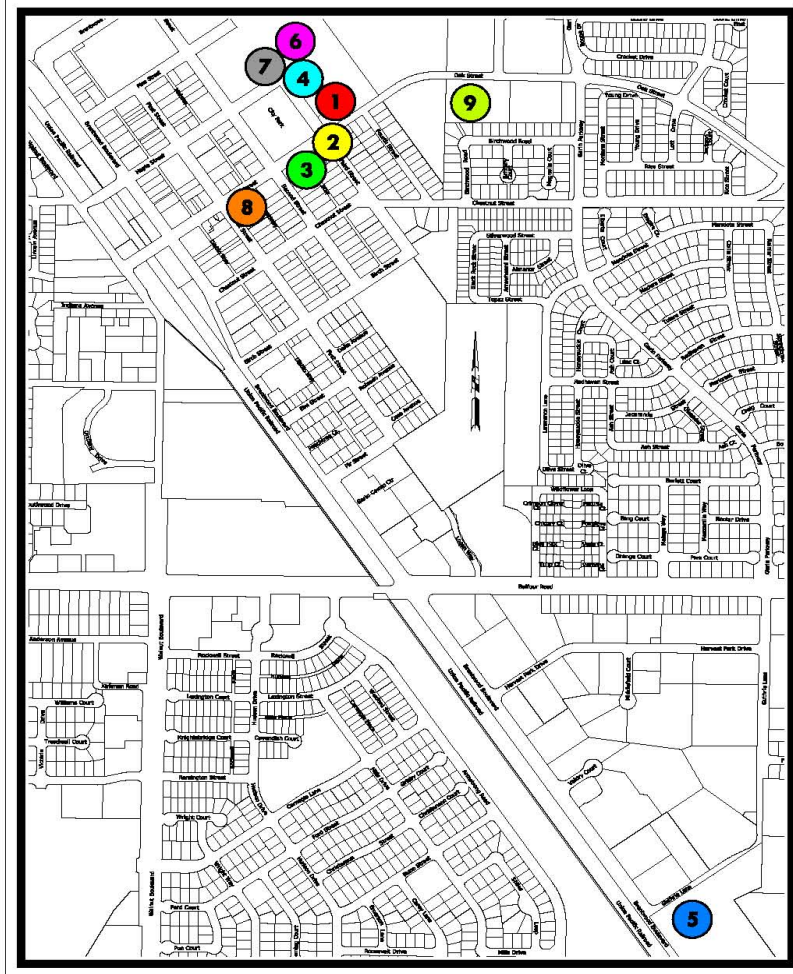
City Officials

Brian Swisher Mayor
Ana Gutierrez Vice-Mayor
Annette Beckstrand Council Member
Robert Brockman Council Member
Robert Taylor Council Member

Executive Team

Donna Landeros City Manager
Craig Bronzan Director of Parks & Recreation
Damien Brower City Attorney
Karen Chew Assistant City Manager
Mike Davies Police Chief
Pamela Ehler City Treasurer / Director of Finance & Information Systems
Bailey Grewal City Engineer
Howard Sword Director of Community Development
Paul Zolfarelli Director of Public Works





NO.	FACILITY/SITE ADDRESS	
1	Administration / Finance	708 Third Street
2	Community Development	104 Oak Street
3	Engineering	120 Oak Street
4	Council Chambers	734 Third Street
5	Police Department	9100 Brentwood Blvd.
6	Delta Community Center	730 Third Street
7	Library	751 Third Street
8	Chamber of Commerce	240 Oak Street
9	Post Office	18 Oak Street
10	Technology Center / Economic Dev.	101 Sand Creek Road
11	Water Treatment Plant	2000 Homecoming Way
12	Public Works / Corp. Yard	2201 Elkins Way
13	Wastewater Treatment Plant	2251 Elkins Way
14	Solid Waste Transfer Facility	2300 Elkins Way

Mission Statement *Elevating Confidence in Government*

Adopted by City Council 9/14/04

Vision and Culture

We create and institutionalize a vision and culture that furthers the goal of Brentwood representing the highest civic standard. We form the organization around the values of integrity, passion, accountability, respect and quality to create the “Brentwood Way” of doing business.

The “Brentwood Way”

- *“Good enough” is never good enough and we find a way to do it better.*
- *Striving to be the best. The best is never defined or constrained; it is never reached and we advance the standard every day.*
- *Taking the best of both business and government for the benefit of the community.*

We hold as our Core Values

Adopted by City Council 9/14/04

Quality
the highest degree of excellence

Accountability
answerable for our actions

Respect
*to feel and show esteem and consideration
for others*

Passion
boundless enthusiasm for what we do

Integrity
*uncompromising adherence to moral
and ethical principles*

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, 2005, 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 opinions 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 opinions.

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, 2005, 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 November 24, 2005 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considering in assessing 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 accounting principles generally accepted in the United States of America. 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.

Varrinet, Trine, Day & Co., LLP.

Pleasanton, California
November 24, 2005

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, 2005. Please read it in conjunction with the Letter of Transmittal, the Basic Financial Statements and the accompanying Notes to the Basic Financial Statements.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$490.1 million. Of this amount, \$68.2 million may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased \$73.9 million due primarily to development impact fees and contributed assets.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$72.1 million, an increase of \$3.7 million in comparison to the prior year.
- The City's total long-term debt decreased by \$6.1 million.
- Internal Service (Replacement) Funds have net assets of \$16.7 million at year end, which is an increase of \$3.3 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 City's basic financial statements are comprised of three components: 1) Government-Wide Financial Statements, 2) Fund Financial Statements and 3) Notes to the Basic Financial Statements.

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 GASB 34, in regards to interfund activity, payables and receivables.

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 costs of certain services it provides. The City's Wastewater, Solid Waste, Water, Parks and Recreation, City Rental and Housing activities are reported in this category.

The Statement of Net Assets and the Statement of Activities and Changes in Net Assets report information about the City as a whole. All of the current year's revenues and expenses are taken into account, regardless of when cash is received or paid. In addition, these two statements report the City's net assets and changes in them. 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. The Government-Wide Financial Statements can be found on pages 17 – 18 of this report.

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's meeting legal responsibilities for using certain taxes, grants and other money.

The City's Fund Financial Statements are divided into three categories – Governmental Funds, Proprietary Funds and Fiduciary Funds. The Governmental Fund financials are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The Proprietary Fund financials are prepared using the economic resources measurement focus and the accrual basis of accounting. The Fiduciary Funds are agency funds which only report a balance sheet and do not have a measurement focus. The Fund Financial Statements can be found on pages 19 – 27 of this report.

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. 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. The Governmental Fund Financial Statements can be found on pages 19 – 22 of this report.

Proprietary Funds – When the City charges customers for services it provides, whether to outside customers or other units of the City, these monies are generally reported in Proprietary Funds. The City maintains two different types of Proprietary Funds – Enterprise Funds and Internal Service Funds. Enterprise Funds are used to report the same functions presented as business-type activities in the Government-Wide Financial Statements. Examples of Enterprise Funds include Water and Parks and Recreation. Internal Service Funds are used to report activities which provide supplies and services for the City's other programs and activities. Two examples are the City's Information Systems Fund and the Fleet Maintenance Fund. Internal Service Funds are reported with governmental activities in the Government-Wide Financial Statements, found on pages 17 – 18 of this report.

Proprietary Funds provide a more detailed version of the information provided in the Government-Wide Financial Statements. Cash flows for the Proprietary Funds and the Internal Service Funds are provided, as well as combining statements for the individual Internal Service Funds. The Proprietary Fund Financial Statements can be found on pages 23 – 25 of this report.

Fiduciary Funds – 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 a separate Statement 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. The Fiduciary Fund Financial Statement can be found on page 27 of this report.

Notes to the Basic Financial Statements

The Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements. The Notes to the Basic Financial Statements can be found on pages 29 – 70 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information concerning: 1) budgetary comparison schedules for the general fund and each major special revenue fund and 2) the City's progress in funding its obligation to provide pension benefits to its employees. Required Supplementary Information can be found on pages 71 – 74 of this report.

Combining and Individual Fund Statements and Schedules

Combining and Individual Fund Statements and Schedules for the following funds can be found on pages 75 – 111 of this report: Non-Major Governmental Funds, Internal Service Funds, Fiduciary Funds, General Fund, Special Revenue Funds, Debt Service Funds and Capital Project Funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The net assets for the City as a whole increased 17.8% from \$416.2 million at June 30, 2004 to \$490.1 million at June 30, 2005. This increase of \$73.9 million comes from the change in net assets as recorded in the Statement of Activities and which flows through the Statement of Net Assets. Invested in capital assets, net of related debt, increased \$28.3 million during the year. Although the City's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources since the capital assets themselves can't be used to liquidate these liabilities.

An additional portion of the City's net assets represent resources which are subject to external restrictions on how they may be used. This restricted amount is \$61.7 million as of June 30, 2005. The remaining balance of unrestricted net assets, \$68.2 million as of June 30, 2005, may be used to meet the City's ongoing obligations to citizens and creditors.

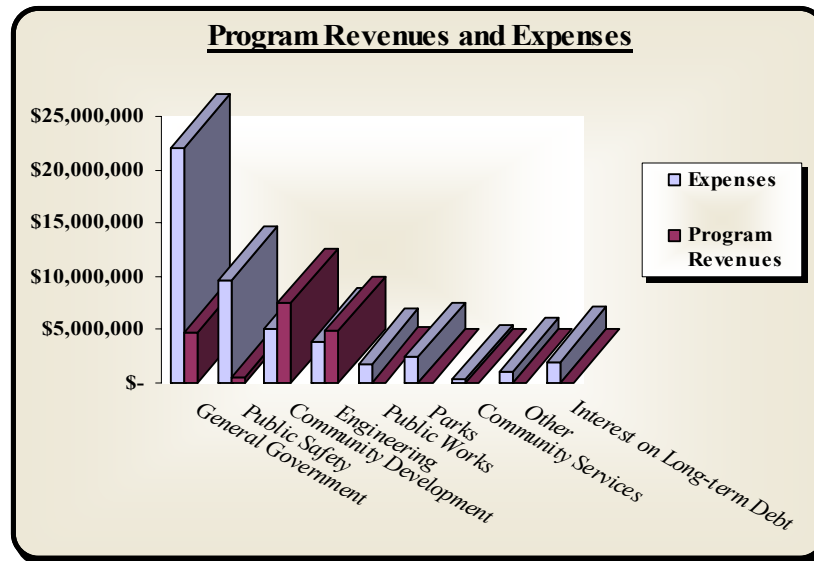
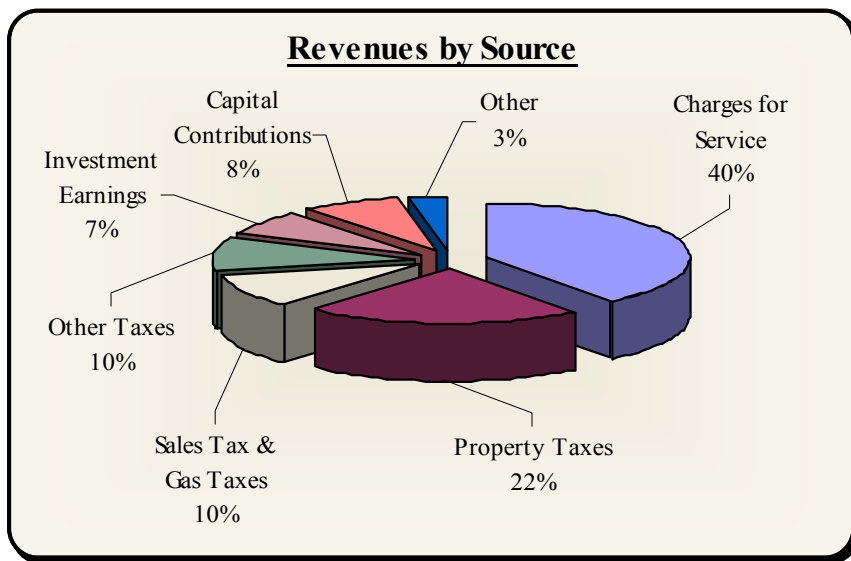
	Governmental Activities		Business-Type Activities		Totals	
	2005	2004	2005	2004	2005	2004
Current and Other Assets	\$ 97,923,591	\$ 93,174,803	\$ 50,363,740	\$ 48,726,605	\$ 148,287,331	\$ 141,901,408
Capital Assets	259,350,331	234,572,483	199,857,686	160,796,611	459,208,017	395,369,094
Total Assets	<u>357,273,922</u>	<u>327,747,286</u>	<u>250,221,426</u>	<u>209,523,216</u>	<u>607,495,348</u>	<u>537,270,502</u>
Current Liabilities	36,603,311	38,486,487	53,807,287	64,218,155	90,410,598	102,704,642
Long-Term Liabilities Outstanding	16,494,892	16,948,087	10,504,784	3,475,438	26,999,676	20,423,525
Total Liabilities	<u>53,098,203</u>	<u>55,434,574</u>	<u>64,312,071</u>	<u>67,693,593</u>	<u>117,410,274</u>	<u>123,128,167</u>
Net Assets:						
Invested in Capital Assets, Net of Related Debt	215,720,615	197,015,674	144,514,270	134,896,047	360,234,885	331,911,721
Restricted	34,678,623	48,177,025	27,021,249	12,359,754	61,699,872	60,536,779
Unrestricted	53,776,481	27,120,013	14,373,836	(3,378,639)	68,150,317	23,741,374
Total Net Assets - Restated	<u>\$ 304,175,719</u>	<u>\$ 272,312,712</u>	<u>\$ 185,909,355</u>	<u>\$ 143,877,162</u>	<u>\$ 490,085,074</u>	<u>\$ 416,189,874</u>

Governmental Activities – The City's net assets from governmental activities increased 11.7% from \$272.3 million to \$304.2 million. This increase accounts for 43% of the City's total growth in net assets. Key elements of this increase are shown in the chart below:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2005	2004	2005	2004	2005	2004
Revenues:						
Program Revenues:						
Charges for Services	\$ 17,530,001	\$ 16,218,168	\$ 23,241,030	\$ 22,287,575	\$ 40,771,031	\$ 38,505,743
Operating Grants and Revenues	114,791	165,107	-	-	114,791	165,107
Capital Grants and Contributions	166,951	128,384	-	-	166,951	128,384
General Revenues:						
Taxes:						
Property Taxes	9,932,342	7,990,595	1,073,421	868,369	11,005,763	8,858,964
Sales Tax and Gas Taxes	4,442,764	3,644,368	-	-	4,442,764	3,644,368
Franchise Fees, Rentals	851,237	738,525	-	-	851,237	738,525
Public Service Taxes	914,426	743,890	-	-	914,426	743,890
Measure C, TOT	480,838	457,883	-	-	480,838	457,883
Motor Vehicle Taxes	2,198,750	1,508,664	-	-	2,198,750	1,508,664
Grants and Contributions Not Restricted to Specific Programs	-	-	177,600	-	177,600	-
Investment Earnings	3,185,671	3,312,556	534,586	1,284,161	3,720,257	4,596,717
Impact Fees	29,584,350	28,218,482	17,844,231	20,104,810	47,428,581	48,323,292
Capital Contributions	3,592,176	(931,403)	21,325,932	12,436,208	24,918,108	11,504,805
Capital Assets Contributed to/from Other Funds	126,356	12,868,344	(126,356)	(12,868,344)	-	-
Intergovernmental	862,624	-	-	-	862,624	-
Interfund Services	3,570,121	-	-	-	3,570,121	-
Miscellaneous	4,098,758	12,817,467	-	150,000	4,098,758	12,967,467
Connection Fees Paid	-	-	-	(11,305,768)	-	(11,305,768)
Total Revenues	81,652,156	87,881,030	64,070,444	32,957,011	145,722,600	120,838,041
Expenses:						
General Government	22,019,514	19,799,793	-	-	22,019,514	19,799,793
Public Safety	9,563,065	9,970,436	-	-	9,563,065	9,970,436
Community Development	5,103,462	4,804,009	-	-	5,103,462	4,804,009
Engineering	3,821,479	2,469,775	-	-	3,821,479	2,469,775
Public Works	1,796,006	3,491,159	-	-	1,796,006	3,491,159
Parks	2,442,686	1,613,411	-	-	2,442,686	1,613,411
Community Services	237,458	226,732	-	-	237,458	226,732
Other	1,008,158	512,952	-	-	1,008,158	512,952
Interest on Long-Term Debt	1,949,670	1,883,951	-	-	1,949,670	1,883,951
Wastewater	-	-	5,713,763	8,461,336	5,713,763	8,461,336
Solid Waste	-	-	4,266,665	3,833,171	4,266,665	3,833,171
Water	-	-	8,594,319	7,395,878	8,594,319	7,395,878
Parks and Recreation	-	-	3,854,606	3,647,580	3,854,606	3,647,580
City Rentals	-	-	434,243	436,287	434,243	436,287
Housing	-	-	1,022,306	7,504	1,022,306	7,504
Total Expenses	47,941,498	44,772,218	23,885,902	23,781,756	71,827,400	68,553,974
Increase in Net Assets Before Transfers	33,710,658	43,108,812	40,184,542	9,175,255	73,895,200	52,284,067
Transfers	(1,847,651)	3,810,805	1,847,651	(3,810,805)	-	-
Increase in Net Assets	31,863,007	46,919,617	42,032,193	5,364,450	73,895,200	52,284,067
Net Assets 7/1 - Restated	272,312,712	225,393,095	143,877,162	138,512,712	416,189,874	363,905,807
Net Assets 6/30	\$ 304,175,719	\$ 272,312,712	\$ 185,909,355	\$ 143,877,162	\$ 490,085,074	\$ 416,189,874

The cost of all Governmental activities this year was \$47.9 million. However, as shown in the Statement of Activities, the amount that the taxpayers ultimately financed for these activities was only \$30.1 million. A portion of the cost for these activities was paid either by those who directly benefited from the programs (\$17.5 million), by other governments and organizations that subsidized certain programs with operating grants and contributions (\$.1 million), or capital grants and contributions (\$.2 million). Community Development and Engineering show net revenues of \$2.4 and \$1.0 million respectively, which is the result of growth. Overall, the City's governmental program revenues were \$17.8 million. The City paid for the remaining "public benefit" portion of Governmental activities with \$18.8 million in taxes, some of which could only be used for certain programs, and with other revenues such as interest and general entitlements.

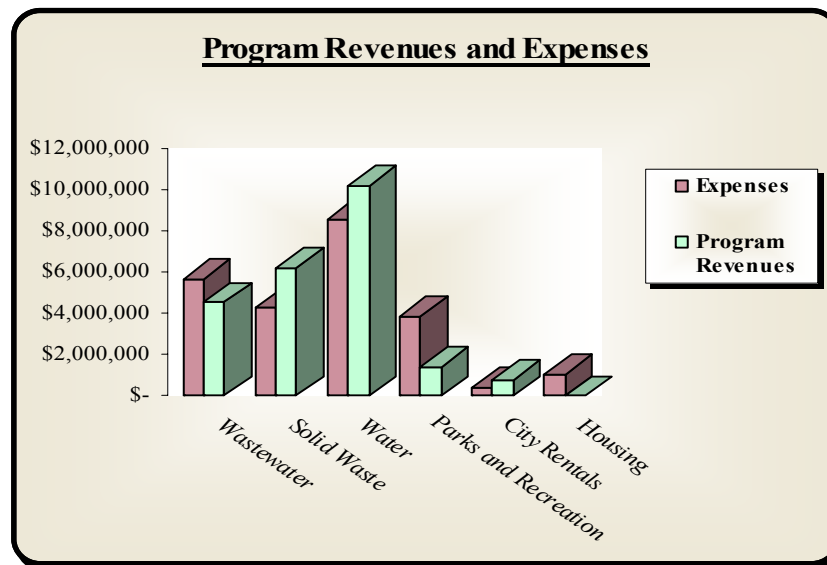
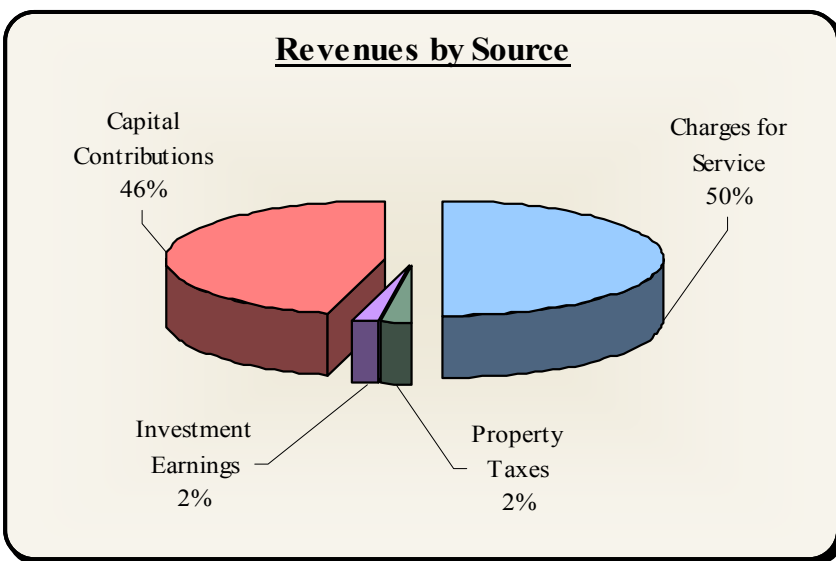
Total resources available during the year to finance governmental operations were \$352.1 million consisting of net assets at July 1, 2004 of \$272.3 million, program revenues of \$17.8 million and general revenues and transfers of \$62.0 million. Total Governmental activities during the year were \$47.9 million, thus net assets were increased by \$31.9 million to \$304.2 million.



Business-Type Activities – The City's net assets from Business-Type activities increased 29.2% from \$143.9 million to \$185.9 million. Investment in capital assets, net of related debt, increased \$9.6 million due primarily to the completion of projects. Overall, the unrestricted net assets increased by \$19.8 million as a result of the reclassification of assets as unrestricted.

The cost of all Business-Type activities this year was \$23.9 million. As shown in the Statement of Activities and Changes in Net Assets, the amounts paid by users of the systems were \$23.2 million. Investment earnings were \$.5 million and impact fees and credits totaled \$17.8 million.

Total resources available during the year to finance Business-Type activities were \$209.8 million consisting of net assets at July 1, 2004 of \$143.9 million, program revenues of \$23.2 million and general revenues and transfers of \$42.7 million. Total Business-Type activities during the year were \$23.9 million, thus net assets were increased by \$42.0 million to \$185.9 million.



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

At year-end the City's General Fund had a fund balance of \$19,500,563. This is a decrease of \$3,329,828 over last year and is attributable to the transfer of \$6,000,000 to Community Facilities to help fund the New City Hall project.

The Special Revenue Funds increased by \$9,480,803 from the prior year due to the following: 1) Thoroughfares increasing \$7,745,327 due to prepayment of development impact fees in the amount of \$7,605,478; 2) the Agriculture Land fund received \$1,542,040 from developers for agriculture mitigation fees which will be used for the future preservation of agricultural land; and 3) Community Facilities collected \$5,250,105 in fees and other revenues collected and spent just \$3,121,409 to fund projects. The difference of \$2,128,696 will be used to fund future projects.

The Capital Project Funds decreased by \$3,234,959 from the prior year. A large portion of this decrease, \$1,926,945, is due to reimbursements paid to developers by Capital Improvement Financing Program (CIFP) 2003-1 for the construction of assets.

Internal Service Funds show an increase in net assets of \$3,344,557. A significant portion of the increase is due to the establishment of a new Internal Service fund for insurance, which was established using the savings generated by prepaying our Public Employees Retirement System (PERS) employer contributions at a discounted rate. The new Insurance fund, which is used to pay for retiree medical benefits, workers compensation and property insurance costs, has a net assets balance of \$1,487,163 as of June 30, 2005.

The other major contributor to the increase in Internal Service Fund net assets is the Vehicle Replacement Fund. This fund, which has net assets of \$1,589,050, continues to add vehicles for the City's fleet and is prepared to meet the City's needs as the population continues to increase.

GENERAL FUND BUDGETARY HIGHLIGHTS

Comparing the fiscal year 2004/05 original budget (or adopted) General Fund expenditures of \$39,164,886 to the final budget amount of \$40,409,865 shows a net increase of \$1,244,979.

<u>Beginning Balance</u>	+	<u>Supplemental Changes</u>	=	<u>Final Budget</u>
\$ 39,164,886		\$1,244,979		\$40,409,865

Supplemental General Fund budget changes include the following:

- \$410,000 increase in Legal Services related to the retirement of the City Attorney
- \$360,219 in various budget adjustments approved by Council at the mid-year budget review
- \$113,204 increase in Streets
- \$109,400 in transfers to the Parks Enterprise
- \$100,000 for Transportation
- \$77,156 in transfers to the Arts Commission
- \$75,000 for a Special Election

The increase in appropriations was possible due to: 1) an increase in tax revenue of \$339,155 which was primarily due to a larger than expected increase in the City’s assessed property valuation and 2) a \$4,951,806 savings derived entirely from having budgeted positions remain unfilled during the year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets – The capital assets of the City are those assets which are used in the performance of the City's functions. At June 30, 2005, capital assets net of accumulated depreciation of the Governmental activities totaled \$259,026,057. Capital assets net of accumulated depreciation of the Business-Type activities totaled \$189,510,154, excluding intangible assets. Depreciation on capital assets is recognized in the Government-Wide financial statements. Refer to Note #4, found on pages 51 – 52 of this report, for detailed information regarding capital assets. 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:			
Land	\$ 27,288,471	\$ -	\$ 27,288,471
Land Improvements	753,753	273,777	479,976
Buildings	7,663,340	1,643,325	6,020,015
Infrastructure	172,056,074	32,111,002	139,945,072
Machinery and Equipment	2,429,542	1,232,699	1,196,843
Vehicles	5,632,088	3,035,237	2,596,851
Work in Progress – CIP & Infrastructure	81,823,103	-	81,823,103
Total Capital Assets – Governmental	<u>\$ 297,646,371</u>	<u>\$ 38,296,040</u>	<u>\$ 259,350,331</u>
Capital Assets – Business-Type:			
Land	\$ 414,352	\$ -	\$ 414,352
Land Improvements	1,561,764	734,790	826,974
Buildings	13,351,263	2,320,217	11,031,046
Infrastructure	156,719,907	11,890,351	144,829,556
Machinery and Equipment	1,361,456	604,439	757,017
Work in Progress – CIP & Infrastructure	31,651,209	-	31,651,209
Total Capital Assets – Business-Type	<u>\$ 205,059,951</u>	<u>\$ 15,549,797</u>	<u>\$ 189,510,154</u>

Debt Administration – Debt, considered a liability of Governmental Activities, increased in fiscal year 2004/05 by \$51,491. Per capita debt outstanding decreased from \$1,038 to \$926 per capita compared to the prior fiscal year. Detailed information regarding long-term debt activity can be found in Note #5 on pages 53 – 63 in this report.

Debt of the Business-Type activities decreased by \$6,186,745 in fiscal year 2004/05 due primarily to: 1) regularly scheduled principal payments and 2) the \$5,000,000 payment on the CCWD Treated Water Service note payable.

	Balance June 30, 2004	Incurred or Issued	Satisfied or Matured	Balance June 30, 2005
Governmental Activities				
Capital Leases	276,038	-	100,477	175,561
Notes Payable	-	801,134	153,900	647,234
Bonds Payable	37,280,771	260,800	740,000	36,801,571
Accumulated Compensated Absences	929,678	1,140,776	1,156,843	913,611
Total Governmental Activities	<u>\$ 38,486,487</u>	<u>\$ 2,202,710</u>	<u>\$ 2,151,220</u>	<u>\$ 38,537,977</u>
Business-Type Activities				
Capital Leases	\$ 642,764	\$ -	\$ 219,088	\$ 423,676
Notes Payable	52,520,453	1,798,506	7,545,209	46,773,750
Bonds Payable	10,795,000	-	270,000	10,525,000
Accumulated Compensated Absences	259,938	53,835	4,789	308,984
Total Business-Type Activities	<u>\$ 64,218,155</u>	<u>\$ 1,852,341</u>	<u>\$ 8,039,086</u>	<u>\$ 58,031,410</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The key assumptions in the General Fund revenue forecast for fiscal year 2005/06 were:

1. The Property Tax revenue estimate of \$6,209,699 for fiscal year 2005/06 is 26% above the 2004/05 budgeted amount. This increase is forecasted due to the City's continued growth in assessed valuations.
2. Sales Tax revenues are expected to increase by 25% due to growth in new commercial and retail centers.
3. The 15% increase in Franchise Fees is due to forecasted growth in the population and new businesses.
4. Investment income will increase an estimated \$250,000 due to the expected rise in interest rates from their previous historic lows.
5. Approximately 1,200 new housing units will be constructed.
6. Business License revenues are estimated to increase to \$585,000 for fiscal year 2005/06, which is 17% above the 2004/05 budgeted amount. This projected increase is due to new businesses that are expected to come to Brentwood and continued code enforcement. This revenue is significant because it is not considered discretionary and therefore is not subject to being taken away by the State.
7. The continuing effects of Proposition 57, the \$15 billion bond measure intended to help solve the State budget crisis. One element of the bond measure is what has been referred to as the "triple flip". The "triple flip" suspends one-quarter of the Bradley-Burns sales tax, replaces the lost revenues on a dollar-for-dollar basis with funds from the county-wide Educational Revenue Augmentation Fund (ERAF) property tax funds and increases the State's sales and use tax by one-quarter percent. The proceeds from the increase in the State's sales and use tax are dedicated to the repayment of the bond measure. Starting in September 2004, monthly distributions of quarterly sales tax estimates began at the reduced level. The City's 2005/06 budget reflects these reductions in State sales tax distributions and revenue projections will remain conservative in anticipation of further State cuts in funding for local governments.

New items specifically addressed in the 2005/06 budget were:

- A major change for the General Fund this year was the movement of Parks and Recreation from an Enterprise Fund into the General Fund. Parks and Recreation was originally a Parks district that was substantially supported by its own property tax revenue. When the Parks District was annexed to the City it was accounted for as an Enterprise. In recent years, property taxes and program fee revenues have been partly subsidized by the General Fund in the form of reduced internal service charges. The City has now determined Parks and Recreation is better managed as part of the General Fund. Some of the increases in the Parks and Recreation budget in FY 2005/06 are due to the divisions being charged their full share for internal service.
- The City's population has increased at an annual average rate of 13.4% over the past decade. However, this tremendous growth is expected to slow down in the upcoming years. The City cannot ignore the fiscal impact that the development slowdown will have, and is taking steps to address this. The first step is that the 2005/06 - 2006/07 budget does not add any new positions.

- In FY 2005/06 the City is implementing a 10-year plan to minimize its dependence on development impact fees. Beginning in 2005/06, the Finance Department will move 20% of its staff, currently funded through the Capital Improvement Program (CIP), to the General Fund. Parks and Recreation will move all of their staff previously funded through CIP to the Landscape Division. Economic Development will have all of their staff reallocated by the 2006/07 budget year. Engineering will begin this same reallocation process in 2006/07.
- Investment yields continued to be at historic lows in FY 2004/05. As such, the City's investment income was lower than anticipated. In addition, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 40 a year ahead of the required implementation date. GASB 40 requires the City to report investments at fair market value, which also led to lower overall returns. The City is conservatively estimating investment income for the General Fund will be \$1,250,000 for FY 2005/06.
- In an effort to attract and retain top quality employees, the City contracted with Johnson and Associates to perform a Classification and Compensation study. The classification portion of the study encompassed all City positions and classifications and included a total of approximately 294 positions currently allocated to 156 classes. The results of the study have increased General Fund personnel costs in FY 2005/06 by \$359,001, and by \$795,494 City-wide. The City has incorporated the annual CPI increase of 2.4% for all salaries in the FY 2005/06 budget and has also included a 3% CPI increase for salaries in FY 2006/07.

REQUESTS FOR INFORMATION

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 Finance Department, located at 708 Third Street, Brentwood, California 94513, either by phone (925) 516-5460 or e-mail dept-finance@ci.brentwood.ca.us.



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City of Brentwood

Statement of Net Assets

June 30, 2005

	PRIMARY GOVERNMENT		
	Governmental	Business-Type	Total
	Activities	Activities	
ASSETS			
Current Assets:			
Cash and Investments	\$ 79,796,062	\$ 40,680,646	\$ 120,476,708
Restricted Cash and Investments	17,667,716	865,000	18,532,716
Receivables	1,913,873	4,626,365	6,540,238
Prepays	130,085	35,366	165,451
Land Held for Resale	857,910	-	857,910
Notes Receivable	-	96,921	96,921
Non-Current Assets:			
Deferred Charges	-	471,875	471,875
Long-Term Notes Receivable	-	1,145,512	1,145,512
Internal Balances	(2,442,055)	2,442,055	-
Capital Assets, Net of Accumulated Depreciation & Amortization:			
Intangible Assets	-	10,347,532	10,347,532
Land	27,288,471	414,352	27,702,823
Land Improvements	479,976	826,974	1,306,950
Buildings	6,020,015	11,031,046	17,051,061
Infrastructure	139,945,072	144,829,557	284,774,629
Machinery and Equipment	1,196,843	757,016	1,953,859
Vehicles	2,596,851	-	2,596,851
Work in Progress	81,823,103	31,651,209	113,474,312
Total Assets	357,273,922	250,221,426	607,495,348
LIABILITIES AND NET ASSETS			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	5,437,964	5,247,151	10,685,115
Other Liabilities	352,874	30,816	383,690
Unearned Revenue	47,210	743,841	791,051
Deposits Held	8,722,178	258,853	8,981,031
Long-Term Debt Due Within One Year	1,569,222	4,224,123	5,793,345
Non-Current Liabilities Due in More Than One Year:			
Bonds Payable	36,031,571	10,240,000	46,271,571
Notes Payable	500,634	43,252,738	43,753,372
Capital Leases Payable	71,106	190,955	262,061
Compensated Absences Payable	365,444	123,594	489,038
Total Liabilities	53,098,203	64,312,071	117,410,274
Net Assets:			
Invested in Capital Assets, Net of Related Debt	215,720,615	144,514,270	360,234,885
Restricted for:			
Debt Service	4,288,562	-	4,288,562
Specific Projects and Programs	30,390,061	27,021,249	57,411,310
Unrestricted	53,776,481	14,373,836	68,150,317
Total Net Assets	\$ 304,175,719	\$ 185,909,355	\$ 490,085,074

City of Brentwood

Statement of Activities and Changes in Net Assets

For Year Ended June 30, 2005

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	Primary Government		
						Governmental Activities	Business-Type Activities	Total
Primary Government:								
Government Activities								
General Government	\$ 22,019,514	\$ 4,707,870	\$ -	\$ 10,957	\$ 4,718,827	\$ (17,300,687)	\$ -	\$ (17,300,687)
Public Safety	9,563,065	417,939	114,791	155,994	688,724	(8,874,341)	-	(8,874,341)
Community Development	5,103,462	7,541,354	-	-	7,541,354	2,437,892	-	2,437,892
Engineering	3,821,479	4,842,578	-	-	4,842,578	1,021,099	-	1,021,099
Public Works	1,796,006	20,260	-	-	20,260	(1,775,746)	-	(1,775,746)
Parks	2,442,686	-	-	-	-	(2,442,686)	-	(2,442,686)
Community Services	237,458	-	-	-	-	(237,458)	-	(237,458)
Other	1,008,158	-	-	-	-	(1,008,158)	-	(1,008,158)
Interest on Long-Term Debt	1,949,670	-	-	-	-	(1,949,670)	-	(1,949,670)
Total Governmental Activities	47,941,498	17,530,001	114,791	166,951	17,811,743	(30,129,755)	-	(30,129,755)
Business-Type Activities								
Wastewater	5,713,763	4,549,961	-	-	4,549,961	-	(1,163,802)	(1,163,802)
Solid Waste	4,266,665	6,236,643	-	-	6,236,643	-	1,969,978	1,969,978
Water	8,594,319	10,231,960	-	-	10,231,960	-	1,637,641	1,637,641
Parks and Recreation	3,854,606	1,443,029	-	-	1,443,029	-	(2,411,577)	(2,411,577)
City Rentals	434,243	778,437	-	-	778,437	-	344,194	344,194
Housing	1,022,306	1,000	-	-	1,000	-	(1,021,306)	(1,021,306)
Total Business-Type Activities	23,885,902	23,241,030	-	-	23,241,030	-	(644,872)	(644,872)
Total Primary Government	\$ 71,827,400	\$ 40,771,031	\$ 114,791	\$ 166,951	\$ 41,052,773	(30,129,755)	(644,872)	(30,774,627)
General Revenues:								
Taxes:								
Property Taxes						9,932,342	1,073,421	11,005,763
Sales Tax and Gas Taxes						4,442,764	-	4,442,764
Franchise Fees, Rentals						851,237	-	851,237
Public Service Taxes						914,426	-	914,426
Measure C, TOT						480,838	-	480,838
Motor Vehicle Taxes						2,198,750	-	2,198,750
Grants and Contributions not Restricted to Specific Programs						-	177,600	177,600
Investment Earnings						3,185,671	534,586	3,720,257
Contributions - Impact Fees and Credits						29,584,350	17,844,231	47,428,581
Capital Asset Contributions Received (Made)						3,592,176	21,325,932	24,918,108
Capital Assets Contributed to/from Other Funds						126,356	(126,356)	-
Intergovernmental						862,624	-	862,624
Interfund Services						3,570,121	-	3,570,121
Miscellaneous						4,098,758	-	4,098,758
Transfers						(1,847,651)	1,847,651	-
Total General Revenues and Transfers						61,992,762	42,677,065	104,669,827
Change in Net Assets						31,863,007	42,032,193	73,895,200
Net Assets - Beginning of Year - Restated						272,312,712	143,877,162	416,189,874
Net Assets - End of Year						\$ 304,175,719	\$ 185,909,355	\$ 490,085,074

City of Brentwood

Balance Sheet
Governmental Funds
June 30, 2005

	General Fund	Thoroughfares	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Current Assets:					
Cash and Investments	\$ 28,820,339	\$ 2,335,888	\$ 13,746,972	\$ 21,643,032	\$ 66,546,231
Restricted Cash and Investments	-	-	352,874	17,314,842	17,667,716
Receivables	844,608	1,220,965	30,728	571,326	2,667,627
Prepays	122,935	-	3,975	651	127,561
Due from Other Funds	-	77,029	286,094	27,977	391,100
Land Held for Resale	-	-	-	857,910	857,910
Total Assets	\$ 29,787,882	\$ 3,633,882	\$ 14,420,643	\$ 40,415,738	\$ 88,258,145
LIABILITIES AND FUND BALANCES					
Current Liabilities:					
Accounts Payable and Accrued Liabilities	\$ 1,539,007	\$ 1,326	\$ 2,680,264	\$ 1,131,861	\$ 5,352,458
Due to Other Funds	-	-	-	286,094	286,094
Other Liabilities	-	-	352,874	-	352,874
Unearned Revenue	47,135	1,295,502	-	135,667	1,478,304
Deposits Held	8,701,177	-	-	21,000	8,722,177
Total Liabilities	10,287,319	1,296,828	3,033,138	1,574,622	16,191,907
Fund Balances:					
Reserved for:					
Prepays	122,935	-	3,975	651	127,561
Land Held for Resale	-	-	-	857,910	857,910
Debt Service	-	-	-	4,288,562	4,288,562
Specific Projects and Programs	-	-	11,383,530	30,390,061	41,773,591
Unreserved, Reported in:					
General Fund	19,377,628	-	-	-	19,377,628
Special Revenue	-	2,337,054	-	3,303,932	5,640,986
Total Fund Balances	19,500,563	2,337,054	11,387,505	38,841,116	72,066,238
Total Liabilities and Fund Balances	\$ 29,787,882	\$ 3,633,882	\$ 14,420,643	\$ 40,415,738	\$ 88,258,145

***Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Assets***

June 30, 2005

Total Fund Balances - Total Governmental Funds	\$	72,066,238
<p>Amounts reported for Governmental Activities in the Statement of Net Assets are different because:</p>		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet.		255,856,543
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.		16,671,870
The long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		574,909
Long-term liabilities are not due and payable in the current period; therefore, they are not reported in the Governmental Funds Balance Sheet.		(40,993,841)
Net Assets of Government Activities	\$	<u><u>304,175,719</u></u>

City of Brentwood

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For Year Ended June 30, 2005

	General Fund	Special Revenues	Capital Projects	Other	Total
		Thoroughfares	Capital Projects	Governmental Funds	Governmental Funds
REVENUES					
Taxes	\$ 9,755,433	\$ -	\$ -	\$ 5,650,538	\$ 15,405,971
Licenses	405,246	-	-	-	405,246
Permits and Fines	11,361,424	-	-	-	11,361,424
Uses of Money and Property	534,820	75,571	-	3,546,334	4,156,725
Intergovernmental	2,344,758	-	862,624	520,392	3,727,774
Franchises	672,172	-	-	-	672,172
Charges for Other Services	546,251	-	-	-	546,251
Charges to Other Funds	5,161,708	-	-	-	5,161,708
Fees and Other Revenues	113,283	14,149,391	3,098,944	9,918,911	27,280,529
Total Revenues	30,895,095	14,224,962	3,961,568	19,636,175	68,717,800
EXPENDITURES					
Current:					
General Government	4,268,210	78,761	4,963,375	9,101,427	18,411,773
Public Safety	10,674,694	-	-	22,363	10,697,057
Community Development	4,152,493	-	-	1,265,885	5,418,378
Engineering	2,166,280	-	-	-	2,166,280
Public Works	2,208,201	-	-	-	2,208,201
Parks	1,838,817	-	-	-	1,838,817
Community Services	195,189	-	-	42,269	237,458
Other	829,238	-	-	178,920	1,008,158
Capital Outlay	13,327	-	17,662,244	13,263	17,688,834
Debt Service:					
Principal	-	-	-	1,655,889	1,655,889
Interest and Fiscal Charges	-	-	-	1,684,978	1,684,978
Total Expenditures	26,346,449	78,761	22,625,619	13,964,994	63,015,823
REVENUES OVER (UNDER) EXPENDITURES	4,548,646	14,146,201	(18,664,051)	5,671,181	5,701,977
OTHER FINANCING SOURCES (USES)					
Transfers In	934,891	-	19,053,841	2,133,340	22,122,072
Transfers Out	(8,813,365)	(6,400,874)	(843,181)	(8,104,120)	(24,161,540)
Total Other Financing Sources (Uses)	(7,878,474)	(6,400,874)	18,210,660	(5,970,780)	(2,039,468)
NET CHANGE IN FUND BALANCES	(3,329,828)	7,745,327	(453,391)	(299,599)	3,662,509
Fund Balance, Beginning of Year	22,830,391	(5,408,273)	11,840,896	39,140,715	68,403,729
Fund Balance, End of Year	\$ 19,500,563	\$ 2,337,054	\$ 11,387,505	\$ 38,841,116	\$ 72,066,238

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, 2005

Net Changes in Fund Balances - Total Governmental Funds	\$	3,662,509
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. The amount shown represents the capital assets recorded in the current period.		17,688,834
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.		(2,690,208)
The net effect of various miscellaneous transactions involving Capital Assets (e.g. sales, trade-ins and contributions) is to increase net assets.		9,039,733
To record the net change in compensated absences in the Statement of Activities.		15,865
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.		806,869
This amount represents accretion interest.		(260,800)
This amount represents a long term liability established by granting funds to an outside agency. These funds were expensed on the Statement of Activities and Changes in Net Assets, but not on the Statement of Revenues, Expenditures and Changes in Fund Balance.		(647,234)
This amount represents Interfund loan repayments.		849,020
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		53,862
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.		3,344,557
Changes in Net Assets of Government Activities	\$	31,863,007

City of Brentwood

Statement of Net Assets
Proprietary Funds
June 30, 2005

	Wastewater	Solid Waste	Water	Parks and Recreation	City Rentals	Housing	Totals	Governmental Activities - Internal Service Funds
ASSETS								
Current Assets:								
Cash and Investments	\$ 18,547,117	\$ 1,290,119	\$ 9,496,304	\$ 4,858,783	\$ 18,843	\$ 6,469,480	\$ 40,680,646	\$ 13,249,831
Restricted Cash and Investments	176,892	-	688,108	-	-	-	865,000	-
Receivables	599,403	886,257	2,887,105	50,080	196,361	7,159	4,626,365	102,506
Prepays	2,828	3,868	3,658	23,978	247	787	35,366	2,524
Notes Receivable	24,361	-	72,560	-	-	-	96,921	-
Total Current Assets	19,350,601	2,180,244	13,147,735	4,932,841	215,451	6,477,426	46,304,298	13,354,861
Non-Current Assets:								
Deferred Charges	107,153	-	364,722	-	-	-	471,875	-
Due from Other Funds	27,385	-	32,209	53,071	-	-	112,665	-
Long-Term Notes Receivable	754,353	-	391,159	-	-	-	1,145,512	-
Internal Balances	-	-	2,547,061	-	-	-	2,547,061	-
Capital Assets:								
Intangible Assets	-	-	10,597,532	-	-	-	10,597,532	-
Land	97,376	254,420	62,556	-	-	-	414,352	-
Buildings	2,895,398	14,000	5,780,724	4,661,141	-	-	13,351,263	-
Infrastructure	72,052,486	696,851	51,891,351	32,079,219	-	-	156,719,907	-
Machinery and Equipment	561,795	75,975	443,901	279,785	-	-	1,361,456	1,824,566
Vehicles	-	-	-	-	-	-	-	5,632,087
Land Improvements	58,494	1,000,000	171,809	331,461	-	-	1,561,764	-
Work in Progress	2,221,775	319,290	12,091,227	16,801,246	-	217,671	31,651,209	-
Less Accumulated Depreciation and Amortization	(5,026,115)	(449,718)	(8,807,629)	(1,516,335)	-	-	(15,799,797)	(3,962,865)
Total Capital Assets, Net of Accumulated Depreciation	72,861,209	1,910,818	72,231,471	52,636,517	-	217,671	199,857,686	3,493,788
Total Non-Current Assets	73,750,100	1,910,818	75,566,622	52,689,588	-	217,671	204,134,799	3,493,788
Total Assets	93,100,701	4,091,062	88,714,357	57,622,429	215,451	6,695,097	250,439,097	16,848,649
LIABILITIES AND NET ASSETS								
Current Liabilities:								
Accounts Payable and Accrued Liabilities	457,903	233,878	3,807,213	312,336	22,755	413,066	5,247,151	85,506
Due to Other Funds	-	-	-	-	-	217,671	217,671	-
Other Liabilities	-	-	-	30,816	-	-	30,816	-
Unearned Revenue	303,545	-	370,224	44,141	25,931	-	743,841	75
Deposits Held	-	37,007	167,500	12,375	41,971	-	258,853	-
Long-Term Debt Due Within One Year	1,737,003	328,864	1,746,387	399,238	2,723	9,908	4,224,123	37,171
Total Current Liabilities	2,498,451	599,749	6,091,324	798,906	93,380	640,645	10,722,455	122,752
Non-Current Liabilities Due in More Than One Year:								
Bonds Payable	2,094,081	-	8,145,919	-	-	-	10,240,000	-
Notes Payable	32,931,790	-	8,954,374	1,366,574	-	-	43,252,738	-
Capital Leases Payable	-	190,955	-	-	-	-	190,955	-
Compensated Absences Payable	23,763	25,895	27,394	38,120	1,817	6,605	123,594	54,027
Total Non-Current Liabilities	35,049,634	216,850	17,127,687	1,404,694	1,817	6,605	53,807,287	54,027
Total Liabilities	37,548,085	816,599	23,219,011	2,203,600	95,197	647,250	64,529,742	176,779
Net Assets:								
Invested in Capital Assets, Net of Related Debt	36,924,093	1,487,142	53,466,518	52,636,517	-	-	144,514,270	3,493,788
Restricted for:								
Special Projects and Programs	14,852,713	453,512	3,648,165	1,977,041	41,971	6,047,847	27,021,249	-
Unrestricted	3,775,810	1,333,809	8,380,663	805,271	78,283	-	14,373,836	13,178,082
Total Net Assets	\$ 55,552,616	\$ 3,274,463	\$ 65,495,346	\$ 55,418,829	\$ 120,254	\$ 6,047,847	\$ 185,909,355	\$ 16,671,870

City of Brentwood

Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For Year Ended June 30, 2005

	Wastewater	Solid Waste	Water	Parks and Recreation	City Rentals	Housing	Totals	Governmental Activities - Internal Service Funds
Operating Revenues:								
Charges for Services	\$ 4,492,183	\$ 6,235,813	\$ 10,218,547	\$ 1,170,517	\$ 771,706	\$ 1,000	\$ 22,889,766	\$ 6,027,862
Other Income	57,778	830	13,413	272,512	6,731	-	351,264	131,557
Total Operating Revenues	4,549,961	6,236,643	10,231,960	1,443,029	778,437	1,000	23,241,030	6,159,419
Operating Expenses:								
Personnel Services	1,311,636	1,723,437	1,739,046	1,862,866	112,108	321,622	7,070,715	1,366,052
Repairs and Maintenance	35,292	198,276	370,357	138,903	94,465	2,463	839,756	130,849
Materials, Supplies and Services	2,516,017	3,246,642	5,153,965	1,679,982	245,300	698,221	13,540,127	949,200
Depreciation and Amortization	1,168,096	61,211	1,180,584	387,932	-	-	2,797,823	683,956
Total Operating Expenses	5,031,041	5,229,566	8,443,952	4,069,683	451,873	1,022,306	24,248,421	3,130,057
Operating Income (Loss)	(481,080)	1,007,077	1,788,008	(2,626,654)	326,564	(1,021,306)	(1,007,391)	3,029,362
Non-Operating Revenues (Expenses):								
Interest Income	211,169	9,904	231,440	13,327	472	68,274	534,586	139,082
Property Tax	-	-	-	1,073,421	-	-	1,073,421	-
Interest Expense	(1,079,162)	(38,353)	(495,421)	-	-	-	(1,612,936)	(3,891)
Loss on Disposal of Capital Assets	-	-	(3,325)	-	-	-	(3,325)	(11,813)
Contributions from Other Agencies	177,600	-	-	-	-	-	177,600	-
Total Non-Operating Revenues (Expenses)	(690,393)	(28,449)	(267,306)	1,086,748	472	68,274	169,346	123,378
Income (Loss) before Contributions and Transfers	(1,171,473)	978,628	1,520,702	(1,539,906)	327,036	(953,032)	(838,045)	3,152,740
Contributions - Impact Fees and Credits	5,729,222	-	4,616,771	4,963,454	-	4,513,564	19,823,011	-
Capital Asset Contributions	2,679,130	-	3,854,415	14,792,387	-	-	21,325,932	-
Capital Assets Contributed to/from Governmental Funds	867	-	(127,223)	-	-	-	(126,356)	-
Transfers In	1,826,526	-	-	2,626,817	80,000	1,952,808	6,486,151	441,817
Transfers Out	(447,297)	(203,964)	(2,857,369)	(776,921)	(352,949)	-	(4,638,500)	(250,000)
Change in Net Assets	8,616,975	774,664	7,007,296	20,065,831	54,087	5,513,340	42,032,193	3,344,557
Net Assets, Beginning of Year - Restated	46,935,641	2,499,799	58,488,050	35,352,998	66,167	534,507	143,877,162	13,327,313
Net Assets, End of Year	\$ 55,552,616	\$ 3,274,463	\$ 65,495,346	\$ 55,418,829	\$ 120,254	\$ 6,047,847	\$ 185,909,355	\$ 16,671,870

City of Brentwood

**Statement of Cash Flows
Proprietary Funds
For Year Ended June 30, 2005**

	Wastewater	Solid Waste	Water	Parks and Recreation	City Rentals	Housing	Totals	Governmental Activities - Internal Service Funds
Cash Flows from Operating Activities								
Cash Received from Customers/Other Funds	\$ 3,991,595	\$ 6,141,500	\$ 10,244,823	\$ 1,196,496	\$ 722,535	\$ -	\$ 22,296,949	\$ 81,182
Cash Received from Interfund Services	-	-	31,753	-	-	-	31,753	6,027,073
Cash Payments to Suppliers of Goods and Services	(1,803,603)	(2,371,583)	(1,999,741)	(2,648,057)	(329,893)	(57,312)	(9,210,189)	(901,596)
Cash Payments to Employees for Services	(1,311,636)	(1,723,437)	(1,739,046)	(1,862,866)	(112,108)	(321,622)	(7,070,715)	(1,366,052)
Cash Payments for Interfund Services	(380,949)	(1,001,395)	(443,416)	(183,354)	(50,014)	-	(2,059,128)	(212,858)
Other Recipients/Payments	(3,986)	866	857,213	192,268	60,800	(223,494)	883,667	(2,762)
Net Cash Provided By (Used for) Operating Activities	491,421	1,045,951	6,951,586	(3,305,513)	291,320	(602,428)	4,872,337	3,624,987
Cash Flows from Non-Capital Financing Activities								
Property Tax	-	-	-	1,073,421	-	-	1,073,421	-
Transfers Received	-	-	-	2,626,817	80,000	1,952,808	4,659,625	-
Transfers Paid	(447,297)	(203,964)	(1,030,843)	(776,921)	(352,949)	-	(2,811,974)	(250,000)
Contributions from Other Agencies	177,600	-	-	-	-	-	177,600	-
Net Cash Provided By (Used for) Non-Capital Financing Activities	(269,697)	(203,964)	(1,030,843)	2,923,317	(272,949)	1,952,808	3,098,672	(250,000)
Cash Flows from Capital and Related Financing Activities								
Proceeds from Capital Debt	-	-	-	-	-	-	-	-
Contributions - Impact Fees and Credits	5,729,222	-	4,616,771	4,910,383	-	4,513,564	19,769,940	-
Capital Asset Contributions	2,679,130	-	3,854,415	14,792,387	-	-	21,325,932	-
Interest Paid on Debt	(1,079,162)	(38,353)	(495,421)	-	-	-	(1,612,936)	(3,891)
Principal Paid on Debt	(1,663,061)	(276,388)	(6,030,667)	-	-	-	(7,970,116)	(33,608)
Acquisition and Construction of Assets	(3,880,678)	(228,066)	(14,824,436)	(21,051,856)	-	-	(39,985,036)	(993,440)
Net Cash Provided By (Used for) Capital and Related Financing Activities	1,785,451	(542,807)	(12,879,338)	(1,349,086)	-	4,513,564	(8,472,216)	(1,030,939)
Cash Flows from Investing Activities								
Interest on Investments	211,169	9,904	231,440	13,327	472	68,274	534,586	139,082
Net Cash Provided By Investing Activities	211,169	9,904	231,440	13,327	472	68,274	534,586	139,082
Net Increase (Decrease) in Cash and Cash Equivalents	2,218,344	309,084	(6,727,155)	(1,717,955)	18,843	5,932,218	33,379	2,483,130
Cash and Cash Equivalents - Beginning of Year	16,328,773	981,035	16,223,459	6,576,738	-	537,262	40,647,267	10,766,701
Cash and Cash Equivalents - End of Year	\$ 18,547,117	\$ 1,290,119	\$ 9,496,304	\$ 4,858,783	\$ 18,843	\$ 6,469,480	\$ 40,680,646	\$ 13,249,831
Reconciliation of Operating Income to Net Cash Provided By (Used for) Operating Activities								
Operating Income (Loss)	\$ (481,080)	\$ 1,007,077	\$ 1,788,008	\$ (2,626,654)	\$ 326,564	\$ (1,021,306)	\$ (1,007,391)	\$ 3,029,362
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used for) Operating Activities								
Depreciation and Amortization	1,168,096	61,211	1,180,584	387,932	-	-	2,797,823	683,956
Changes in Assets and Liabilities:								
Receivables, Net	(497,947)	(93,916)	794,257	(32,952)	(3,010)	-	166,432	(53,927)
Inventories	(126)	(361)	(528)	(21,311)	-	(218,458)	(240,784)	-
Accounts Payable and Other Payables	304,786	47,544	3,114,926	(1,027,632)	(23,908)	643,372	3,059,088	(34,404)
Accrued Expenses	(2,308)	(4,789)	16,839	12,397	7,115	(6,036)	23,218	-
Deposits	-	29,185	57,500	2,707	(15,441)	-	73,951	-
Net Cash Provided By (Used for) Operating Activities	\$ 491,421	\$ 1,045,951	\$ 6,951,586	\$ (3,305,513)	\$ 291,320	\$ (602,428)	\$ 4,872,337	\$ 3,624,987
Noncash Capital Activities:								
Assets Contributed to/from Other Funds	1,827,393	-	1,953,749	-	-	-	123,830	(441,817)
Contributions from Governmental Fund	-	-	-	53,071	-	-	-	-



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Statement of Fiduciary Net Assets
Agency Funds
June 30, 2005

ASSETS

Cash and Investments	\$	16,334,432
Restricted Cash and Investments		5,328,349
Interest Receivable		30,396
Accounts Receivable		834
		834
Total Assets	\$	21,694,011

LIABILITIES

Accounts Payable and Accrued Liabilities	\$	5,894,948
Due to Others		2,035,696
Due to Bondholders		13,763,367
		13,763,367
Total Liabilities	\$	21,694,011



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NOTE # 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**A. DESCRIPTION OF THE REPORTING ENTITY**

The City of Brentwood is governed by a five member City Council under the Council-Manager form of government. The accompanying 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. unable to adopt a 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.

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.

- Brentwood Redevelopment Agency

The Brentwood Redevelopment Agency (the "Agency") was established pursuant to the State of California Health and Safety Code, Section 33000, entitled "Community Redevelopment Law". 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. Separate financial statements for the Redevelopment Agency (RDA) may be obtained from the City of Brentwood Finance Department.

- Brentwood Joint Powers Financing Authority

The Brentwood Joint Powers Financing Authority (the "Authority"), formed on March 14, 1995, is a joint powers authority organized under Section 6500 *et seq.* of the California Government Code 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 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. Separate financial statements are not required for the Authority, and therefore, are not issued.

NOTE # 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The Government-Wide Financial Statements include a Statement of Net Assets and a Statement of Activities and Changes in Net Assets. The Statement of Activities and Changes in Net Assets demonstrates the degree to which direct and indirect expenses, for a given function or segment, are offset by program revenues. Direct expenses are clearly identifiable with a specific function or segment. Indirect expenses are expenses which are allocated based on the City's annual Cost Allocation Plan and Schedule of City Fees. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, 2) operating grants and contributions, including special assessments and 3) capital grants and contributions. Taxes and other items not properly included among program revenue are reported as general revenues.

Summaries of governmental activities, which are supported by taxes and inter-governmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges. Fiduciary activities of the City are not included in these statements.

Separate financial statements are provided for Governmental Funds, Proprietary Funds and Fiduciary Funds even though the latter are excluded from the Government-Wide Financial Statements. Major individual Governmental Funds and major individual Enterprise Funds are reported as separate columns in the Fund Financial Statements.

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 the business-type activities. These 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, the transactions between governmental and business-type activities, which are presented as transfers, have not been eliminated from the Statement of Activities.

C. MEASUREMENT FOCUS / BASIS OF ACCOUNTING

The Government-Wide Financial Statements and the Proprietary Fund Financial Statements are reported using an economic resources focus and the accrual basis of accounting. 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, regardless of the timing of the related cash flows.

The Governmental Fund Financial Statements are reported using a current financial resources measurement focus called the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. 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 for revenues subject to accrual (generally 60 days

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

after year-end) which are recognized when due. Expenditures are recorded in the accounting period in which the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Taxes, including property and sales taxes, and inter-governmental revenue associated with the current fiscal period are all considered to be susceptible to accrual. Only the portion of the special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

For Proprietary Funds, 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 presents increases (revenues) and decreases (expenses) in total 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.

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 include Enterprise Funds and Internal Service 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.

Financial reporting is based upon all GASB pronouncements, as well as the Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (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. Reconciliations of the Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the differences created by the integrated approach of GASB Statement No. 34.

Fund Types

A *Major Fund* is a fund 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 five percent of the aggregate amount for all Governmental and Enterprise funds for the same item. The General Fund is always considered a major fund. Any other Governmental 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.

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

The government reports the following major Governmental Funds: General Fund, Thoroughfares and Capital Projects Fund. Descriptions of the City's funds are presented below.

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 accounted for in another fund.

Special Revenue Funds account for specific revenues that are legally restricted to expenditures for particular purposes. Thoroughfares is the only major Special Revenue Fund included as a major Governmental Fund. Below are specific descriptions of the Special Revenue Funds:

- *Thoroughfares* – This fund accounts for development fees collected for the design and construction of roadways within the City of Brentwood.
- *Gas Tax* – This fund accounts for monies received from the State of California under Street and Highways Code Sections 2105, 2106, 2107 and 2107.5.
- *Police Grants* – This fund accounts for all Police, Federal, State and County grants requiring segregated fund accounting.
- *Other Grants* – This fund accounts for miscellaneous Federal, State and County grants requiring segregated fund accounting.
- *Community Facilities* – This fund accounts for development fees collected for the design and construction of public facilities within the City of Brentwood.
- *Vehicle Abatement* – This fund accounts for monies which can only be used for the abatement, removal and disposal, as public nuisances, of any abandoned, wrecked, dismantled or inoperative vehicles, or parts thereof, from private or public property.
- *Economic Development* – This fund accounts for fees collected from the development of property in the Harvest Business Park which are used to enhance economic development.
- *Storm Drainage* – This fund accounts for development fees collected for the design and construction of storm drainage systems within the City of Brentwood. *This fee is no longer collected.*
- *RDA Low Income Housing* – This fund accounts for the RDA's 20% tax increment set-aside. The monies are to be used to increase and improve the community's supply of low and moderate income housing in the Redevelopment Project areas.
- *PEG Media* – This fund accounts for Public Access, Educational and Governmental (PEG) television channels provided for the citizens of Brentwood.
- *Bypass Authority* – This fund accounts for development fees collected for the design and construction of the Bypass within the City of Brentwood. These funds are collected and then distributed to the Bypass Authority.

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

- Asset Forfeiture – This fund accounts for property or funds seized by the Police Department. After a case has been tried and a guilty verdict is returned, the funds are considered forfeited. This fund must be used specifically for drug prevention programs.
- Open Space – This fund accounts for development fees collected for the preservation of open space within the City of Brentwood.
- Measure C – This fund accounts for the local jurisdiction portions of the Local Street Maintenance Fund allocation. The monies can only be spent on local streets and roads, transit operations, growth management planning and compliance, bicycle and pedestrian trails and parking facilities.
- Facility Fee Administration – This fund accounts for development fees collected for the administration of the Developer Facility Fee Program.
- Agriculture Administration – This fund accounts for 20% of the Agriculture Preservation fees collected from developers. Monies are to be used for administrative purposes associated with establishing, monitoring and managing farmland conservation easements.
- Public Art Administration – This fund accounts for fees collected for the administration of the Public Art Program.
- Fire Fees – This fund accounts for the Fire Facilities Impact Fee. The monies are used to provide funding for the fire facilities required to serve new development in the City of Brentwood through the year 2020 (build out of the General Plan).
- Agriculture Land – This fund accounts for 80% of the Agriculture Preservation fees collected from developers. The monies are used for farmland mitigation purposes.
- Affordable Housing In Lieu – This fund accounts for development fees collected for affordable housing. The monies are used to ensure 10% of all new dwellings are affordable for low and very low income households. This is now reported in the Housing Enterprise fund.
- Parking In Lieu – This fund accounts for development fees collected for off street parking facilities located within the Downtown area.

Debt Service Funds account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs. Specific descriptions of these funds are as follows:

- Redevelopment Debt – This fund accounts for transactions related to proceeds from tax allocation bonds.
- Capital Improvement Program 2001 – This fund accounts for debt service transactions, including revenue collections and payments of principal and interest, on long-term obligations. This bond refinanced the Roadway Bonds and the Tax Allocation Bond, and financed the Technology Center.
- 2002 General Obligation Bond – This fund accounts for tax levies from which general obligation principal and interest payments are made as the 2002 General Obligation Bond matures. This bond was used to finance the new Police Station.

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

- Capital Lease Program – This fund accounts for principal and interest payments on purchased equipment.

Capital Project Funds account for the acquisition and construction of major capital facilities and infrastructure not financed by Proprietary Funds. The Capital Projects fund is the only major Capital Project Fund included in the major Governmental Funds. Below are specific descriptions of the Capital Project Funds:

- Capital Improvement Financing Program 94-1 (2004 A&B Refi) – This fund accounts for transactions related to proceeds from assessment bonds and other resources and their use to acquire and construct certain capital facilities and infrastructure. CIPF 2004 A&B refinanced CIPF 94-1.
- Capital Improvement Financing Program 99-1 (2002 A&B Refi) – This fund accounts for transactions related to proceeds from assessment bonds and other resources and their use to acquire and construct certain capital facilities and infrastructure. CIPF 2002 A&B refinanced CIPFs 98-1 and 99-1.
- Capital Improvement Financing Program 2000-1 (2004 C Refi) – This fund accounts for transactions related to proceeds from assessment bonds and other resources and their use to acquire and construct certain capital facilities and infrastructure. CIPF 2004 C refinanced CIPF 2000-1.
- Capital Improvement Financing Program 2002-1 (2005 A&B Refi) – This fund accounts for transactions related to proceeds from assessment bonds and other resources and their use to acquire and construct certain capital facilities and infrastructure. CIPF 2005 A&B CIPF refinanced 2002-1.
- Capital Improvement Financing Program 2003-1 – This fund accounts for transactions related to proceeds from assessment bonds and other resources and their use to acquire and construct certain capital facilities and infrastructures.
- Capital Improvement Financing Program 2004-1 – This fund accounts for transactions related to proceeds from assessment bonds and other resources and their use to acquire and construct certain capital facilities and infrastructures.
- 2002 Series A&B – This fund accounts for transactions related to proceeds from assessment bonds and other resources and their use to acquire and construct certain capital facilities and infrastructures.
- Capital Improvement 2001 – This fund accounts for transactions related to proceeds from assessment bonds and other resources and their use to acquire and construct certain capital facilities and infrastructure.
- Drainage Improvement Projects – This fund accounts for various drainage improvement projects associated with either the upgrade or replacement of the City's storm drain collection system.
- Street Improvement Projects – This fund accounts for transactions related to proceeds from assessment bonds and other resources and their use to acquire and construct certain street improvements.

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

- Capital Projects – This fund accounts for administrative costs associated with all capital improvement projects, plus costs associated with roadway and community facility projects.
- Redevelopment Projects – This fund accounts for transactions related to proceeds from bonds and other resources and their use to perform redevelopment activities within the redevelopment project area.

Proprietary Funds account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the City Council is that the costs of providing goods or services to the general public, on a continuing basis, be financed or recovered primarily through user charges. The government reports the following major Proprietary Funds:

- Wastewater Enterprise – This enterprise accounts for the operation, maintenance and capital improvement projects of the wastewater system which is funded by user charges and other fees.
- Solid Waste Enterprise – This enterprise accounts for the operation, maintenance and capital improvement projects of the solid waste system. These activities are funded by user charges and impact fees.
- Water Enterprise – This enterprise accounts for the operation, maintenance and capital improvement projects of the water system. These activities are funded by user charges and impact fees.
- Parks and Recreation Enterprise – This enterprise accounts for the operation, maintenance and capital improvement projects associated with City-owned park and recreation facilities and programs which are funded by user charges and impact fees.
- City Rentals – This enterprise accounts for all the City facilities rented and maintained through this fund.
- Housing Enterprise – This enterprise accounts for the administrative and operational expenses for the Housing Division and Housing rental stock. This now includes Affordable Housing In Lieu.

Additionally, the government reports for the following fund types:

Internal Service Funds account for the financing of either goods or services provided by one department to other departments of the City on a cost reimbursement basis. Specific descriptions of these funds are as follows:

- Emergency Preparedness – To provide a source of funding for the City to be financially prepared for either a critical or catastrophic event.
- Information Services – To provide a source of funding for the development and coordination of the City's information systems' needs.
- Vehicle Replacement – To provide a source of funding for vehicle and equipment replacement.

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

- Information Systems Replacement – To provide a source of funding for the on-going replacement of information systems such as computers and the phone system.
- Building Replacement – To provide a source of funding for maintenance and repairs to City facilities.
- Tuition Program – To provide a source of funding for expenditures relating to continuing education.
- Fleet Maintenance – To provide a source of funding for the on-going maintenance of all City vehicles, except Police.
- Park Assessment Replacement – This fund accounts for the accumulation of funds and associated expenditures related to park assessment reserves.
- Insurance – To provide a source of funding for the City’s property insurance costs and retiree medical benefit costs.

Fiduciary Funds account for Agency funds which consist of:

- Assessment Districts – Special obligations payable from, and secured by, specific revenue sources.
- Asset Seizure – Special funds to be used exclusively to support law enforcement and prosecutorial efforts of the agency.
- Pass-Through Funds – Special funds used for the collection and distribution of development fees collected on behalf of other agencies.

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 GASB Statement No. 40, the City’s investments are stated at market value. 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 reported value of securities in the investment pool does not reflect realized gains or losses but rather the market value of those investments as of June 30, 2005.

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

iii. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the City considers 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. 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.

v. 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.

vi. 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. In accordance with GASB Statement No. 34, the City has included the value of all infrastructures in the Basic Financial Statements. 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

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

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. These 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.

vii. Compensated Absences Payable

The following totals may be accumulated by employees each year:

- A total of 11 to 28 vacation days
- Up to either 60 or 80 hours of compensatory time off, depending on employee's classification, or 120 hours of administrative leave
- 12 days of sick leave

Sick leave is not paid at termination but is used for additional service credits towards retirement. Half of an employee's accrued sick leave (up to \$8,000) may be cashed in when the employee retires from the City of Brentwood. Under certain restrictive circumstances, limited amounts of sick leave can be converted to vacation time. Vacation time is only allowed to accumulate up to one and one-half year's worth of earnings.

All employees may elect to receive a lump sum payment of up to 40 hours of accumulated vacation each March. Mid-Managers, Department Directors and the City Manager are eligible to elect payment of up to 80 hours in March. Additionally, each October employees with three years of service may elect to receive a lump sum payment of up to 40 hours of accumulated vacation time. Mid-Managers, Department Directors and the City Manager are eligible to elect payment of up to 80 hours. Liabilities for compensated absences are included as a liability in the Government-Wide Financial Statements.

viii. Property Tax

Property tax valuation, lien and levy for secured and unsecured property is March 1st 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

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

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.

ix. 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 an 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 the accompanying financial statements.

x. New GASB Pronouncements

In November 2003, GASB issued GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. This Statement establishes guidance for accounting and reporting of both impairment of capital assets and insurance recoveries, whether associated with an impaired capital asset or not. This Statement is effective for: 1) periods beginning after December 15, 2004 or 2) during the 2005/06 fiscal year. The City does not believe this statement will have a significant impact on the financial statements.

In July 2004, GASB issued GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement will require local governmental employers who provide other postemployment benefits (OPEB) as part of the total compensation offered to employees to recognize the expense and related liabilities (assets) in the Government-Wide financial statements. This Statement establishes standards for the measurement, recognition and display of OPEB expense / expenditures and related liabilities (assets), note disclosures and, if applicable, required supplementary information (RSI) in the financial reports of State and local governmental employers.

Current financial reporting practices for OPEB generally are based on pay-as-you-go financing approaches. They fail to measure or recognize the cost of OPEB during the periods when employees render the services or to provide relevant information about OPEB obligations and the extent to which progress is being made in funding those obligations. This Statement generally provides for prospective implementation – meaning employers set the beginning net OPEB obligation at zero as of the beginning of the initial year. The City will be required to implement the provisions of this Statement for the fiscal year ended June 30, 2009. The City is in the process of determining the impact implementation of this Statement will have on the Government-Wide financial statements.

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

In December 2004, GASB issued GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation*. This Statement clarifies the definition of a legally enforceable enabling legislation restriction to be one that a party external to a government - such as citizens, public interest groups or the judiciary - can compel a government to honor. The Statement states that the legal enforceability of an enabling legislation restriction should be reevaluated if any of the resources raised by the enabling legislation are used for a purpose not specified by the enabling legislation or if a government has other cause for reconsideration. Although the determination that a particular restriction is not legally enforceable may cause a government to review the enforceability of other restrictions, it should not necessarily lead a government to the same conclusion for all enabling legislation restrictions.

This Statement also specifies the accounting and financial reporting requirements if new enabling legislation replaces existing enabling legislation or if legal enforceability is reevaluated. Finally, this Statement requires governments to disclose the portion of total net assets that is restricted by enabling legislation. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2005. The City does not believe this statement will have a significant impact on the financial statements.

xi. Motor Vehicle Taxes

Motor vehicle taxes are collected by the State and remitted to the City. They are not restricted.

NOTE # 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**A. BUDGETARY INFORMATION****• General Budget Policies**

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. The level of budgetary control is established at the fund level and expenditures may not exceed budgeted appropriations at the fund level without City Council approval. In the financial statements, the final budget amounts include amendments to the original budget. Individual amendments were not material in relation to original appropriations.

• Budget Basis of Accounting

Budgetary comparisons are presented for the General, certain Special Revenue, Debt Service and certain Capital Project funds. The funds listed below are not legally required to adopt budgets as their appropriations are established by the related bond documentation and/or other legal agreements.

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

Capital Projects Funds

Capital Improvement Financing Program 94-1 (2004 A&B Refi)	Capital Improvement Financing Program 2003-1
Capital Improvement Financing Program 99-1 (2002 A&B Refi)	Capital Improvement Financing Program 2004-1
Capital Improvement Financing Program 2000-1 (2004 C Refi)	Capital Improvement 2001
Capital Improvement Financing Program 2002-1 (2005 A&B Refi)	2002 Series A&B
Street Improvement Projects	Drainage Improvement Projects

Special Revenue Funds

Bypass Authority

B. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of the “Due To / From Other Funds” balance, as of June 30, 2005, is shown below. The due from Measure C amount is due to timing issues and is expected to be paid during the next fiscal year. The due from Housing Enterprise amounts are development fees related to the construction of housing units which, when completed, will become rental units for the City’s Housing Program. The development fees will be paid over the next several years from the Housing rental stream.

Due To / From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Capital Projects	Measure C	\$ 286,094
Thoroughfares	Housing Enterprise	77,029
Community Facilities	Housing Enterprise	24,323
Facility Fee Administration	Housing Enterprise	3,654
Wastewater Enterprise	Housing Enterprise	27,385
Water Enterprise	Housing Enterprise	32,209
Parks and Recreation	Housing Enterprise	53,071
	Total	\$ 503,765

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

The following interfund loan, for costs associated with the Public Employee Retirement System (PERS), is to be repaid over the next two years.

Interfund Loan

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Water	Administration - Non-Major Funds	\$ 2,547,061
	Total	<u><u>\$ 2,547,061</u></u>

The interfund transfers are in balance.

Fund Description	Interfund Transfers								Total Transfers Out
	General Fund	Capital Projects Fund	Internal Service Funds	Non-Major Governmental Funds	City Rentals Enterprise	Parks and Recreation Enterprise	Wastewater Enterprise	Housing Enterprise	
General Fund	\$ -	\$ 7,639,936	\$ 192,343	\$ 76,530	\$ 80,000	\$ 824,556	\$ -	\$ -	\$ 8,813,365
Capital Projects Fund	-	-	10,546	-	-	832,635	-	-	843,181
Internal Service Funds	-	250,000	-	-	-	-	-	-	250,000
Non-Major Governmental Funds	934,891	3,796,408	20,449	1,374,964	-	24,600	-	1,952,808	8,104,120
Thoroughfares Fund	-	5,231,491	-	389,797	-	779,586	-	-	6,400,874
City Rentals Enterprise	-	60,900	-	292,049	-	-	-	-	352,949
Parks and Recreation Enterprise	-	776,921	-	-	-	-	-	-	776,921
Solid Waste Enterprise	-	-	203,964	-	-	-	-	-	203,964
Wastewater Enterprise	-	446,111	1,186	-	-	-	-	-	447,297
Water Enterprise	-	852,074	13,329	-	-	165,440	1,826,526	-	2,857,369
Total Transfers In	<u>\$ 934,891</u>	<u>\$ 19,053,841</u>	<u>\$ 441,817</u>	<u>\$ 2,133,340</u>	<u>\$ 80,000</u>	<u>\$ 2,626,817</u>	<u>\$ 1,826,526</u>	<u>\$ 1,952,808</u>	<u>\$ 29,050,040</u>

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

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

Transfer From	Transfer To	Amount	Purpose
General Fund	Capital Projects	\$ 6,000,000	Provide a subsidy to cover a portion of the costs for the New City Hall project.
General Fund	Parks Enterprise	656,556	Provide a subsidy to cover a portion of the costs for the Parks Enterprise.
Non-Major Governmental Fund	General Fund	693,427	Gas Tax revenue to subsidize the Street Maintenance Division.
Non-Major Governmental Fund	Capital Projects	1,500,000	Provide a subsidy to cover a portion of the costs for the Police Station project.
Non-Major Governmental Fund	Capital Projects	250,000	Provide a subsidy to cover a portion of the costs for the Communication Tower project.
Non-Major Governmental Fund	Capital Projects	164,336	Provide a subsidy to cover a portion of the costs for the Fiber Optics project.
Non-Major Governmental Fund	Capital Projects	672,895	Provide a subsidy to cover a portion of the costs for the City Data Center project.
Non-Major Governmental Fund	Capital Projects	500,000	Provide a subsidy to cover a portion of the costs for the Fire Staion #56 project.
Thoroughfares	Capital Projects	1,379,973	Provide a subsidy to cover a portion of the costs for the Lone Tree Way - Union Pacific Undercrossing project.
Thoroughfares	Capital Projects	918,895	Provide a subsidy to cover a portion of the costs for the O'Hara Loop Realignment project.
Thoroughfares	Capital Projects	1,803,645	Provide a subsidy to cover a portion of the costs for the Lone Tree Way Widening - Segments 1 & 2 project.
Thoroughfares	Capital Projects	700,000	Provide a subsidy to cover a portion of the costs for the Empire Avenue Extension North - Phase I project.
Thoroughfares	Capital Projects	779,586	Provide a subsidy to cover a portion of the costs for the Community Beautification project.
Parks Enterprise	Capital Projects	5,198,052	Provide a subsidy to cover a portion of the costs for the Sunset Park Master Plan project.

NOTE # 3 – CASH AND INVESTMENTS

A. CASH AND DEPOSITS

The City of Brentwood maintains a cash investment pool that is available for all funds. 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. 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 (\$1,123,023) at June 30, 2005. The bank balance, before reconciling items, was \$3,122,634. The bank balance is collateralized for up to 110%, insured for up to \$100,000 and is held by a pledging financial institution in the City’s name. The market value of the pledged securities must equal 110% as stated by California Government Code Section 53651, but the City may waive collateral requirements for cash deposits that are insured by the Federal Deposit Insurance Corporation (FDIC). The City’s cash and investment balances are as follows:

Pooled Deposits:	
Demand Deposits	\$ (1,123,023)
Petty Cash	4,330
Pooled Investments	161,790,898
Total Cash and Investments	<u>\$ 160,672,205</u>

Cash and investments appear on the financial statements as follows:

Cash and Investments	
Governmental Activities	\$ 79,796,062
Business-Type Activities	40,680,646
Fiduciary Funds	16,334,432
	<u>136,811,140</u>
Restricted Cash and Investments	
Governmental Activities	17,667,716
Business-Type Activities	865,000
Fiduciary Funds	5,328,349
	<u>23,861,065</u>
Total Cash and Investments	<u>\$ 160,672,205</u>

NOTE # 3 – CASH AND INVESTMENTS (Continued)**B. INVESTMENTS**

The City apportions interest earnings to all funds based on their monthly cash balance in accordance with California Government Code Section 53635. The table below identifies the investment types authorized for the City by the City's investment policy, which is more restrictive than California Government Code 53635. The table also identifies certain provisions of the City's investment policy which address interest rate risk, credit risk and concentration of risk. This table does not address investments of debt proceeds, held by bond trustee, which are governed by the provisions of debt agreements of the City rather than the general provisions of the City's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptances	180 days	40%	10%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	90 days	None	None
Reverse Repurchase Agreements	92 days	20% of base value	None
Medium-Term Notes	5 years	30%	None
Money Market Mutual Funds	N/A	15%	None
Mortgage Pass-Through Securities	5 years	20%	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Time Deposits	5 years	25%	None

* Excluding amounts held by bond trustee not subject to California Government code restrictions.

Credit Risk – The City's portfolio is comprised of the highest quality government and corporate securities. Consistent with City policy, over 90% of the portfolio consists of investments with Standard and Poor's highest ratings. This percentage does not include U.S. Treasury Bonds / Notes, LAIF, Money Market Mutual Funds (MMMF) or Guaranteed Investment Contracts (GICs) which are all unrated. Investments at June 30, 2005, 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.

NOTE # 3 – CASH AND INVESTMENTS (Continued)

At June 30, 2005, the City had no investments in repurchase agreements or foreign currency investments. 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 reported at fair value.

	Fair Value	Credit Rating	% of Rated Portfolio
Corporate Notes	\$ 5,565,101	A+	7%
Corporate Notes	2,200,202	AA-	3%
Corporate Notes	5,335,792	AAA	6%
Federal Agency Bonds / Notes	<u>70,568,217</u>	AAA	84%
Total Rated Investments	83,669,312		
U.S. Treasury Bonds / Notes	48,649,155	Unrated	
Local Agency Investment Fund	28,075,511	Unrated	
Money Market Mutual Funds	44,082	Unrated	
Guaranteed Investment Contracts	<u>1,352,838</u>	Unrated	
Total Unrated Investments	<u>78,121,586</u>		
Total Investments	<u><u>\$ 161,790,898</u></u>		

Concentration of Credit Risk – The City's investment policy contains no limitations on the amount the City may invest in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer, other than U.S. Treasury securities, mutual funds or external investment pools, which represent 5% or more of the City's total investments are shown below:

Concentration of Credit Risk*

<u>Issuers</u>	<u>Fair Value</u>	<u>% of Portfolio</u>
Federal Home Loan Bank	\$ 42,720,079	26.41
Federal Home Loan Mortgage Corp.	13,028,684	8.06
Federal National Mortgage Association	12,250,018	7.57

* Excludes LAIF and MMMF

NOTE # 3 – CASH AND INVESTMENTS (Continued)

Interest Rate Risk – The City’s investment policy limits the investment portfolio to maturities of less than five years as a means of limiting exposure to fair value losses arising from interest rates. Currently, 63% of the investment portfolio is concentrated in the 1 to 3 year maturity range.

Investment Maturities

	<u>Fair Value *</u>	<u>Amortized Cost</u>	<u>0-6 mos</u>	<u>6-12 mos.</u>	<u>1-2 years</u>	<u>2-3 years</u>	<u>% of Portfolio</u>
U.S. Treasury Notes/Bonds	48,649,155	48,638,943	13,871,740	2,756,831	18,787,107	13,233,477	30.08
Medium-Term Corporate Notes	13,101,095	13,031,914	1,128,097	1,038,671	7,418,836	3,515,491	8.05
Federal Agency Bonds/Notes	70,568,217	70,559,595	-	11,714,672	45,189,913	13,663,632	43.64
Local Agency Investment Funds	28,075,511	28,075,511	28,075,511	-	-	-	17.36
Money Market Mutual Funds	44,082	44,082	44,082	-	-	-	0.03
Guaranteed Investments Contracts	1,352,838	1,352,838	1,352,838	-	-	-	0.84
Totals	<u>\$ 161,790,898</u>	<u>\$ 161,702,883</u>	<u>\$ 44,472,268</u>	<u>\$ 15,510,174</u>	<u>\$ 71,395,856</u>	<u>\$ 30,412,600</u>	
% of Portfolio			27.48	9.59	44.13	18.80	100.00

*Fair Value includes accrued interest

Custodial Credit Risk – Investments – The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities which are in possession of another party. The California Government Code does not contain legal or policy requirements limiting the exposure to custodial credit risk. The City’s investment policy requires the assets of the City be secured through the third party custody and safekeeping procedures. Bearer instruments shall be held only through third party institutions. Collateralized securities, such as repurchase agreements, shall be purchased using the delivery vs. payment procedure.

NOTE # 3 – CASH AND INVESTMENTS (Continued)**C. INVESTMENT IN STATE TREASURER'S POOL**

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 is a voluntary participant in the investment pool. The management of LAIF has indicated to the City that as of June 30, 2005, the amortized cost of the pool was \$60,586,103,941. The fair value was \$60,635,664,345. The City deposits excess cash in LAIF, which 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 and lease obligations. These monies appear on the financial statements as Restricted Cash and Investments. 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 by trustees or fiscal agents in accordance with the ordinances, resolutions or indentures specifying the types of investments allowed.

E. MARKET VALUE OF INVESTMENTS

Methods and assumptions used to estimate fair value:

- The City maintains investment accounting records on a cost basis and adjusts those records to “market value” on an annual basis.
- The Fund investment custodians provide 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 market value on a yearly basis.

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 market 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 \$28,075,511 whose pro-rata share of fair value was estimated by the State Treasurer to be \$28,012,272. The fair value change in this investment for the year came to an amount that was not material for presentation in the financial statements.

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 as of June 30, 2005 are as follows:

	Balance July 1, 2004	Increases	Decreases	Transfers	Balance June 30, 2005
Governmental Activities :					
Capital Assets, Not Being Depreciated:					
Land	\$ 28,246,794	\$ -	\$ (958,323)	\$ -	\$ 27,288,471
Work in Progress - CIP	66,580,921	17,667,595	-	(2,425,413)	81,823,103
Total Capital Assets, Not Being Depreciated	<u>94,827,715</u>	<u>17,667,595</u>	<u>(958,323)</u>	<u>(2,425,413)</u>	<u>109,111,574</u>
Capital Assets, Being Depreciated:					
Land Improvements	749,552	-	-	4,201	753,753
Buildings	7,485,856	-	-	177,484	7,663,340
Infrastructure	159,758,962	9,871,699	-	2,425,413	172,056,074
Machinery and Equipment	2,540,666	363,632	(487,341)	12,585	2,429,542
Vehicles	4,818,822	1,092,864	(257,098)	(22,500)	5,632,088
Total Capital Assets Being Depreciated	<u>175,353,858</u>	<u>11,328,195</u>	<u>(744,439)</u>	<u>2,597,183</u>	<u>188,534,797</u>
Less Accumulated Depreciation for:					
Land Improvements	235,554	34,022	-	4,201	273,777
Buildings	1,442,311	152,422	-	48,592	1,643,325
Infrastructure	29,653,174	2,457,828	-	-	32,111,002
Machinery and Equipment	1,465,552	261,867	(487,341)	(7,379)	1,232,699
Vehicles	2,812,499	468,025	(245,287)	-	3,035,237
Total Accumulated Depreciation	<u>35,609,090</u>	<u>3,374,164</u>	<u>(732,628)</u>	<u>45,414</u>	<u>38,296,040</u>
Total Capital Assets, Being Depreciated, Net	<u>139,744,768</u>	<u>7,954,031</u>	<u>(11,811)</u>	<u>2,551,769</u>	<u>150,238,757</u>
Governmental Activities Capital Assets, Net	<u>\$ 234,572,483</u>	<u>\$ 25,621,626</u>	<u>\$ (970,134)</u>	<u>\$ 126,356</u>	<u>\$ 259,350,331</u>
Business-Type Activities : ⁽¹⁾					
Capital Assets, Not Being Depreciated:					
Land	\$ 414,352	\$ -	\$ -	\$ -	\$ 414,352
Work in Progress - CIP	11,469,047	20,411,264	-	(229,102)	31,651,209
Total Capital Assets, Not Being Depreciated	<u>11,883,399</u>	<u>20,411,264</u>	<u>-</u>	<u>(229,102)</u>	<u>32,065,561</u>
Capital Assets, Being Depreciated:					
Land Improvements	1,565,965	-	-	(4,201)	1,561,764
Buildings	13,533,484	-	(4,737)	(177,484)	13,351,263
Infrastructure	135,164,874	21,325,931	-	229,102	156,719,907
Machinery and Equipment	1,451,455	174,150	(274,064)	9,915	1,361,456
Total Capital Assets Being Depreciated	<u>151,715,778</u>	<u>21,500,081</u>	<u>(278,801)</u>	<u>57,332</u>	<u>172,994,390</u>
Less Accumulated Depreciation for:					
Land Improvements	662,764	76,227	-	(4,201)	734,790
Buildings	2,104,470	265,956	-	(50,209)	2,320,217
Infrastructure	9,801,559	2,088,791	-	-	11,890,350
Machinery and Equipment	793,770	77,149	(275,475)	8,996	604,440
Total Accumulated Depreciation	<u>13,362,563</u>	<u>2,508,123</u>	<u>(275,475)</u>	<u>(45,414)</u>	<u>15,549,797</u>
Total Capital Assets, Being Depreciated, Net	<u>138,353,215</u>	<u>18,991,958</u>	<u>(3,326)</u>	<u>102,746</u>	<u>157,444,593</u>
Business-Type Activities Capital Assets, Net	<u>\$ 150,236,614</u>	<u>\$ 39,403,222</u>	<u>\$ (3,326)</u>	<u>\$ (126,356)</u>	<u>\$ 189,510,154</u>

⁽¹⁾ Intangible Assets (Amortized), equaling \$10,347,532, are not included within the Note for the Business-Type Capital Assets

NOTE # 4 – CAPITAL ASSETS (Continued)

For the year ended June 30, 2005, depreciation expense on capital assets was charged to the governmental function as follows:

Governmental Activities:	
General Government	\$ 802,513
Public Safety	2,514
Community Development	8,108
Public Works	1,877,073
Internal Service	683,956
Total Depreciation Expense - Governmental Activities	<u><u>\$ 3,374,164</u></u>
Business-Type Activities:	
Water	\$ 896,986
Wastewater	1,161,994
Parks and Recreation	387,932
Solid Waste	61,211
City Rentals	-
Housing	-
Total Depreciation Expense - Business-Type Activities	<u><u>\$ 2,508,123</u></u>

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

	<u>Balance June 30, 2004</u>	<u>Additions</u>	<u>Payments Adjustments</u>	<u>Balance June 30, 2005</u>	<u>Amounts Due Within One Year</u>
Bonds					
2002 General Obligation Bonds	\$ 6,255,771	\$ 260,800 ⁽¹⁾	\$ (105,000)	\$ 6,411,571	\$ 120,000
CIP 2001 Revenue Bonds	31,025,000	-	(635,000)	30,390,000	650,000
Total Bonds	<u>37,280,771</u>	<u>260,800</u>	<u>(740,000)</u>	<u>36,801,571</u>	<u>770,000</u>
Capital Leases (Governmental)					
Various Equipment	206,930	-	(66,869)	140,061	68,955
Notes Payable					
Village Community Resource Center	-	801,134	(153,900)	647,234	146,600
Other					
Accumulated Compensated Absences	929,678	1,140,776	(1,156,843)	913,611	548,167
Sub-Total General Long-Term Debt	<u>38,417,379</u>	<u>2,202,710</u>	<u>(2,117,612)</u>	<u>38,502,477</u>	<u>1,533,722</u>
Capital Leases (Internal Service)					
Various Equipment	69,108	-	(33,608)	35,500	35,500
Total General Long-Term Debt	<u>\$ 38,486,487</u>	<u>\$ 2,202,710</u>	<u>\$ (2,151,220)</u>	<u>\$ 38,537,977</u>	<u>\$ 1,569,222</u>

(1) Accreted Interest

NOTE # 5 – LONG-TERM OBLIGATIONS (Continued)

i. Bonds

- **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. Total annual debt service payments, including interest at 3.625 percent to 5.68 percent, range 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.

Year Ending June 30	Principal	Interest	Total
2006	\$ 120,000	\$ 152,456	\$ 272,456
2007	140,000	148,256	288,256
2008	160,000	141,956	301,956
2009	180,000	135,756	315,756
2010	205,000	126,756	331,756
2011-2015	1,465,000	465,563	1,930,563
2016-2020	1,460,684	997,042	2,457,726
2021-2025	961,214	2,173,786	3,135,000
2026-2030	918,813	3,086,187	4,005,000
2031	179,265	745,735	925,000
Sub-total	5,789,976	\$ 8,173,493	\$ 13,963,469
Accretion to date	621,595		
	<u>\$ 6,411,571</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: 1) finance the refund of the CIP Bonds under a Facilities Lease, 2) refund a series of tax allocation bonds issued by the Redevelopment Agency of the City of Brentwood and 3) 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, range from \$1,684,500 to \$2,105,294.

Year Ending June 30	Principal	Interest	Total
2006	\$ 650,000	\$ 1,435,913	\$ 2,085,913
2007	675,000	1,412,725	2,087,725
2008	695,000	1,387,881	2,082,881
2009	725,000	1,361,256	2,086,256
2010	755,000	1,332,563	2,087,563
2011-2015	4,250,000	6,158,722	10,408,722
2016-2020	5,295,000	5,070,491	10,365,491
2021-2025	6,815,000	3,520,431	10,335,431
2026-2030	7,395,000	1,682,875	9,077,875
2031-2032	3,135,000	158,625	3,293,625
Total	<u>\$ 30,390,000</u>	<u>\$ 23,521,482</u>	<u>\$ 53,911,482</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 the acquisition of equipment. The lease amount was \$345,100 and the interest rate was 3.12 percent. The final payment shall be made on or before May 12, 2007.

Year Ending June 30	Payments
2006	\$ 73,325
2007	73,325
Subtotal	146,650
Less amount representing interest	(6,589)
Total	<u>\$ 140,061</u>

Internal Service

On October 22, 1999, the City entered into an agreement with Municipal Finance Corporation for the acquisition of equipment. The lease amount was \$224,000 and the interest rate was 5.38 percent. The final payment shall be made on or before October 22, 2005.

Year Ending June 30	Payments
2006	\$ 37,499
Subtotal	37,499
Less amount representing interest	(1,999)
Total	<u>\$ 35,500</u>

NOTE # 5 – LONG-TERM OBLIGATIONS (Continued)

iii. Notes Payable

On September 21, 2004 the City entered into an agreement with Village Community Resource Center (VCRC) whereby the City committed to a seven year funding program totaling \$801,134, with an interest rate of zero percent per annum, enabling the VCRC to: 1) develop a social center and 2) help the VCRC become a self-sufficient agency. The final payment shall be made on or before March 1, 2011.

Year Ending June 30	Payments
2006	\$ 146,600
2007	128,348
2008	112,369
2009	98,379
2010	86,131
2011	75,407
Total	<u>\$ 647,234</u>

iv. Accumulated Compensated Absences

The long-term compensated absences balance at June 30, 2005, is:

Governmental	\$365,444
Business-Type	\$123,594

NOTE # 5 – LONG-TERM OBLIGATIONS (Continued)**B. BUSINESS-TYPE ACTIVITIES**

	Balance June 30, 2004	Additions	Payments Adjustments	Balance June 30, 2005	Amounts Due Within One Year
Capital Leases					
Solid Waste - Equipment	\$ 103,663	\$ -	\$ (50,412)	\$ 53,251	\$ 53,251
Solid Waste - Transfer Station	539,101	-	(168,676)	370,425	179,470
Total Capital Leases	<u>642,764</u>	<u>-</u>	<u>(219,088)</u>	<u>423,676</u>	<u>232,721</u>
Notes Payable					
Solid Waste Note Payable - BDS Settelement	114,600	-	(57,300)	57,300	57,300
CCWD Water Entitlement	196,244	89,872	(185,136)	100,980	100,980
CCWD Treated Water Service	5,000,000	-	(5,000,000)	-	-
CCWD Water Connection Fee	11,020,768	-	(688,798)	10,331,970	1,377,596
State Water Resources Loan (Wastewater)	36,188,841	-	(1,613,975)	34,574,866	1,643,076
Heritage High Joint Use Pool	-	1,708,634	-	1,708,634	342,060
Total Notes Payable	<u>52,520,453</u>	<u>1,798,506</u>	<u>(7,545,209)</u>	<u>46,773,750</u>	<u>3,521,012</u>
Wastewater Revenue Bonds	<u>2,207,578</u>	<u>-</u>	<u>(55,215)</u>	<u>2,152,363</u>	<u>58,282</u>
Water Revenue Bonds	<u>8,587,422</u>	<u>-</u>	<u>(214,785)</u>	<u>8,372,637</u>	<u>226,718</u>
Other					
Accumulated Compensated Absences	259,938	53,835	(4,789)	308,984	185,390
Total All Business-Type Funds	<u>\$ 64,218,155</u>	<u>\$ 1,852,341</u>	<u>\$ (8,039,086)</u>	<u>\$ 58,031,410</u>	<u>\$ 4,224,123</u>

NOTE # 5 – LONG-TERM OBLIGATIONS (Continued)

i. Capital Leases

- **Solid Waste – Equipment**

On October 22, 1999, the City entered into an agreement with Municipal Finance Corporation for the acquisition of equipment. The lease amount was \$336,000 and the interest rate was 3.12 percent. The final payment shall be made on or before November 5, 2005. The Solid Waste Capital Lease has future payments as follows:

Year Ending June 30	Payments
2006	\$ 56,248
Subtotal	56,248
Less amount representing interest	(2,997)
Total	<u>\$ 53,251</u>

- **Solid Waste – Transfer Station**

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
2006	\$ 179,470	\$ 20,554	\$ 200,024
2007	190,955	9,069	200,024
Total	<u>\$ 370,425</u>	<u>\$ 29,623</u>	<u>\$ 400,048</u>

NOTE # 5 – LONG-TERM OBLIGATIONS (Continued)

ii. Notes Payable

- **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
2006	\$ 57,300	\$ 1,478	\$ 58,778
Total	\$ 57,300	\$ 1,478	\$ 58,778

- **Contra Costa Water District (CCWD) – Treated Water Service**

On February 29, 2000, the City entered into an agreement with CCWD to equitably share the cost of CCWD’s past payments required to maintain its entitlement to the East Contra Costa Irrigation District’s (ECCID) water. These past entitlement payments represent a buy-down cost per acre-foot of water as stated in the ECCID-Brentwood Agreement dated December 14, 1999. The total amount Brentwood was obligated to reimburse was \$597,532. The final payment shall be made on or before June 30, 2006. The rate of interest paid to CCWD shall be 6 percent.

Year Ending June 30	Principal	Interest	Total
2006	\$ 100,980	\$ 6,059	\$ 107,039
Total	\$ 100,980	\$ 6,059	\$ 107,039

NOTE # 5 – LONG-TERM OBLIGATIONS (Continued)

- **CCWD – Water Connection Fee**

On February 29, 2000, the City entered into an agreement with CCWD to pay all water connection fees for Brentwood’s customers residing within CCWD’s Los Vaqueros Service Area. Brentwood shall pay annually for its actual and anticipated future connections for a period of 20 years. The minimum amount required per year is 239 connections, for a total of 4,780 connections over 20 years. The established rate was \$2,882 per connection, with an interest rate of zero percent per annum.

Year Ending	Principal
June 30	
2006	\$ 1,377,596
2007	688,798
2008	688,798
2009	688,798
2010	688,798
2011-2015	3,443,990
2016-2019	<u>2,755,192</u>
Total	<u>\$ 10,331,970</u>

- **State Water Resources Loan (Wastewater)**

In December 2000, the City entered into a loan contract with the State of California’s State Water Resources Control Board for the purpose of financing the Wastewater System Improvement Project. The loan amount totals \$37,773,866 with an interest rate of zero percent per annum. Principal payments are due annually beginning in fiscal year 2003/04.

Year Ending	Principal
June 30	
2006	\$ 1,643,076
2007	1,672,701
2008	1,702,860
2009	1,733,563
2010	1,764,819
2011-2015	9,313,027
2016-2020	10,183,433
2021-2023	<u>6,561,387</u>
Total	<u>\$ 34,574,866</u>

NOTE # 5 – LONG-TERM OBLIGATIONS (Continued)

- **Heritage High Joint Use Pool**

On August 27, 2002 the City entered into a long-term agreement with the Liberty Union High School District for two joint use projects at Heritage High School. The projects consist of a 50-meter pool and a gymnasium with office space. The City will pay \$2,500,000 to the school district for these joint use facilities, no later than July 31, 2009, using “good year” revenue. Good year revenue is defined as actual Park and Trail development fees received in excess of the projected Park and Trail development fee revenue published in the City’s annual Capital Improvement Program.

Year Ending June 30	Estimated Principal
2006	\$ 342,060
2007	341,727
2008	341,727
2009	341,727
2010	341,393
Total	<u>\$ 1,708,634</u>

NOTE # 5 – LONG-TERM OBLIGATIONS (Continued)

iii. Bonds

- **Water/Wastewater Revenue Bonds**

On December 11, 1996, the City issued \$12,195,000 in Water/Wastewater Revenue Bonds, with interest rates ranging from 4.0 to 5.5 percent, due July 1, 2026. The balance at June 30, 2005, is \$10,525,000. Future payments for these bonds are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 285,000	\$ 578,621	\$ 863,621
2007	295,000	564,656	859,656
2008	310,000	549,906	859,906
2009	330,000	534,096	864,096
2010	345,000	516,936	861,936
2011-2015	2,030,000	2,286,391	4,316,391
2016-2020	2,645,000	1,664,226	4,309,226
2021-2025	3,470,000	836,283	4,306,283
2026	815,000	45,844	860,844
Total	<u>\$ 10,525,000</u>	<u>\$ 7,576,959</u>	<u>\$ 18,101,959</u>
Water Fund Portion	\$ 8,372,637	\$ 6,027,472	\$ 14,400,109
Wastewater Fund Portion	2,152,363	1,549,487	3,701,850
	<u>\$ 10,525,000</u>	<u>\$ 7,576,959</u>	<u>\$ 18,101,959</u>

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

The following issues of Special Assessment District Bonds, issued pursuant to the Municipal Improvement Act of 1915, are not reflected in the Long-term Debt Account Group. 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. Debt Service for the special assessment district bonds is reported in the agency funds.

NOTE # 6 – SPECIAL ASSESSMENT DISTRICTS (Continued)

Special Assessment District Bonds	Assessment District Debt
Brentwood Infrastructure Financing Authority - 1996 Reassessment Bonds, Series A and B • Dated 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	\$ 13,245,000
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	1,350,000
Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2002 A & B (Refinancing of CIFP's 98-2 and 99-1) • 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 • Final payment due September 2029	18,374,000
Brentwood Infrastructure Financing Authority - CIFP 2003-1 Infrastructure Revenue Bonds, Series 2003 • Dated August 1, 2003 • Annual debt service payments, including interest at 2.25 percent to 6.375 percent, range from \$1,285,269 to \$1,289,813 • Final payment due September 2033	17,130,000
Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2004 A & B (Refinancing of CIFP 94-1) • Dated February 12, 2004 • Annual debt service payments, including interest at 2.0 percent to 5.2 percent, range from \$826,735 to \$2,407,520 • Final payment due September 2029	34,099,000
Brentwood Infrastructure Financing Authority - CIFP 2004-1 Infrastructure Revenue Bonds, Series 2004 • Dated August 5, 2004 • Annual debt service payments, including interest at 2.65 percent to 5.625 percent, range from \$1,537,821 to \$1,542,965 • Final payment due September 2034	21,915,000
Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2004 C (Refinancing of CIFP 2000-1) • Dated November 19, 2004 • Annual debt service payments, including interest at 2.0 percent to 4.375 percent, range from \$796,706 to \$818,338 • Final payment due September 2030	12,450,000
Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2005 A & B (Refinancing of CIFP 2002-1) • Dated June 16, 2005 • Annual debt service payments, including interest at 2.5 percent to 5.0 percent, range from \$1,046,784 to \$1,057,496 • Final payment due September 2032	16,565,000
Total Assessment District Debt	\$ 135,128,000

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 reduce 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 benefit provisions, as well as other requirements, is established by the State statutes within the Public Employee's Retirement Law. The City of Brentwood selects optional benefit provisions from the benefits 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 at 400 P Street, Sacramento, California 95814.

B. FUND POLICY

The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. Based on CalPERS requirements, active plan members in the Miscellaneous Plan are required to contribute eight 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. An employer is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The required employer contribution rate for fiscal year 2004/05 was 14.066 percent for miscellaneous employees and 31.323 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. For fiscal year 2004/05, the City of Brentwood paid both the member contribution amounts and the employer contribution amounts for all active plan members.

NOTE # 8 – DEFINED BENEFIT PENSION PLAN (Continued)

C. ANNUAL PENSION COST

For fiscal year 2004/05, the City of Brentwood’s annual pension cost was \$4,667,092. This amount equals the City’s required and actual contributions. The required contribution for fiscal year 2004/05 was determined as part of the June 30, 2003 actuarial valuation using the entry age normal actuarial cost method, with the contributions determined as a percent of pay. The actuarial assumptions included: a) 7.75 percent investment rate of return (net of administrative expenses), b) projected salary increases that vary by duration of service ranging from 3.25 percent to 14.45 percent for miscellaneous members and c) zero percent cost-of-living adjustment. Both (a) and (b) include an inflation component of 3.0 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 three year period. The Plan’s unfunded actuarial accrued liability (or excess assets) is being amortized as a level percentage of projected payrolls on a closed basis. The remaining amortization period ends June 30, 2025, for current service and June 30, 2016, 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
6/30/2003	\$ 2,234,268	100%	\$ -
6/30/2004	\$ 3,595,638	100%	\$ -
6/30/2005	\$ 4,667,092	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 disaster; errors and omissions; injuries to employees and unemployment claims. The City, along with other Contra Costa County cities, belongs to the Municipal Pooling Authority of Northern California (MPANC). MPANC, also referred to as the “Authority”, is 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 the following: Liability (\$15 million coverage, \$5,00 to \$250,000 deductible); Employer’s Resource Management Association (ERMA) (\$1 million, \$50,000 deductible on employment claims); Fire and Property (\$1 billion coverage, \$5,000 deductible); Flood (\$25 million, \$100,000 to \$250,000 minimum deductible per occurrence); Earthquake, in selected locations (\$25 million, deductible of 5% of reported value with \$100,000 minimum deductible per occurrence); Auto (\$250,000 coverage, Police \$3,000 deductible, all others \$2,000) and Workers Compensation (SIR \$500,000, Workers’ Comp \$149.5 million and Employer’s Liability \$49.5 million). 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.

NOTE # 9 – RISK MANAGEMENT (Continued)

The Authority was formed in June of 1977, under a “joint exercise of power agreement”, 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, 2005, 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 located 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, 2005 is as follows:

	<u>MPANC</u>
Total Assets	\$ 45,180,067
Total Liabilities	<u>30,926,078</u>
Total Equity	<u>14,253,989</u>
Total Revenues	<u>19,108,322</u>
Total Expenditures/Expenses	<u>18,013,942</u>
Net Increase (Decrease) in Retained Earnings	<u>\$ 1,094,380</u>

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 – POST-RETIREMENT HEALTH CARE BENEFITS

In addition to the pension benefits described in Note #8, the City provides post-retirement health care benefits 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, 35 retirees are receiving these benefits. The City pays up to \$764.59 per month of the amount of health insurance for miscellaneous retirees and \$789.10 for safety retirees. Expenditures for post-retirement health care benefits are recognized on a pay as you go method. During fiscal year 2004/05, expenditures of \$230,878 were recognized for post-retirement health care.

NOTE # 11 – 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 Byron 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 Byron/Brentwood/Knightesen Union Cemetery District. The agreements call for a pass-through of their share of the tax increment revenue. 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 Contra Costa County, Contra Costa Library 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 part of the pass-through amount owed by the Redevelopment Agency was deferred. The deferred amount accrues simple interest at the average annual rate for the State of California Local Agency Investment Fund (LAIF). For the fiscal year ended June 30, 2005, that rate is 2.23%. Both the non-deferred share of the pass-through, plus a portion of the deferred share, are paid annually. The entire deferred portion of the pass-throughs are scheduled to be repaid by fiscal year 2008/09.

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.

Brentwood Redevelopment Agency Statutory Pass-Through Payments

Assembly Bill 1290 (AB1290), passed in 1994, provided for statutory pass-through payments to taxing agencies when redevelopment agencies amend their plans. In 2000, the 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.

In 2001, the Brentwood Redevelopment Agency amended The Merged Redevelopment Plan by adding territory in the North Brentwood Redevelopment Area. This amendment triggered statutory pass-through payments to taxing entities from the added territory starting in 2005/06, the first year tax increment will be generated from the added area. Payments will be made in accordance with the provisions of AB1290.

NOTE # 12 – CONTINGENT LIABILITIES

A. LITIGATION

The City is involved as a defendant in four legal actions and two eminent domain proceedings. One of these actions is a lawsuit from a developer relating to the 1998 Benefit District Agreement. An unfavorable outcome could result in a loss ranging from \$0 to \$390,000. The City intends to vigorously defend the matter and anticipates a favorable outcome. Since the close of the fiscal year, the two eminent domain proceedings have been settled.

While it is not feasible to predict or determine the outcome in these cases, it is the opinion of the City that the outcomes 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 developer's impact fee credits since the developers constructed certain improvements beyond what was needed to serve their specific projects. The value of credits does 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, 2005 was \$16,839,291, after a total of \$12,046,614 were used as credits through fiscal year 2004/05. 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. CONSTRUCTION COMMITMENTS

As of June 30, 2005, the City had the following commitments with respect to unfinished capital projects:

<u>Project Name</u>	<u>Outstanding Commitment</u>
New City Hall	\$ 2,086,571
Surface Water Treatment Facility Phases I & II	10,143,433
Wastewater Treatment Plant - 5 MGD	1,360,227
Zone I Reservoir 1.3	1,220,110
	<u>\$ 14,810,341</u>

NOTE # 13 – SUBSEQUENT EVENTS

On July 21, 2005 the City, through the Brentwood Infrastructure Financing Authority, participated in the California Statewide Communities Development Authority, Statewide Community Infrastructure Program (SCIP) Series 2005A. The City has four developers participating in the program which will generate a total of \$1,740,919. Net proceeds from the sale of the bonds will be used to finance a portion of the costs of the acquisition, construction and the installation of certain capital improvements.

On August 3, 2005 the City, through the Brentwood Infrastructure Financing Authority, issued \$40,145,000 of Infrastructure Revenue Bonds. The CIFP 2005-1 Infrastructure Revenue Bonds, Series 2005, encompasses 1,820 dwelling units. Net proceeds of the sale of the bonds will be used to finance a portion of the costs of the acquisition, construction and the installation of certain capital improvements.

NOTE # 14 – FUND BALANCE RESTATEMENTS

The City has determined certain transactions were recorded incorrectly in the prior year due to unbilled utility receivables. Consequently, the beginning fund balance in the Water, Wastewater and Solid Waste funds were restated to record these unbilled revenues. The effect of the restatement on the beginning balance was an increase of \$1,521,148 in Water, \$227,061 in Wastewater and \$299,330 in Solid Waste.

Budgetary Comparison Schedule, General Fund
For Year Ended June 30, 2005

	Budget Amounts		Actual	Variance
	Original Budget	Final Budget		
REVENUES				
Taxes	\$ 9,532,516	\$ 9,416,278	\$ 9,755,433	\$ 339,155
Licenses	500,000	500,000	405,246	(94,754)
Permits and Fines	10,515,308	11,339,308	11,361,424	22,116
Uses of Money and Property	2,126,031	1,148,031	534,820	(613,211)
Intergovernmental	1,719,626	2,283,126	2,344,758	61,632
Franchises	596,327	746,327	672,172	(74,155)
Charges for Other Services	399,234	539,234	546,251	7,017
Charges to Other Funds	5,405,556	5,048,263	5,161,708	113,445
Fees and Other Revenues	94,500	453,902	113,283	(340,619)
Total Revenues	30,889,098	31,474,469	30,895,095	(579,374)
EXPENDITURES				
Current:				
General Government	4,596,845	5,269,065	4,268,210	1,000,855
Public Safety	12,893,042	12,959,417	10,674,694	2,284,723
Community Development	4,369,649	4,402,384	4,152,493	249,891
Engineering	2,770,327	2,882,327	2,166,280	716,047
Public Works	2,721,523	2,834,727	2,208,201	626,526
Parks	1,952,043	1,993,932	1,838,817	155,115
Community Services	229,121	229,121	195,189	33,932
Other	1,138,979	1,158,979	829,238	329,741
Capital Outlay	14,000	14,000	13,327	673
Total Expenditures	30,685,529	31,743,952	26,346,449	5,397,503
REVENUES OVER (UNDER) EXPENDITURES	203,569	(269,483)	4,548,646	4,818,129
OTHER FINANCING SOURCES (USES)				
Transfers In	973,050	973,050	934,891	(38,159)
Transfers Out	(8,479,357)	(8,665,913)	(8,813,365)	(147,452)
Total Other Financing Sources (Uses)	(7,506,307)	(7,692,863)	(7,878,474)	(185,611)
NET CHANGE IN FUND BALANCES	\$ (7,302,738)	\$ (7,962,346)	(3,329,828)	\$ 4,632,518
Fund Balance, Beginning of Year			22,830,391	
Fund Balance, End of Year			\$ 19,500,563	

Budgetary Comparison Schedule, Thoroughfares
For Year Ended June 30, 2005

	Budget Amounts		Actual	Variance
	Original Budget	Final Budget		
REVENUES				
Uses of Money and Property	\$ 25,000	\$ 25,000	\$ 75,571	\$ 50,571
Fees and Other Revenues	6,585,000	6,585,000	14,149,391	7,564,391
Total Revenues	6,610,000	6,610,000	14,224,962	7,614,962
EXPENDITURES				
Current:				
General Government	305,000	305,000	78,761	226,239
Total Expenditures	305,000	305,000	78,761	226,239
REVENUES OVER (UNDER) EXPENDITURES	6,305,000	6,305,000	14,146,201	7,841,201
OTHER FINANCING SOURCES (USES)				
Transfers Out	(4,360,889)	(4,087,008)	(6,400,874)	(2,313,866)
Total other Financing Sources (Uses)	(4,360,889)	(4,087,008)	(6,400,874)	(2,313,866)
NET CHANGE IN FUND BALANCES	\$ 1,944,111	\$ 2,217,992	7,745,327	\$ 5,527,335
Fund Balance, Beginning of Year			(5,408,273)	
Fund Balance, End of Year			\$ 2,337,054	

NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION

Budgets for governmental funds are prepared in accordance with GAAP for the United States of America. Through the budget, the City Council sets the direction of the City, allocates its resources and establishes its priorities. The annual budget, which covers the period from July 1 to June 30, establishes the foundation for 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, and capital outlay. These are considered operational in nature and reflect recurring costs. Capital improvement projects include asset acquisitions, facilities, systems and infrastructure improvements typically over \$10,000, and/or those items "outside" of the normal operational budget. These reflect one-time costs.

The City collects and records revenue and expenditures for Governmental Activities and Business-Type Activities. The City's budget reflects 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

Required Supplementary Information

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	Unfunded Actuarial Accrued Liability As a % of Payroll
6/30/2002	\$ 16,464,664	\$ 11,490,703	\$ 4,973,961	69.8%	\$ 9,320,568	53.4%
6/30/2003	\$ 19,995,273	\$ 13,036,220	\$ 6,959,053	65.2%	\$ 10,845,313	64.2%
6/30/2004	\$ 24,884,866	\$ 20,675,251	\$ 4,209,615	83.1%	\$ 13,533,385	31.1%

Safety:

Valuation Date	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded (Overfunded) Liability	Fund Ratio	Annual Covered Payroll	Unfunded Actuarial Accrued Liability As a % of Payroll
6/30/2002	\$ 11,379,582	\$ 7,573,953	\$ 3,805,629	66.6%	\$ 2,688,280	141.6%
6/30/2003	\$ 12,976,062	\$ 8,292,966	\$ 4,683,096	63.9%	\$ 3,179,899	147.3%
6/30/2004	\$ 14,582,704	\$ 11,102,619	\$ 3,480,085	76.1%	\$ 4,262,568	81.6%

City of Brentwood

**Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2005**

	Special Revenue Funds									
	Gas Tax	Police Grants	Other Grants	Community Facilities	Vehicle Abatement	Economic Development	Storm Drainage	RDA Low Income Housing	PEG Media	Bypass Authority
ASSETS										
Current Assets:										
Cash and Investments	\$ -	\$ 248,917	\$ 7,260	\$ 1,731,824	\$ 22,605	\$ -	\$ 108,789	\$ 1,437,681	\$ 401,733	\$ 15,121
Restricted Cash and Investments	-	-	-	-	-	-	-	-	-	-
Receivables	-	271	8	66,877	23	-	121	1,499	440	-
Prepays	-	-	-	-	-	-	-	265	-	-
Due from Other Funds	-	-	-	24,323	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	637,962	-	-
Total Assets	\$ -	\$ 249,188	\$ 7,268	\$ 1,823,024	\$ 22,628	\$ -	\$ 108,910	\$ 2,077,407	\$ 402,173	\$ 15,121
LIABILITIES AND FUND BALANCES										
Current Liabilities:										
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ 1,326	\$ -	\$ -	\$ -	\$ 3,199	\$ -	\$ 15,121
Due to Other Funds	-	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	90,008	-	-	-	-	-	-
Deposits Held	-	-	-	-	-	-	-	21,000	-	-
Total Liabilities	-	-	-	91,334	-	-	-	24,199	-	15,121
Fund Balances:										
Reserved for:										
Prepays	-	-	-	-	-	-	-	265	-	-
Land Held for Resale	-	-	-	-	-	-	-	637,962	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-
Specific Projects and Programs	-	249,188	7,268	-	22,628	-	-	1,414,981	402,173	-
Unreserved, Reported in:										
Special Revenue	-	-	-	1,731,690	-	-	108,910	-	-	-
Total Fund Balances	-	249,188	7,268	1,731,690	22,628	-	108,910	2,053,208	402,173	-
Total Liabilities and Fund Balances	\$ -	\$ 249,188	\$ 7,268	\$ 1,823,024	\$ 22,628	\$ -	\$ 108,910	\$ 2,077,407	\$ 402,173	\$ 15,121

Continued

City of Brentwood

Combining Balance Sheet
Non-Major Governmental Funds (Continued)
 June 30, 2005

Special Revenue Funds (Continued)

	Asset Forfeiture	Open Space	Measure C	Facility Fee Administration	Agriculture Administration	Public Art Administration	Fire Fees	Agriculture Land	Affordable Housing In Lieu	Parking In Lieu
ASSETS										
Current Assets:										
Cash and Investments	\$ 22,367	\$ 160,889	\$ -	\$ 1,462,804	\$ 928,718	\$ 23,662	\$ 338,449	\$ 6,734,810	\$ -	\$ 21,077
Restricted Cash and Investments	-	-	-	-	-	-	-	-	-	-
Receivables	24	178	364,398	43,859	986	35	298	7,256	-	24
Prepays	-	-	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	3,654	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ 22,391	\$ 161,067	\$ 364,398	\$ 1,510,317	\$ 929,704	\$ 23,697	\$ 338,747	\$ 6,742,066	\$ -	\$ 21,101
LIABILITIES AND FUND BALANCES										
Current Liabilities:										
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ 1,326	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	286,094	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	45,659	-	-	-	-	-	-
Deposits Held	-	-	-	-	-	-	-	-	-	-
Total Liabilities	-	-	286,094	46,985	-	-	-	-	-	-
Fund Balances:										
Reserved for:										
Prepays	-	-	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-
Specific Projects and Programs	22,391	161,067	78,304	-	929,704	23,697	338,747	6,742,066	-	21,101
Unreserved, Reported in:										
Special Revenue	-	-	-	1,463,332	-	-	-	-	-	-
Total Fund Balances	22,391	161,067	78,304	1,463,332	929,704	23,697	338,747	6,742,066	-	21,101
Total Liabilities and Fund Balances	\$ 22,391	\$ 161,067	\$ 364,398	\$ 1,510,317	\$ 929,704	\$ 23,697	\$ 338,747	\$ 6,742,066	\$ -	\$ 21,101

Continued

City of Brentwood

Combining Balance Sheet
Non-Major Governmental Funds (Continued)
 June 30, 2005

	Debt Service Funds				Capital Projects Funds			
	Redevelopment Debt	Capital Improvement Program 2001	2002 General Obligation Bond	Capital Lease Program	Capital Improvement Financing Program 94-1 (2004 A&B Refi)	Capital Improvement Financing Program 99-1 (2002 A&B Refi)	Capital Improvement Financing Program 2000-1 (2004 C Refi)	Capital Improvement Financing Program 2002-1 (2005 A&B Refi)
ASSETS								
Current Assets:								
Cash and Investments	\$ 3,020,336	\$ 129,702	\$ 102,472	\$ -	\$ -	\$ -	\$ 543	\$ 802
Restricted Cash and Investments	-	2,110,143	-	-	2,398,216	-	1,037,863	1,118,938
Receivables	15,449	-	-	-	-	-	-	-
Prepays	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-
Total Assets	\$ 3,035,785	\$ 2,239,845	\$ 102,472	\$ -	\$ 2,398,216	\$ -	\$ 1,038,406	\$ 1,119,740
LIABILITIES AND FUND BALANCES								
Current Liabilities:								
Accounts Payable and Accrued Liabilities	\$ 852,280	\$ 237,260	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-
Deposits Held	-	-	-	-	-	-	-	-
Total Liabilities	852,280	237,260	-	-	-	-	-	-
Fund Balances:								
Reserved for:								
Prepays	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-
Debt Service	2,183,505	2,002,585	102,472	-	-	-	-	-
Specific Projects and Programs	-	-	-	-	2,398,216	-	1,038,406	1,119,740
Unreserved, Reported in:								
Special Revenue	-	-	-	-	-	-	-	-
Total Fund Balances	2,183,505	2,002,585	102,472	-	2,398,216	-	1,038,406	1,119,740
Total Liabilities and Fund Balances	\$ 3,035,785	\$ 2,239,845	\$ 102,472	\$ -	\$ 2,398,216	\$ -	\$ 1,038,406	\$ 1,119,740

Continued

Combining Balance Sheet
Non-Major Governmental Funds (Continued)
 June 30, 2005

Capital Projects Funds (Continued)

	Capital Improvement Financing Program 2003-1	Capital Improvement Financing Program 2004-1	2002 Series A & B	Capital Improvement 2001	Drainage Improvement Projects	Street Improvement Projects	Redevelopment Projects	Total Non-Major Governmental Funds
ASSETS								
Current Assets:								
Cash and Investments	\$ -	\$ -	\$ -	\$ 13,018	\$ 109,181	\$ 2,723,160	\$ 1,877,112	\$ 21,643,032
Restricted Cash and Investments	1,904,401	79,213	353,302	37,168	-	-	8,275,598	17,314,842
Receivables	-	-	-	-	-	3,002	66,578	571,326
Prepays	-	-	-	-	-	-	386	651
Due from Other Funds	-	-	-	-	-	-	-	27,977
Land Held for Resale	-	-	-	-	-	-	219,948	857,910
Total Assets	\$ 1,904,401	\$ 79,213	\$ 353,302	\$ 50,186	\$ 109,181	\$ 2,726,162	\$ 10,439,622	\$ 40,415,738
LIABILITIES AND FUND BALANCES								
Current Liabilities:								
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ 7,444	\$ 1,326	\$ 12,579	\$ 1,131,861
Due to Other Funds	-	-	-	-	-	-	-	286,094
Unearned Revenue	-	-	-	-	-	-	-	135,667
Deposits Held	-	-	-	-	-	-	-	21,000
Total Liabilities	-	-	-	-	7,444	1,326	12,579	1,574,622
Fund Balances:								
Reserved for:								
Prepays	-	-	-	-	-	-	386	651
Land Held for Resale	-	-	-	-	-	-	219,948	857,910
Debt Service	-	-	-	-	-	-	-	4,288,562
Specific Projects and Programs	1,904,401	79,213	353,302	50,186	101,737	2,724,836	10,206,709	30,390,061
Unreserved, Reported in:								
Special Revenue	-	-	-	-	-	-	-	3,303,932
Total Fund Balances	1,904,401	79,213	353,302	50,186	101,737	2,724,836	10,427,043	38,841,116
Total Liabilities and Fund Balances	\$ 1,904,401	\$ 79,213	\$ 353,302	\$ 50,186	\$ 109,181	\$ 2,726,162	\$ 10,439,622	\$ 40,415,738

City of Brentwood

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For Year Ended June 30, 2005**

	Special Revenue Funds									
	Gas Tax	Police Grants	Other Grants	Community Facilities	Vehicle Abatement	Economic Development	Storm Drainage	RDA Low Income Housing	PEG Media	Bypass Authority
REVENUES										
Taxes	\$ 699,429	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 936,886	\$ -	\$ -
Uses of Money and Property	-	4,226	89	7,484	217	28	1,975	16,059	2,173	-
Intergovernmental	-	155,994	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	5,250,105	17,325	5,120	-	-	400,000	-
Total Revenues	699,429	160,220	89	5,257,589	17,542	5,148	1,975	952,945	402,173	-
EXPENDITURES										
Current:										
General Government	-	-	-	-	-	-	-	815,762	-	15,121
Public Safety	-	7,999	-	-	3,875	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	29,079	-	-	1,190	-	-	-
Other	-	-	-	-	-	-	3,000	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-
Total Expenditures	-	7,999	-	29,079	3,875	-	4,190	815,762	-	15,121
REVENUES OVER (UNDER) EXPENDITURES	699,429	152,221	89	5,228,510	13,667	5,148	(2,215)	137,183	402,173	(15,121)
OTHER FINANCING SOURCES (USES)										
Transfers In	-	3,205	-	-	-	-	-	-	-	-
Transfers Out	(699,429)	(20,449)	-	(3,121,409)	(7,000)	(27,211)	(115,000)	-	-	-
Total Other Financing Sources (Uses)	(699,429)	(17,244)	-	(3,121,409)	(7,000)	(27,211)	(115,000)	-	-	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	-	134,977	89	2,107,101	6,667	(22,063)	(117,215)	137,183	402,173	(15,121)
Fund Balance, Beginning of Year	-	114,211	7,179	(375,411)	15,961	22,063	226,125	1,916,025	-	15,121
Fund Balance, End of Year	\$ -	\$ 249,188	\$ 7,268	\$ 1,731,690	\$ 22,628	\$ -	\$ 108,910	\$ 2,053,208	\$ 402,173	\$ -

Continued

City of Brentwood

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
For Year Ended June 30, 2005**

Special Revenue Funds (Continued)

	Asset Forfeiture	Open Space	Measure C	Facility Fee Administration	Agriculture Administration	Public Art Administration	Fire Fees	Agriculture Land	Affordable Housing In Lieu	Parking In Lieu
REVENUES										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	237	2,013	98	23,450	12,527	273	3,237	71,774	-	221
Intergovernmental	-	-	364,398	-	-	-	-	-	-	-
Fees and Other Revenues	14,566	-	-	791,589	386,261	48,024	642,985	1,542,040	-	20,880
Total Revenues	14,803	2,013	364,496	815,039	398,788	48,297	646,222	1,613,814	-	21,101
EXPENDITURES										
Current:										
General Government	-	-	-	854,158	-	-	-	-	-	-
Public Safety	7,572	-	2,917	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-	-
Community Services	-	12,000	-	-	-	-	-	-	-	-
Other	-	-	-	-	175,920	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal	-	-	-	849,020	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	67,643	-	-	-	-	-	-
Total Expenditures	7,572	12,000	2,917	1,770,821	175,920	-	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	7,231	(9,987)	361,579	(955,782)	222,868	48,297	646,222	1,613,814	-	21,101
OTHER FINANCING SOURCES (USES)										
Transfers In	-	-	-	-	-	-	-	367,029	-	-
Transfers Out	-	-	(376,250)	-	(367,029)	(24,600)	(500,000)	-	(1,952,808)	-
Total Other Financing Sources (Uses)	-	-	(376,250)	-	(367,029)	(24,600)	(500,000)	367,029	(1,952,808)	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	7,231	(9,987)	(14,671)	(955,782)	(144,161)	23,697	146,222	1,980,843	(1,952,808)	21,101
Fund Balance, Beginning of Year	15,160	171,054	92,975	2,419,114	1,073,865	-	192,525	4,761,223	1,952,808	-
Fund Balance, End of Year	\$ 22,391	\$ 161,067	\$ 78,304	\$ 1,463,332	\$ 929,704	\$ 23,697	\$ 338,747	\$ 6,742,066	\$ -	\$ 21,101

Continued

City of Brentwood

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
For Year Ended June 30, 2005**

	Debt Service Funds				Capital Projects Funds			
	Redevelopment Debt	Capital Improvement Program 2001	2002 General Obligation Bond	Capital Lease Program	Capital Improvement Financing Program 94-1 (2004 A&B Refi)	Capital Improvement Financing Program 99-1 (2002 A&B Refi)	Capital Improvement Financing Program 2000-1 (2004 C Refi)	Capital Improvement Financing Program 2002-1 (2005 A&B Refi)
REVENUES								
Taxes	\$ 3,747,545	\$ -	\$ 266,678	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	170,600	38,427	-	-	27,636	2,529	11,882	17,839
Intergovernmental	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	-	401,843	-	319,933	-
Total Revenues	3,918,145	38,427	266,678	-	429,479	2,529	331,815	17,839
EXPENDITURES								
Current:								
General Government	-	-	-	-	49,284	-	153,199	745,063
Public Safety	-	-	-	-	-	-	-	-
Community Development	1,248,732	12,348	4,805	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	395,000	240,000	105,000	66,869	-	-	-	-
Interest and Fiscal Charges	977,750	476,473	156,656	6,456	-	-	-	-
Total Expenditures	2,621,482	728,821	266,461	73,325	49,284	-	153,199	745,063
REVENUES OVER (UNDER) EXPENDITURES	1,296,663	(690,394)	217	(73,325)	380,195	2,529	178,616	(727,224)
OTHER FINANCING SOURCES (USES)								
Transfers In	-	681,846	-	73,325	-	-	-	-
Transfers Out	(541,839)	-	-	-	-	(351,096)	-	-
Total Other Financing Sources (Uses)	(541,839)	681,846	-	73,325	-	(351,096)	-	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	754,824	(8,548)	217	-	380,195	(348,567)	178,616	(727,224)
Fund Balance, Beginning of Year	1,428,681	2,011,133	102,255	-	2,018,021	348,567	859,790	1,846,964
Fund Balance, End of Year	\$ 2,183,505	\$ 2,002,585	\$ 102,472	\$ -	\$ 2,398,216	\$ -	\$ 1,038,406	\$ 1,119,740

Continued

City of Brentwood

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
For Year Ended June 30, 2005**

Capital Projects Funds (Continued)

	Capital Improvement Financing Program 2003-1	Capital Improvement Financing Program 2004-1	2002 Series A & B	Capital Improvement 2001	Drainage Improvement Projects	Street Improvement Projects	Redevelopment Projects	Total Non-Major Governmental Funds
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,650,538
Uses of Money and Property	29,852	973	2,206	504	-	34,961	3,062,844	3,546,334
Intergovernmental	-	-	-	-	-	-	-	520,392
Fees and Oher Revenues	-	78,240	-	-	-	-	-	9,918,911
Total Revenues	29,852	79,213	2,206	504	-	34,961	3,062,844	19,636,175
EXPENDITURES								
Current:								
General Government	1,926,945	-	-	-	-	6,874	4,535,021	9,101,427
Public Safety	-	-	-	-	-	-	-	22,363
Community Development	-	-	-	-	-	-	-	1,265,885
Community Services	-	-	-	-	-	-	-	42,269
Other	-	-	-	-	-	-	-	178,920
Capital Outlay	-	-	-	-	13,263	-	-	13,263
Debt Service:								
Principal	-	-	-	-	-	-	-	1,655,889
Interest and Fiscal Charges	-	-	-	-	-	-	-	1,684,978
Total Expenditures	1,926,945	-	-	-	13,263	6,874	4,535,021	13,964,994
REVENUES OVER (UNDER) EXPENDITURES	(1,897,093)	79,213	2,206	504	(13,263)	28,087	(1,472,177)	5,671,181
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	351,096	-	115,000	-	541,839	2,133,340
Transfers Out	-	-	-	-	-	-	-	(8,104,120)
Total Other Financing Sources (Uses)	-	-	351,096	-	115,000	-	541,839	(5,970,780)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES								
	(1,897,093)	79,213	353,302	504	101,737	28,087	(930,338)	(299,599)
Fund Balance, Beginning of Year	3,801,494	-	-	49,682	-	2,696,749	11,357,381	39,140,715
Fund Balance, End of Year	\$ 1,904,401	\$ 79,213	\$ 353,302	\$ 50,186	\$ 101,737	\$ 2,724,836	\$ 10,427,043	\$ 38,841,116

City of Brentwood

**Combining Statement of Net Assets
All Internal Service Funds
June 30, 2005**

	Emergency Preparedness	Information Services	Vehicle Replacement	Information Systems Replacement	Building Replacement	Tuition Program	Fleet Maintenance	Park Assessment Replacement	Insurance	TOTALS
ASSETS										
Current Assets:										
Cash and Investments	\$ 5,442,043	\$ 59,710	\$ 4,321,685	\$ 402,485	\$ 876,398	\$ 58,548	\$ 259,168	\$ 342,631	\$ 1,487,163	\$ 13,249,831
Receivables	6,000	33	4,715	28,478	1,110	64	61,080	360	666	102,506
Prepays	-	1,407	-	-	337	-	780	-	-	2,524
Total Current Assets	5,448,043	61,150	4,326,400	430,963	877,845	58,612	321,028	342,991	1,487,829	13,354,861
Non-Current Assets:										
Capital Assets:										
Machinery and Equipment	-	-	1,408,406	416,160	-	-	-	-	-	1,824,566
Vehicles	-	-	5,632,087	-	-	-	-	-	-	5,632,087
Less Accumulated Depreciation	-	-	(3,737,428)	(225,437)	-	-	-	-	-	(3,962,865)
Total Capital Assets, Net of Accumulated Depreciation	-	-	3,303,065	190,723	-	-	-	-	-	3,493,788
Total Non-Current Assets	-	-	3,303,065	190,723	-	-	-	-	-	3,493,788
Total Assets	5,448,043	61,150	7,629,465	621,686	877,845	58,612	321,028	342,991	1,487,829	16,848,649
LIABILITIES AND NET ASSETS										
Current Liabilities:										
Accounts Payable and Accrued Liabilities	-	2,444	27,699	8,587	12,534	-	34,242	-	-	85,506
Unearned Revenue	-	-	-	-	75	-	-	-	-	75
Long-Term Debt Due Within One Year	-	885	35,500	-	300	-	486	-	-	37,171
Total Current Liabilities	-	3,329	63,199	8,587	12,909	-	34,728	-	-	122,752
Non-Current Liabilities Due in More Than One Year:										
Compensated Absences Payable	-	28,623	-	-	9,706	-	15,698	-	-	54,027
Total Non-Current Liabilities	-	28,623	-	-	9,706	-	15,698	-	-	54,027
Total Liabilities	-	31,952	63,199	8,587	22,615	-	50,426	-	-	176,779
Net Assets:										
Invested in Capital Assets, Net of Related Debt	-	-	3,303,065	190,723	-	-	-	-	-	3,493,788
Unrestricted	5,448,043	29,198	4,263,201	422,376	855,230	58,612	270,602	342,991	1,487,829	13,178,082
Total Net Assets	\$ 5,448,043	\$ 29,198	\$ 7,566,266	\$ 613,099	\$ 855,230	\$ 58,612	\$ 270,602	\$ 342,991	\$ 1,487,829	\$ 16,671,870

City of Brentwood

**Combining Statement of Activities and Changes in Net Assets
All Internal Service Funds
For Year Ended June 30, 2005**

	Emergency Preparedness	Information Services	Vehicle Replacement	Information Systems Replacement	Building Replacement	Tuition Program	Fleet Maintenance	Park Assessment Replacement	Insurance	TOTALS
Operating Revenues:										
Charges for Services	\$ -	\$ 980,926	\$ 1,733,282	\$ 315,340	\$ 440,716	\$ 9,918	\$ 856,989	\$ 202,862	\$ 1,487,829	\$ 6,027,862
Other Income	-	-	30,446	-	40,306	-	60,805	-	-	131,557
Total Operating Revenues	-	980,926	1,763,728	315,340	481,022	9,918	917,794	202,862	1,487,829	6,159,419
Operating Expenses:										
Personnel Services	-	743,360	-	-	247,822	-	374,870	-	-	1,366,052
Repairs and Maintenance	-	1,159	-	-	9,924	-	79,694	40,072	-	130,849
Materials, Supplies and Services	1,626	221,569	18,986	199,245	112,202	5,723	389,849	-	-	949,200
Depreciation and Amortization	-	-	620,939	63,017	-	-	-	-	-	683,956
Total Operating Expenses	1,626	966,088	639,925	262,262	369,948	5,723	844,413	40,072	-	3,130,057
Operating Income (Loss)	(1,626)	14,838	1,123,803	53,078	111,074	4,195	73,381	162,790	1,487,829	3,029,362
Non-Operating Revenue (Expenses):										
Interest Income	66,398	494	49,680	5,189	10,244	715	2,883	3,479	-	139,082
Interest Expense	-	-	(3,891)	-	-	-	-	-	-	(3,891)
Loss on Disposal of Capital Assets	-	-	(11,813)	-	-	-	-	-	-	(11,813)
Total Non-Operating Revenues (Expenses)	66,398	494	33,976	5,189	10,244	715	2,883	3,479	-	123,378
Income (Loss) before Contributions and Transfers	64,772	15,332	1,157,779	58,267	121,318	4,910	76,264	166,269	1,487,829	3,152,740
Transfers In	-	-	431,271	10,546	-	-	-	-	-	441,817
Transfers Out	-	-	-	(250,000)	-	-	-	-	-	(250,000)
Change in Net Assets	64,772	15,332	1,589,050	(181,187)	121,318	4,910	76,264	166,269	1,487,829	3,344,557
Net Assets, Beginning of Year	5,383,271	13,866	5,977,216	794,286	733,912	53,702	194,338	176,722	-	13,327,313
Net Assets, End of Year	\$ 5,448,043	\$ 29,198	\$ 7,566,266	\$ 613,099	\$ 855,230	\$ 58,612	\$ 270,602	\$ 342,991	\$ 1,487,829	\$ 16,671,870

Combining Statement of Cash Flows
All Internal Service Funds
For Year Ended June 30, 2005

	Emergency Preparedness	Information Services	Vehicle Replacement	Information Systems Replacement	Building Replacement	Tuition Program	Fleet Maintenance	Park Assessment Replacement	Insurance	TOTALS
Cash Flows from Operating Activities										
Cash Received from Customers/Other Funds	\$ -	\$ -	\$ 27,865	\$ 13,300	\$ 39,973	\$ -	\$ -	\$ 44	\$ -	\$ 81,182
Cash Received from Interfund Services	-	980,926	1,733,282	315,340	440,716	9,918	856,866	202,862	1,487,163	6,027,073
Cash Payments to Suppliers of Goods and Services	(1,626)	(97,830)	(50,033)	(211,805)	(86,815)	(8,383)	(405,032)	(40,072)	-	(901,596)
Cash Payments to Employees for Services	-	(743,360)	-	-	(247,822)	-	(374,870)	-	-	(1,366,052)
Cash Payments for Interfund Services	-	(130,472)	-	-	(36,389)	-	(45,997)	-	-	(212,858)
Other Recipients/Payments	(2,709)	(22)	-	-	-	(31)	-	-	-	(2,762)
Net Cash Provided By (Used for) Operating Activities	(4,335)	9,242	1,711,114	116,835	109,663	1,504	30,967	162,834	1,487,163	3,624,987
Cash Flows from Non-Capital Financing Activities										
Transfers Paid	-	-	-	(250,000)	-	-	-	-	-	(250,000)
Net Cash Provided By (Used for) Non-Capital Financing Activities	-	-	-	(250,000)	-	-	-	-	-	(250,000)
Cash Flows from Capital and Related Financing Activities										
Interest Paid on Debt	-	-	(3,891)	-	-	-	-	-	-	(3,891)
Principal Paid on Debt	-	-	(33,608)	-	-	-	-	-	-	(33,608)
Acquisition and Construction of Assets	-	-	(993,440)	-	-	-	-	-	-	(993,440)
Net Cash Provided By (Used for) Capital and Related Financing Activities	-	-	(1,030,939)	-	-	-	-	-	-	(1,030,939)
Cash Flows from Investing Activities										
Interest on Investments	66,398	494	49,680	5,189	10,244	715	2,883	3,479	-	139,082
Net Cash Provided By Investing Activities	66,398	494	49,680	5,189	10,244	715	2,883	3,479	-	139,082
Net Increase (Decrease) in Cash and Cash Equivalents	62,063	9,736	729,855	(127,976)	119,907	2,219	33,850	166,313	1,487,163	2,483,130
Cash and Cash Equivalents - Beginning of Year	5,379,980	49,974	3,591,830	530,461	756,491	56,329	225,318	176,318	-	10,766,701
Cash and Cash Equivalents - End of Year	\$ 5,442,043	\$ 59,710	\$ 4,321,685	\$ 402,485	\$ 876,398	\$ 58,548	\$ 259,168	\$ 342,631	\$ 1,487,163	\$ 13,249,831
Reconciliation of Operating Income to Net Cash Provided By (Used for) Operating Activities:										
Operating Income (Loss)	\$ (1,626)	\$ 14,838	\$ 1,123,803	\$ 53,078	\$ 111,074	\$ 4,195	\$ 73,381	\$ 162,790	\$ 1,487,829	\$ 3,029,362
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used for) Operating Activities										
Depreciation	-	-	620,939	63,017	-	-	-	-	-	683,956
Change in Assets and Liabilities:										
Receivables, Net	(2,709)	(22)	(2,580)	13,300	(333)	(31)	(60,930)	44	(666)	(53,927)
Accounts Payable and Other Payables	-	(5,574)	(31,048)	(12,560)	(1,078)	(2,660)	18,516	-	-	(34,404)
Net Cash Provided By (Used for) Operating Activities	\$ (4,335)	\$ 9,242	\$ 1,711,114	\$ 116,835	\$ 109,663	\$ 1,504	\$ 30,967	\$ 162,834	\$ 1,487,163	\$ 3,624,987
Noncash Capital Activities:										
Assets Contributed from Other Funds	-	-	(431,271)	(10,546)	-	-	-	-	-	(441,817)



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Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2005

	Assessment			Total
	Districts	Pass-Through	Asset Seizure	
ASSETS				
Cash and Investments	\$ 10,752,991	\$ 5,554,070	\$ 27,371	\$ 16,334,432
Restricted Cash and Investments	5,328,349	-	-	5,328,349
Interest Receivable	23,209	7,157	30	30,396
Accounts Receivable	834	-	-	834
Total Assets	\$ 16,105,383	\$ 5,561,227	\$ 27,401	\$ 21,694,011
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 369,075	\$ 5,525,873	\$ -	\$ 5,894,948
Due to Others	1,972,941	35,354	27,401	2,035,696
Due to Bondholders	13,763,367	-	-	13,763,367
Total Liabilities	\$ 16,105,383	\$ 5,561,227	\$ 27,401	\$ 21,694,011

Combining Statement of Changes in Fiduciary Assets and Liabilities

Agency Funds

June 30, 2005

	Balance July 1, 2004	Additions	Deductions	Balance June 30, 2005
Assessment Districts				
ASSETS				
Cash and Investments	\$ 7,799,852	\$ 39,069,302	\$ 36,116,163	\$ 10,752,991
Restricted Cash and Investments	5,945,858	53,519,577	54,137,086	5,328,349
Interest Receivable	23,301	59,954	60,046	23,209
Prepays	951	2,126	3,077	-
Accounts Receivable	2,275	834	2,275	834
Total Assets	<u>\$ 13,772,237</u>	<u>\$ 92,651,793</u>	<u>\$ 90,318,647</u>	<u>\$ 16,105,383</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 363,535	\$ 13,320,137	\$ 13,314,597	\$ 369,075
Due to Others	1,402,122	2,706,040	2,135,221	1,972,941
Due to Bondholders	12,006,580	76,625,616	74,868,829	13,763,367
Total Liabilities	<u>\$ 13,772,237</u>	<u>\$ 92,651,793</u>	<u>\$ 90,318,647</u>	<u>\$ 16,105,383</u>
Pass-Through				
ASSETS				
Cash and Investments	\$ -	\$ 19,902,612	\$ 14,348,542	\$ 5,554,070
Interest Receivable	-	7,157	-	7,157
Total Assets	<u>\$ -</u>	<u>\$ 19,909,769</u>	<u>\$ 14,348,542</u>	<u>\$ 5,561,227</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ -	\$ 19,739,511	\$ 14,213,638	\$ 5,525,873
Due to Others	-	170,258	134,904	35,354
Total Liabilities	<u>\$ -</u>	<u>\$ 19,909,769</u>	<u>\$ 14,348,542</u>	<u>\$ 5,561,227</u>
Asset Seizure				
ASSETS				
Cash and Investments	\$ 28,047	\$ 1,651	\$ 2,327	\$ 27,371
Interest Receivable	17	30	17	30
Total Assets	<u>\$ 28,064</u>	<u>\$ 1,681</u>	<u>\$ 2,344</u>	<u>\$ 27,401</u>
LIABILITIES				
Due to Others	\$ 28,064	\$ 1,681	\$ 2,344	\$ 27,401
Total Liabilities	<u>\$ 28,064</u>	<u>\$ 1,681</u>	<u>\$ 2,344</u>	<u>\$ 27,401</u>
Total - All Agency Funds				
ASSETS				
Cash and Investments	\$ 7,827,899	\$ 58,973,565	\$ 50,467,032	\$ 16,334,432
Restricted Cash and Investments	5,945,858	53,519,577	54,137,086	5,328,349
Interest Receivable	23,318	67,141	60,063	30,396
Prepays	951	2,126	3,077	-
Accounts Receivable	2,275	834	2,275	834
Total Assets	<u>\$ 13,800,301</u>	<u>\$ 112,563,243</u>	<u>\$ 104,669,533</u>	<u>\$ 21,694,011</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 363,535	\$ 33,059,648	\$ 27,528,235	\$ 5,894,948
Due to Others	1,430,186	2,877,979	2,272,469	2,035,696
Due to Bondholders	12,006,580	76,625,616	74,868,829	13,763,367
Total Liabilities	<u>\$ 13,800,301</u>	<u>\$ 112,563,243</u>	<u>\$ 104,669,533</u>	<u>\$ 21,694,011</u>

City of Brentwood

Balance Sheet

General Fund

June 30, 2005

ASSETS

Current Assets:

Cash and Investments	\$	28,820,339
Receivables		844,608
Prepays		122,935

Total Assets \$ 29,787,882

LIABILITIES AND FUND BALANCES

Current Liabilities:

Accounts Payable and Accrued Liabilities	\$	1,539,007
Unearned Revenue		47,135
Deposits Held		8,701,177

Total Liabilities 10,287,319

Fund Balances:

Reserved for:

Prepays		122,935
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Unreserved, Reported in:

General Fund		19,377,628
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Total Fund Balances 19,500,563

Total Liabilities and Fund Balances \$ 29,787,882

City of Brentwood

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For Year Ended June 30, 2005

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Taxes	\$ 9,416,278	\$ 9,755,433	\$ 339,155
Licenses	500,000	405,246	(94,754)
Permits and Fines	11,339,308	11,361,424	22,116
Uses of Money and Property	1,148,031	534,820	(613,211)
Intergovernmental	2,283,126	2,344,758	61,632
Franchises	746,327	672,172	(74,155)
Charges for Other Services	539,234	546,251	7,017
Charges to Other Funds	5,048,263	5,161,708	113,445
Fees and Other Revenues	453,902	113,283	(340,619)
Total Revenues	<u>31,474,469</u>	<u>30,895,095</u>	<u>(579,374)</u>
EXPENDITURES			
Current:			
General Government	5,269,065	4,268,210	1,000,855
Public Safety	12,959,417	10,674,694	2,284,723
Community Development	4,402,384	4,152,493	249,891
Engineering	2,882,327	2,166,280	716,047
Public Works	2,834,727	2,208,201	626,526
Parks	1,993,932	1,838,817	155,115
Community Services	229,121	195,189	33,932
Other	1,158,979	829,238	329,741
Capital Outlay	14,000	13,327	673
Total Expenditures	<u>31,743,952</u>	<u>26,346,449</u>	<u>5,397,503</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(269,483)</u>	<u>4,548,646</u>	<u>4,818,129</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	973,050	934,891	(38,159)
Transfers Out	(8,665,913)	(8,813,365)	(147,452)
Total Other Financing Sources (Uses)	<u>(7,692,863)</u>	<u>(7,878,474)</u>	<u>(185,611)</u>
NET CHANGE IN FUND BALANCES	<u>\$ (7,962,346)</u>	<u>(3,329,828)</u>	<u>\$ 4,632,518</u>
Fund Balance, Beginning of Year		<u>22,830,391</u>	
Fund Balance, End of Year		<u>\$ 19,500,563</u>	

City of Brentwood

Combining Balance Sheet

All Special Revenue Funds

June 30, 2005

	Thoroughfares	Gas Tax	Police Grants	Other Grants	Community Facilities	Vehicle Abatement	Economic Development	Storm Drainage	RDA Low Income Housing	PEG Media	Bypass Authority
ASSETS											
Current Assets:											
Cash and Investments	\$ 2,335,888	\$ -	\$ 248,917	\$ 7,260	\$ 1,731,824	\$ 22,605	\$ -	\$ 108,789	\$ 1,437,681	\$ 401,733	\$ 15,121
Receivables	1,220,965	-	271	8	66,877	23	-	121	1,499	440	-
Prepays	-	-	-	-	-	-	-	-	265	-	-
Due from Other Funds	77,029	-	-	-	24,323	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-	637,962	-	-
Total Assets	\$ 3,633,882	\$ -	\$ 249,188	\$ 7,268	\$ 1,823,024	\$ 22,628	\$ -	\$ 108,910	\$ 2,077,407	\$ 402,173	\$ 15,121
LIABILITIES AND FUND BALANCES											
Current Liabilities:											
Accounts Payable and Accrued Liabilities	\$ 1,326	\$ -	\$ -	\$ -	\$ 1,326	\$ -	\$ -	\$ -	\$ 3,199	\$ -	\$ 15,121
Due to Other Funds	-	-	-	-	-	-	-	-	-	-	-
Unearned Revenue	1,295,502	-	-	-	90,008	-	-	-	-	-	-
Deposits Held	-	-	-	-	-	-	-	-	21,000	-	-
Total Liabilities	1,296,828	-	-	-	91,334	-	-	-	24,199	-	15,121
Fund Balances:											
Reserved for:											
Prepays	-	-	-	-	-	-	-	-	265	-	-
Land Held for Resale	-	-	-	-	-	-	-	-	637,962	-	-
Specific Projects and Programs	-	-	249,188	7,268	-	22,628	-	-	1,414,981	402,173	-
Unreserved, Reported in:											
Special Revenue	2,337,054	-	-	-	1,731,690	-	-	108,910	-	-	-
Total Fund Balances	2,337,054	-	249,188	7,268	1,731,690	22,628	-	108,910	2,053,208	402,173	-
Total Liabilities and Fund Balances	\$ 3,633,882	\$ -	\$ 249,188	\$ 7,268	\$ 1,823,024	\$ 22,628	\$ -	\$ 108,910	\$ 2,077,407	\$ 402,173	\$ 15,121

Continued

Combining Balance Sheet
All Special Revenue Funds (Continued)
 June 30, 2005

	Asset Forfeiture	Open Space	Measure C	Facility Fee Administration	Agriculture Administration	Public Art Administration	Fire Fees	Agriculture Land	Affordable Housing In Lieu	Parking In Lieu	Totals
ASSETS											
Current Assets:											
Cash and Investments	\$ 22,367	\$ 160,889	\$ -	\$ 1,462,804	\$ 928,718	\$ 23,662	\$ 338,449	\$ 6,734,810	\$ -	\$ 21,077	\$ 16,002,594
Receivables	24	178	364,398	43,859	986	35	298	7,256	-	24	1,707,262
Prepays	-	-	-	-	-	-	-	-	-	-	265
Due from Other Funds	-	-	-	3,654	-	-	-	-	-	-	105,006
Land Held for Resale	-	-	-	-	-	-	-	-	-	-	637,962
Total Assets	\$ 22,391	\$ 161,067	\$ 364,398	\$ 1,510,317	\$ 929,704	\$ 23,697	\$ 338,747	\$ 6,742,066	\$ -	\$ 21,101	\$ 18,453,089
LIABILITIES AND FUND BALANCES											
Current Liabilities:											
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ 1,326	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,298
Due to Other Funds	-	-	286,094	-	-	-	-	-	-	-	286,094
Unearned Revenue	-	-	-	45,659	-	-	-	-	-	-	1,431,169
Deposits Held	-	-	-	-	-	-	-	-	-	-	21,000
Total Liabilities	-	-	286,094	46,985	-	-	-	-	-	-	1,760,561
Fund Balances:											
Reserved for:											
Prepays	-	-	-	-	-	-	-	-	-	-	265
Land Held for Resale	-	-	-	-	-	-	-	-	-	-	637,962
Specific Projects and Programs	22,391	161,067	78,304	-	929,704	23,697	338,747	6,742,066	-	21,101	10,413,315
Unreserved, Reported in:											
Special Revenue	-	-	-	1,463,332	-	-	-	-	-	-	5,640,986
Total Fund Balances	22,391	161,067	78,304	1,463,332	929,704	23,697	338,747	6,742,066	-	21,101	16,692,528
Total Liabilities and Fund Balances	\$ 22,391	\$ 161,067	\$ 364,398	\$ 1,510,317	\$ 929,704	\$ 23,697	\$ 338,747	\$ 6,742,066	\$ -	\$ 21,101	\$ 18,453,089

City of Brentwood

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Special Revenue Funds
For Year Ended June 30, 2005**

	Thoroughfares	Gas Tax	Police Grants	Other Grants	Community Facilities	Vehicle Abatement	Economic Development	Storm Drainage	RDA Low Income Housing	PEG Media	Bypass Authority
REVENUES											
Taxes	\$ -	\$ 699,429	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 936,886	\$ -	\$ -
Uses of Money and Property	75,571	-	4,226	89	7,484	217	28	1,975	16,059	2,173	-
Intergovernmental	-	-	155,994	-	-	-	-	-	-	-	-
Fees and Other Revenues	14,149,391	-	-	-	5,250,105	17,325	5,120	-	-	400,000	-
Total Revenues	14,224,962	699,429	160,220	89	5,257,589	17,542	5,148	1,975	952,945	402,173	-
EXPENDITURES											
Current:											
General Government	78,761	-	-	-	-	-	-	-	815,762	-	15,121
Public Safety	-	-	7,999	-	-	3,875	-	-	-	-	-
Community Services	-	-	-	-	29,079	-	-	1,190	-	-	-
Other	-	-	-	-	-	-	-	3,000	-	-	-
Debt Service:											
Principal	-	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	78,761	-	7,999	-	29,079	3,875	-	4,190	815,762	-	15,121
REVENUES OVER (UNDER) EXPENDITURES	14,146,201	699,429	152,221	89	5,228,510	13,667	5,148	(2,215)	137,183	402,173	(15,121)
OTHER FINANCING SOURCES (USES)											
Transfers In	-	-	3,205	-	-	-	-	-	-	-	-
Transfers Out	(6,400,874)	(699,429)	(20,449)	-	(3,121,409)	(7,000)	(27,211)	(115,000)	-	-	-
Total Other Financing Sources (Uses)	(6,400,874)	(699,429)	(17,244)	-	(3,121,409)	(7,000)	(27,211)	(115,000)	-	-	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	7,745,327	-	134,977	89	2,107,101	6,667	(22,063)	(117,215)	137,183	402,173	(15,121)
Fund Balance, Beginning of Year	(5,408,273)	-	114,211	7,179	(375,411)	15,961	22,063	226,125	1,916,025	-	15,121
Fund Balance, End of Year	\$ 2,337,054	\$ -	\$ 249,188	\$ 7,268	\$ 1,731,690	\$ 22,628	\$ -	\$ 108,910	\$ 2,053,208	\$ 402,173	\$ -

Continued

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Special Revenue Funds (Continued)
 For Year Ended June 30, 2005

	Asset Forfeiture	Open Space	Measure C	Facility Fee Administration	Agriculture Administration	Public Art Administration	Fire Fees	Agriculture Land	Affordable Housing In Lieu	Parking In Lieu	Totals
REVENUES											
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,636,315
Uses of Money and Property	237	2,013	98	23,450	12,527	273	3,237	71,774	-	221	221,652
Intergovernmental	-	-	364,398	-	-	-	-	-	-	-	520,392
Fees and Other Revenues	14,566	-	-	791,589	386,261	48,024	642,985	1,542,040	-	20,880	23,268,286
Total Revenues	14,803	2,013	364,496	815,039	398,788	48,297	646,222	1,613,814	-	21,101	25,646,645
EXPENDITURES											
Current:											
General Government	-	-	-	854,158	-	-	-	-	-	-	1,763,802
Public Safety	7,572	-	2,917	-	-	-	-	-	-	-	22,363
Community Services	-	12,000	-	-	-	-	-	-	-	-	42,269
Other	-	-	-	-	175,920	-	-	-	-	-	178,920
Debt Service:											
Principal	-	-	-	849,020	-	-	-	-	-	-	849,020
Interest and Fiscal Charges	-	-	-	67,643	-	-	-	-	-	-	67,643
Total Expenditures	7,572	12,000	2,917	1,770,821	175,920	-	-	-	-	-	2,924,017
REVENUES OVER (UNDER) EXPENDITURES	7,231	(9,987)	361,579	(955,782)	222,868	48,297	646,222	1,613,814	-	21,101	22,722,628
OTHER FINANCING SOURCES (USES)											
Transfers In	-	-	-	-	-	-	-	367,029	-	-	370,234
Transfers Out	-	-	(376,250)	-	(367,029)	(24,600)	(500,000)	-	(1,952,808)	-	(13,612,059)
Total Other Financing Sources (Uses)	-	-	(376,250)	-	(367,029)	(24,600)	(500,000)	367,029	(1,952,808)	-	(13,241,825)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	7,231	(9,987)	(14,671)	(955,782)	(144,161)	23,697	146,222	1,980,843	(1,952,808)	21,101	9,480,803
Fund Balance, Beginning of Year	15,160	171,054	92,975	2,419,114	1,073,865	-	192,525	4,761,223	1,952,808	-	7,211,725
Fund Balance, End of Year	\$ 22,391	\$ 161,067	\$ 78,304	\$ 1,463,332	\$ 929,704	\$ 23,697	\$ 338,747	\$ 6,742,066	\$ -	\$ 21,101	\$ 16,692,528

City of Brentwood

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Certain Special Revenue Funds
For Year Ended June 30, 2005**

	Thoroughfares			Gas Tax			Police Grants		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ 744,800	\$ 699,429	\$ (45,371)	\$ -	\$ -	\$ -
Uses of Money and Property	25,000	75,571	50,571	-	-	-	-	4,226	4,226
Intergovernmental	-	-	-	-	-	-	-	155,994	155,994
Fees and Other Revenues	6,585,000	14,149,391	7,564,391	-	-	-	-	-	-
Total Revenues	6,610,000	14,224,962	7,614,962	744,800	699,429	(45,371)	-	160,220	160,220
EXPENDITURES									
Current:									
General Government	305,000	78,761	226,239	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	213,624	7,999	205,625
Community Services	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Total Expenditures	305,000	78,761	226,239	-	-	-	213,624	7,999	205,625
REVENUES OVER (UNDER) EXPENDITURES	6,305,000	14,146,201	7,841,201	744,800	699,429	(45,371)	(213,624)	152,221	365,845
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	3,205	3,205
Transfers Out	(4,087,008)	(6,400,874)	(2,313,866)	(744,800)	(699,429)	45,371	-	(20,449)	(20,449)
Total Other Financing Sources (Uses)	(4,087,008)	(6,400,874)	(2,313,866)	(744,800)	(699,429)	45,371	-	(17,244)	(17,244)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ 2,217,992	7,745,327	\$ 5,527,335	\$ -	-	\$ -	\$ (213,624)	134,977	\$ 348,601
Fund Balance, Beginning of Year		(5,408,273)			-			114,211	
Fund Balance, End of Year		\$ 2,337,054			\$ -			\$ 249,188	

Continued

City of Brentwood

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Certain Special Revenue Funds (Continued)
For Year Ended June 30, 2005**

	Other Grants			Community Facilities			Vehicle Abatement		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	-	89	89	50,000	7,484	(42,516)	250	217	(33)
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	1,805,000	5,250,105	3,445,105	10,000	17,325	7,325
Total Revenues	-	89	89	1,855,000	5,257,589	3,402,589	10,250	17,542	7,292
EXPENDITURES									
Current:									
General Government	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	2,000	3,875	(1,875)
Community Services	-	-	-	116,000	29,079	86,921	-	-	-
Other	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	116,000	29,079	86,921	2,000	3,875	(1,875)
REVENUES OVER (UNDER) EXPENDITURES	-	89	89	1,739,000	5,228,510	3,489,510	8,250	13,667	5,417
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	(3,121,409)	(3,121,409)	-	(7,000)	(7,000)	-
Total Other Financing Sources (Uses)	-	-	-	(3,121,409)	(3,121,409)	-	(7,000)	(7,000)	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES									
	\$ -	89	\$ 89	\$ (1,382,409)	2,107,101	\$ 3,489,510	\$ 1,250	6,667	\$ 5,417
Fund Balance, Beginning of Year		7,179			(375,411)			15,961	
Fund Balance, End of Year		\$ 7,268			\$ 1,731,690			\$ 22,628	

Continued

City of Brentwood

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Certain Special Revenue Funds (Continued)
For Year Ended June 30, 2005**

	Economic Development			Storm Drainage			RDA Low Income Housing		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 769,320	\$ 936,886	\$ 167,566
Uses of Money and Property	-	28	28	10,000	1,975	(8,025)	70,000	16,059	(53,941)
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	20,000	5,120	(14,880)	-	-	-	-	-	-
Total Revenues	<u>20,000</u>	<u>5,148</u>	<u>(14,852)</u>	<u>10,000</u>	<u>1,975</u>	<u>(8,025)</u>	<u>839,320</u>	<u>952,945</u>	<u>113,625</u>
EXPENDITURES									
Current:									
General Government	-	-	-	-	-	-	3,085,866	815,762	2,270,104
Public Safety	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	1,000	1,190	(190)	-	-	-
Other	-	-	-	3,000	3,000	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,000</u>	<u>4,190</u>	<u>(190)</u>	<u>3,085,866</u>	<u>815,762</u>	<u>2,270,104</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>20,000</u>	<u>5,148</u>	<u>(14,852)</u>	<u>6,000</u>	<u>(2,215)</u>	<u>(8,215)</u>	<u>(2,246,546)</u>	<u>137,183</u>	<u>2,383,729</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	(20,000)	(27,211)	(7,211)	(115,000)	(115,000)	-	-	-	-
Total Other Financing Sources (Uses)	<u>(20,000)</u>	<u>(27,211)</u>	<u>(7,211)</u>	<u>(115,000)</u>	<u>(115,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ -</u>	<u>(22,063)</u>	<u>\$ (22,063)</u>	<u>\$ (109,000)</u>	<u>(117,215)</u>	<u>\$ (8,215)</u>	<u>\$ (2,246,546)</u>	<u>137,183</u>	<u>\$ 2,383,729</u>
Fund Balance, Beginning of Year		<u>22,063</u>			<u>226,125</u>			<u>1,916,025</u>	
Fund Balance, End of Year		<u>\$ -</u>			<u>\$ 108,910</u>			<u>\$ 2,053,208</u>	

Continued

City of Brentwood

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Certain Special Revenue Funds (Continued)
For Year Ended June 30, 2005**

	PEG Media			Asset Forfeiture			Open Space		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	-	2,173	2,173	20	237	217	7,500	2,013	(5,487)
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	400,000	400,000	500	14,566	14,066	-	-	-
Total Revenues	-	402,173	402,173	520	14,803	14,283	7,500	2,013	(5,487)
EXPENDITURES									
Current:									
General Government	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	500	7,572	(7,072)	-	-	-
Community Services	-	-	-	-	-	-	12,000	12,000	-
Other	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	500	7,572	(7,072)	12,000	12,000	-
REVENUES OVER (UNDER) EXPENDITURES	-	402,173	402,173	20	7,231	7,211	(4,500)	(9,987)	(5,487)
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	(25,000)	-	25,000
Total Other Financing Sources (Uses)	-	-	-	-	-	-	(25,000)	-	25,000
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ -	402,173	\$ 402,173	\$ 20	7,231	\$ 7,211	\$ (29,500)	(9,987)	\$ 19,513
Fund Balance, Beginning of Year		-			15,160			171,054	
Fund Balance, End of Year		\$ 402,173			\$ 22,391			\$ 161,067	

Continued

City of Brentwood

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Certain Special Revenue Funds (Continued)
For Year Ended June 30, 2005**

	Measure C			Facility Fee Administration			Agriculture Administration		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	-	98	98	200,000	23,450	(176,550)	150,000	12,527	(137,473)
Intergovernmental	375,000	364,398	(10,602)	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	630,000	791,589	161,589	500,000	386,261	(113,739)
Total Revenues	375,000	364,496	(10,504)	830,000	815,039	(14,961)	650,000	398,788	(251,212)
EXPENDITURES									
Current:									
General Government	-	-	-	854,158	854,158	-	-	-	-
Public Safety	2,500	2,917	(417)	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	300,334	175,920	124,414
Debt Service:									
Principal	-	-	-	849,020	849,020	-	-	-	-
Interest and Fiscal Charges	-	-	-	67,643	67,643	-	-	-	-
Total Expenditures	2,500	2,917	(417)	1,770,821	1,770,821	-	300,334	175,920	124,414
REVENUES OVER (UNDER) EXPENDITURES	372,500	361,579	(10,921)	(940,821)	(955,782)	(14,961)	349,666	222,868	(126,798)
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	(376,250)	(376,250)	-	(245,000)	-	245,000	-	(367,029)	(367,029)
Total Other Financing Sources (Uses)	(376,250)	(376,250)	-	(245,000)	-	245,000	-	(367,029)	(367,029)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ (3,750)	(14,671)	\$ (10,921)	\$ (1,185,821)	(955,782)	\$ 230,039	\$ 349,666	(144,161)	\$ (493,827)
Fund Balance, Beginning of Year		92,975			2,419,114			1,073,865	
Fund Balance, End of Year		\$ 78,304			\$ 1,463,332			\$ 929,704	

Continued

City of Brentwood

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Certain Special Revenue Funds (Continued)
For Year Ended June 30, 2005**

	Public Art Administration			Fire Fees			Agriculture Land		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	-	273	273	-	3,237	3,237	-	71,774	71,774
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	101,756	48,024	(53,732)	-	642,985	642,985	-	1,542,040	1,542,040
Total Revenues	<u>101,756</u>	<u>48,297</u>	<u>(53,459)</u>	<u>-</u>	<u>646,222</u>	<u>646,222</u>	<u>-</u>	<u>1,613,814</u>	<u>1,613,814</u>
EXPENDITURES									
Current:									
General Government	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>101,756</u>	<u>48,297</u>	<u>(53,459)</u>	<u>-</u>	<u>646,222</u>	<u>646,222</u>	<u>-</u>	<u>1,613,814</u>	<u>1,613,814</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	367,029	367,029
Transfers Out	(24,600)	(24,600)	-	(500,000)	(500,000)	-	-	-	-
Total Other Financing Sources (Uses)	<u>(24,600)</u>	<u>(24,600)</u>	<u>-</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>	<u>-</u>	<u>367,029</u>	<u>367,029</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ 77,156</u>	<u>23,697</u>	<u>\$ (53,459)</u>	<u>\$ (500,000)</u>	<u>146,222</u>	<u>\$ 646,222</u>	<u>\$ -</u>	<u>1,980,843</u>	<u>\$ 1,980,843</u>
Fund Balance, Beginning of Year		-			192,525			4,761,223	
Fund Balance, End of Year		<u>\$ 23,697</u>			<u>\$ 338,747</u>			<u>\$ 6,742,066</u>	

Continued

City of Brentwood

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Certain Special Revenue Funds (Continued)
For Year Ended June 30, 2005**

	Affordable Housing In Lieu			Parking In Lieu			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,514,120	\$ 1,636,315	\$ 122,195
Uses of Money and Property	-	-	-	-	221	221	512,770	221,652	(291,118)
Intergovernmental	-	-	-	-	-	-	375,000	520,392	145,392
Fees and Other Revenues	-	-	-	-	20,880	20,880	9,652,256	23,268,286	13,616,030
Total Revenues	-	-	-	-	21,101	21,101	12,054,146	25,646,645	13,592,499
EXPENDITURES									
Current:									
General Government	-	-	-	-	-	-	4,245,024	1,748,681	2,496,343
Public Safety	-	-	-	-	-	-	218,624	22,363	196,261
Community Services	-	-	-	-	-	-	129,000	42,269	86,731
Other	-	-	-	-	-	-	303,334	178,920	124,414
Debt Service:									
Principal	-	-	-	-	-	-	849,020	849,020	-
Interest and Fiscal Charges	-	-	-	-	-	-	67,643	67,643	-
Total Expenditures	-	-	-	-	-	-	5,812,645	2,908,896	2,903,749
REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-	21,101	21,101	6,241,501	22,737,749	16,496,248
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	370,234	370,234
Transfers Out	(1,952,808)	(1,952,808)	-	-	-	-	(11,218,875)	(13,612,059)	(2,393,184)
Total Other Financing Sources (Uses)	(1,952,808)	(1,952,808)	-	-	-	-	(11,218,875)	(13,241,825)	(2,022,950)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ (1,952,808)	(1,952,808)	\$ -	\$ -	21,101	\$ 21,101	\$ (4,977,374)	9,495,924	\$ 14,473,298
Fund Balance, Beginning of Year		1,952,808			-			7,196,604	
Fund Balance, End of Year		\$ -			\$ 21,101			\$ 16,692,528	



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City of Brentwood

Combining Balance Sheet

All Debt Service Funds

June 30, 2005

	Redevelopment Debt	Capital Improvement Program 2001	2002 General Obligation Bond	Capital Lease Program	TOTALS
ASSETS					
Current Assets:					
Cash and Investments	\$ 3,020,336	\$ 129,702	\$ 102,472	\$ -	\$ 3,252,510
Restricted Cash and Investments	-	2,110,143	-	-	2,110,143
Receivables	15,449	-	-	-	15,449
Total Assets	\$ 3,035,785	\$ 2,239,845	\$ 102,472	\$ -	\$ 5,378,102
LIABILITIES AND FUND BALANCES					
Current Liabilities:					
Accounts Payable and Accrued Liabilities	\$ 852,280	\$ 237,260	\$ -	\$ -	\$ 1,089,540
Total Liabilities	852,280	237,260	-	-	1,089,540
Fund Balances:					
Reserved for:					
Debt Service	2,183,505	2,002,585	102,472	-	4,288,562
Total Fund Balances	2,183,505	2,002,585	102,472	-	4,288,562
Total Liabilities and Fund Balances	\$ 3,035,785	\$ 2,239,845	\$ 102,472	\$ -	\$ 5,378,102

City of Brentwood

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Debt Service Funds
For Year Ended June 30, 2005

	Redevelopment Debt	Capital Improvement Program 2001	2002 General Obligation Bond	Capital Lease Program	TOTALS
REVENUES					
Taxes	\$ 3,747,545	\$ -	\$ 266,678	\$ -	\$ 4,014,223
Uses of Money and Property	170,600	38,427	-	-	209,027
Fees and Other Revenues	-	-	-	-	-
Total Revenues	<u>3,918,145</u>	<u>38,427</u>	<u>266,678</u>	<u>-</u>	<u>4,223,250</u>
EXPENDITURES					
Current:					
Community Development	1,248,732	12,348	4,805	-	1,265,885
Debt Service:					
Principal	395,000	240,000	105,000	66,869	806,869
Interest and Fiscal Charges	977,750	476,473	156,656	6,456	1,617,335
Total Expenditures	<u>2,621,482</u>	<u>728,821</u>	<u>266,461</u>	<u>73,325</u>	<u>3,690,089</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,296,663</u>	<u>(690,394)</u>	<u>217</u>	<u>(73,325)</u>	<u>533,161</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	-	681,846	-	73,325	755,171
Transfers Out	(541,839)	-	-	-	(541,839)
Total Other Financing Sources (Uses)	<u>(541,839)</u>	<u>681,846</u>	<u>-</u>	<u>73,325</u>	<u>213,332</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES					
	754,824	(8,548)	217	-	746,493
Fund Balance, Beginning of Year	<u>1,428,681</u>	<u>2,011,133</u>	<u>102,255</u>	<u>-</u>	<u>3,542,069</u>
Fund Balance, End of Year	<u>\$ 2,183,505</u>	<u>\$ 2,002,585</u>	<u>\$ 102,472</u>	<u>\$ -</u>	<u>\$ 4,288,562</u>

City of Brentwood

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
All Debt Service Funds
For Year Ended June 30, 2005**

	Redevelopment Debt			Capital Improvement Program 2001			2002 General Obligation Bond		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ 3,077,280	\$ 3,747,545	\$ 670,265	\$ -	\$ -	\$ -	\$ 261,660	\$ 266,678	\$ 5,018
Uses of Money and Property	20,000	170,600	150,600	100,000	38,427	(61,573)	2,000	-	(2,000)
Fees and Other Revenues	-	-	-	1,990,000	-	(1,990,000)	-	-	-
Total Revenues	3,097,280	3,918,145	820,865	2,090,000	38,427	(2,051,573)	263,660	266,678	3,018
EXPENDITURES									
Current:									
Community Development	1,128,000	1,248,732	(120,732)	12,348	12,348	-	-	4,805	(4,805)
Debt Service:									
Principal	395,000	395,000	-	635,000	240,000	395,000	105,000	105,000	-
Interest and Fiscal Charges	977,750	977,750	-	1,455,259	476,473	978,786	156,656	156,656	-
Total Expenditures	2,500,750	2,621,482	(120,732)	2,102,607	728,821	1,373,786	261,656	266,461	(4,805)
REVENUES OVER (UNDER) EXPENDITURES	596,530	1,296,663	700,133	(12,607)	(690,394)	(677,787)	2,004	217	(1,787)
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	400,000	681,846	281,846	-	-	-
Transfers Out	(727,621)	(541,839)	185,782	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(727,621)	(541,839)	185,782	400,000	681,846	281,846	-	-	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ (131,091)	754,824	\$ 885,915	\$ 387,393	(8,548)	\$ (395,941)	\$ 2,004	217	\$ (1,787)
Fund Balance, Beginning of Year		1,428,681			2,011,133			102,255	
Fund Balance, End of Year		\$ 2,183,505			\$ 2,002,585			\$ 102,472	

Continued

City of Brentwood

***Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual***

All Debt Service Funds (Continued)

For Year Ended June 30, 2005

	Capital Lease Program			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ 3,338,940	\$ 4,014,223	\$ 675,283
Uses of Money and Property	-	-	-	122,000	209,027	87,027
Fees and Other Revenues	-	-	-	1,990,000	-	(1,990,000)
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,450,940</u>	<u>4,223,250</u>	<u>(1,227,690)</u>
EXPENDITURES						
Current:						
Community Development	-	-	-	1,140,348	1,265,885	(125,537)
Debt Service:						
Principal	66,869	66,869	-	1,201,869	806,869	395,000
Interest and Fiscal Charges	6,456	6,456	-	2,596,121	1,617,335	978,786
Total Expenditures	<u>73,325</u>	<u>73,325</u>	<u>-</u>	<u>4,938,338</u>	<u>3,690,089</u>	<u>1,248,249</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(73,325)</u>	<u>(73,325)</u>	<u>-</u>	<u>512,602</u>	<u>533,161</u>	<u>20,559</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	73,325	73,325	-	473,325	755,171	281,846
Transfers Out	-	-	-	(727,621)	(541,839)	185,782
Total Other Financing Sources (Uses)	<u>73,325</u>	<u>73,325</u>	<u>-</u>	<u>(254,296)</u>	<u>213,332</u>	<u>467,628</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 258,306</u>	<u>746,493</u>	<u>\$ 488,187</u>
Fund Balance, Beginning of Year		<u>-</u>			<u>3,542,069</u>	
Fund Balance, End of Year		<u>\$ -</u>			<u>\$ 4,288,562</u>	

City of Brentwood

Combining Balance Sheet

All Capital Projects Funds

June 30, 2005

	Capital Improvement Financing Program 94-1 (2004 A&B Refi)	Capital Improvement Financing Program 99-1 (2002 A&B Refi)	Capital Improvement Financing Program 2000-1 (2004 C Refi)	Capital Improvement Financing Program 2002-1 (2005 A&B Refi)	Capital Improvement Financing Program 2003-1	Capital Improvement Financing Program 2004-1
ASSETS						
Current Assets:						
Cash and Investments	\$ -	\$ -	\$ 543	\$ 802	\$ -	\$ -
Restricted Cash and Investments	2,398,216	-	1,037,863	1,118,938	1,904,401	79,213
Receivables	-	-	-	-	-	-
Prepays	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-
Total Assets	\$ 2,398,216	\$ -	\$ 1,038,406	\$ 1,119,740	\$ 1,904,401	\$ 79,213
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	2,398,216	-	1,038,406	1,119,740	1,904,401	79,213
Total Fund Balances	2,398,216	-	1,038,406	1,119,740	1,904,401	79,213
Total Liabilities and Fund Balances	\$ 2,398,216	\$ -	\$ 1,038,406	\$ 1,119,740	\$ 1,904,401	\$ 79,213

Continued

City of Brentwood

Combining Balance Sheet
All Capital Projects Funds (Continued)
June 30, 2005

	2002 Series A & B	Capital Improvement 2001	Drainage Improvement Projects	Street Improvement Projects	Capital Projects	Redevelopment Projects	TOTALS
ASSETS							
Current Assets:							
Cash and Investments	\$ -	\$ 13,018	\$ 109,181	\$ 2,723,160	\$ 13,746,972	\$ 1,877,112	\$ 18,470,788
Restricted Cash and Investments	353,302	37,168	-	-	352,874	8,275,598	15,557,573
Receivables	-	-	-	3,002	30,728	66,578	100,308
Prepays	-	-	-	-	3,975	386	4,361
Due from Other Funds	-	-	-	-	286,094	-	286,094
Land Held for Resale	-	-	-	-	-	219,948	219,948
Total Assets	\$ 353,302	\$ 50,186	\$ 109,181	\$ 2,726,162	\$ 14,420,643	\$ 10,439,622	\$ 34,639,072
LIABILITIES AND FUND BALANCES							
Current Liabilities:							
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ 7,444	\$ 1,326	\$ 2,680,264	\$ 12,579	\$ 2,701,613
Other Liabilities	-	-	-	-	352,874	-	352,874
Total Liabilities	-	-	7,444	1,326	3,033,138	12,579	3,054,487
Fund Balances:							
Reserved for:							
Prepays	-	-	-	-	3,975	386	4,361
Land Held for Resale	-	-	-	-	-	219,948	219,948
Specific Projects and Programs	353,302	50,186	101,737	2,724,836	11,383,530	10,206,709	31,360,276
Total Fund Balances	353,302	50,186	101,737	2,724,836	11,387,505	10,427,043	31,584,585
Total Liabilities and Fund Balances	\$ 353,302	\$ 50,186	\$ 109,181	\$ 2,726,162	\$ 14,420,643	\$ 10,439,622	\$ 34,639,072

City of Brentwood

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Capital Projects Funds
For Year Ended June 30, 2005***

	Capital Improvement Financing Program 94-1 (2004 A&B Refi)	Capital Improvement Financing Program 99-1 (2002 A&B Refi)	Capital Improvement Financing Program 2000-1 (2004 C Refi)	Capital Improvement Financing Program 2002-1 (2005 A&B Refi)	Capital Improvement Financing Program 2003-1	Capital Improvement Financing Program 2004-1
REVENUES						
Uses of Money and Property	\$ 27,636	\$ 2,529	\$ 11,882	\$ 17,839	\$ 29,852	\$ 973
Intergovernmental	-	-	-	-	-	-
Fees and Other Revenues	401,843	-	319,933	-	-	78,240
Total Revenues	<u>429,479</u>	<u>2,529</u>	<u>331,815</u>	<u>17,839</u>	<u>29,852</u>	<u>79,213</u>
EXPENDITURES						
Current:						
General Government	49,284	-	153,199	745,063	1,926,945	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	<u>49,284</u>	<u>-</u>	<u>153,199</u>	<u>745,063</u>	<u>1,926,945</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>380,195</u>	<u>2,529</u>	<u>178,616</u>	<u>(727,224)</u>	<u>(1,897,093)</u>	<u>79,213</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	(351,096)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(351,096)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES						
	380,195	(348,567)	178,616	(727,224)	(1,897,093)	79,213
Fund Balance, Beginning of Year	<u>2,018,021</u>	<u>348,567</u>	<u>859,790</u>	<u>1,846,964</u>	<u>3,801,494</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 2,398,216</u>	<u>\$ -</u>	<u>\$ 1,038,406</u>	<u>\$ 1,119,740</u>	<u>\$ 1,904,401</u>	<u>\$ 79,213</u>

Continued

City of Brentwood

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Capital Projects Funds (Continued)
For Year Ended June 30, 2005***

	2002 Series A & B	Capital Improvement 2001	Drainage Improvement Projects	Street Improvement Projects	Capital Projects	Redevelopment Projects	TOTALS
REVENUES							
Uses of Money and Property	\$ 2,206	\$ 504	\$ -	\$ 34,961	\$ -	\$ 3,062,844	\$ 3,191,226
Intergovernmental	-	-	-	-	862,624	-	862,624
Fees and Other Revenues	-	-	-	-	3,098,944	-	3,898,960
Total Revenues	<u>2,206</u>	<u>504</u>	<u>-</u>	<u>34,961</u>	<u>3,961,568</u>	<u>3,062,844</u>	<u>7,952,810</u>
EXPENDITURES							
Current:							
General Government	-	-	-	6,874	4,963,375	4,535,021	12,379,761
Capital Outlay	-	-	13,263	-	17,662,244	-	17,675,507
Total Expenditures	<u>-</u>	<u>-</u>	<u>13,263</u>	<u>6,874</u>	<u>22,625,619</u>	<u>4,535,021</u>	<u>30,055,268</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>2,206</u>	<u>504</u>	<u>(13,263)</u>	<u>28,087</u>	<u>(18,664,051)</u>	<u>(1,472,177)</u>	<u>(22,102,458)</u>
OTHER FINANCING SOURCES (USES)							
Transfers In	351,096	-	115,000	-	19,053,841	541,839	20,061,776
Transfers Out	-	-	-	-	(843,181)	-	(1,194,277)
Total Other Financing Sources (Uses)	<u>351,096</u>	<u>-</u>	<u>115,000</u>	<u>-</u>	<u>18,210,660</u>	<u>541,839</u>	<u>18,867,499</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES							
	353,302	504	101,737	28,087	(453,391)	(930,338)	(3,234,959)
Fund Balance, Beginning of Year	<u>-</u>	<u>49,682</u>	<u>-</u>	<u>2,696,749</u>	<u>11,840,896</u>	<u>11,357,381</u>	<u>34,819,544</u>
Fund Balance, End of Year	<u>\$ 353,302</u>	<u>\$ 50,186</u>	<u>\$ 101,737</u>	<u>\$ 2,724,836</u>	<u>\$ 11,387,505</u>	<u>\$ 10,427,043</u>	<u>\$ 31,584,585</u>

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Certain Capital Projects Funds
For Year Ended June 30, 2005**

	Capital Projects			Redevelopment Projects			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Uses of Money and Property	\$ -	\$ -	\$ -	\$ 500,000	\$ 3,062,844	\$ 2,562,844	\$ 500,000	\$ 3,062,844	\$ 2,562,844
Intergovernmental	862,624	862,624	-	-	-	-	862,624	862,624	-
Fees and Other Revenues	3,352,179	3,098,944	(253,235)	-	-	-	3,352,179	3,098,944	(253,235)
Total Revenues	4,214,803	3,961,568	(253,235)	500,000	3,062,844	2,562,844	4,714,803	7,024,412	2,309,609
EXPENDITURES									
Current:									
General Government	4,963,375	4,963,375	-	8,920,843	4,535,021	4,385,822	13,884,218	9,498,396	4,385,822
Capital Outlay	46,175,714	17,662,244	28,513,470	-	-	-	46,175,714	17,662,244	28,513,470
Total Expenditures	51,139,089	22,625,619	28,513,470	8,920,843	4,535,021	4,385,822	60,059,932	27,160,640	32,899,292
REVENUES OVER (UNDER) EXPENDITURES	(46,924,286)	(18,664,051)	28,260,235	(8,420,843)	(1,472,177)	6,948,666	(55,345,129)	(20,136,228)	35,208,901
OTHER FINANCING SOURCES (USES)									
Transfers In	46,924,286	19,053,841	(27,870,445)	727,621	541,839	(185,782)	47,651,907	19,595,680	(28,056,227)
Transfers Out	-	(843,181)	(843,181)	-	-	-	-	(843,181)	(843,181)
Total Other Financing Sources (Uses)	46,924,286	18,210,660	(28,713,626)	727,621	541,839	(185,782)	47,651,907	18,752,499	(28,899,408)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ -	(453,391)	\$ (453,391)	\$ (7,693,222)	(930,338)	\$ 6,762,884	\$ (7,693,222)	(1,383,729)	\$ 6,309,493
Fund Balance, Beginning of Year		11,840,896			11,357,381			23,198,277	
Fund Balance, End of Year		\$ 11,387,505			\$ 10,427,043			\$ 21,814,548	



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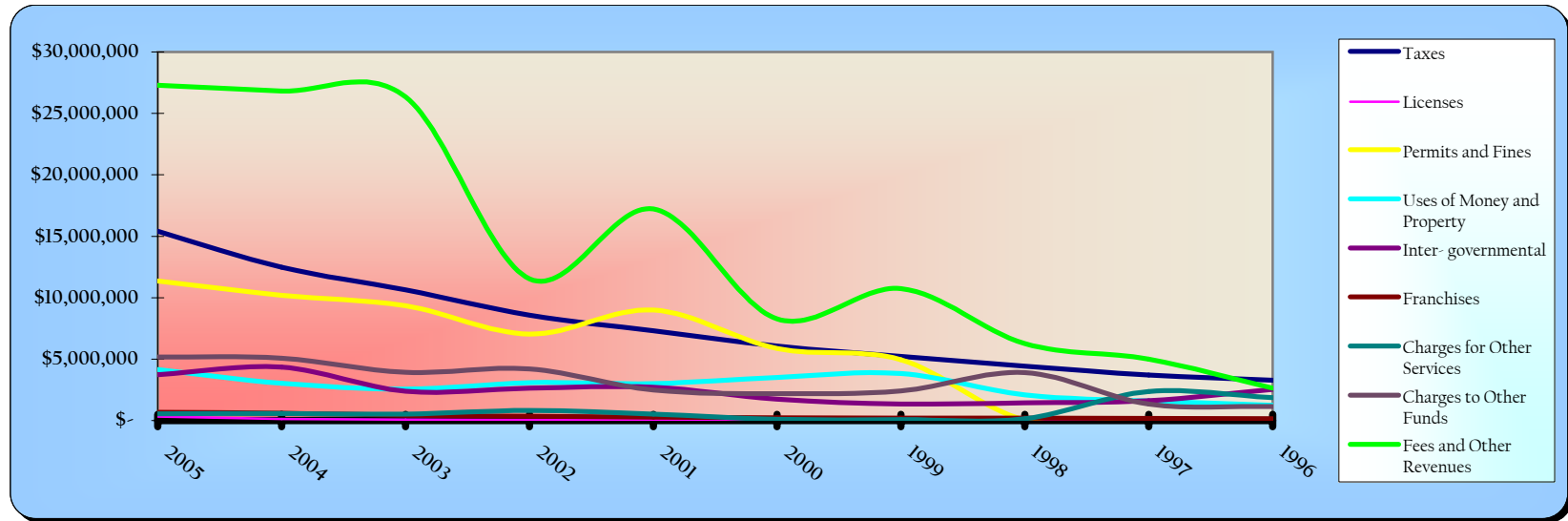
City of Brentwood

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
2005	\$ 15,405,971	\$ 405,246	\$ 11,361,424	\$ 4,156,725	\$ 3,727,774	\$ 672,172	\$ 546,251	\$ 5,161,708	\$ 27,280,529	\$ 68,717,800
2004	12,489,155	325,143	10,184,552	3,022,093	4,339,487	584,868	570,455	5,073,565	26,807,306	63,396,624
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

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

Source: City of Brentwood Finance Department



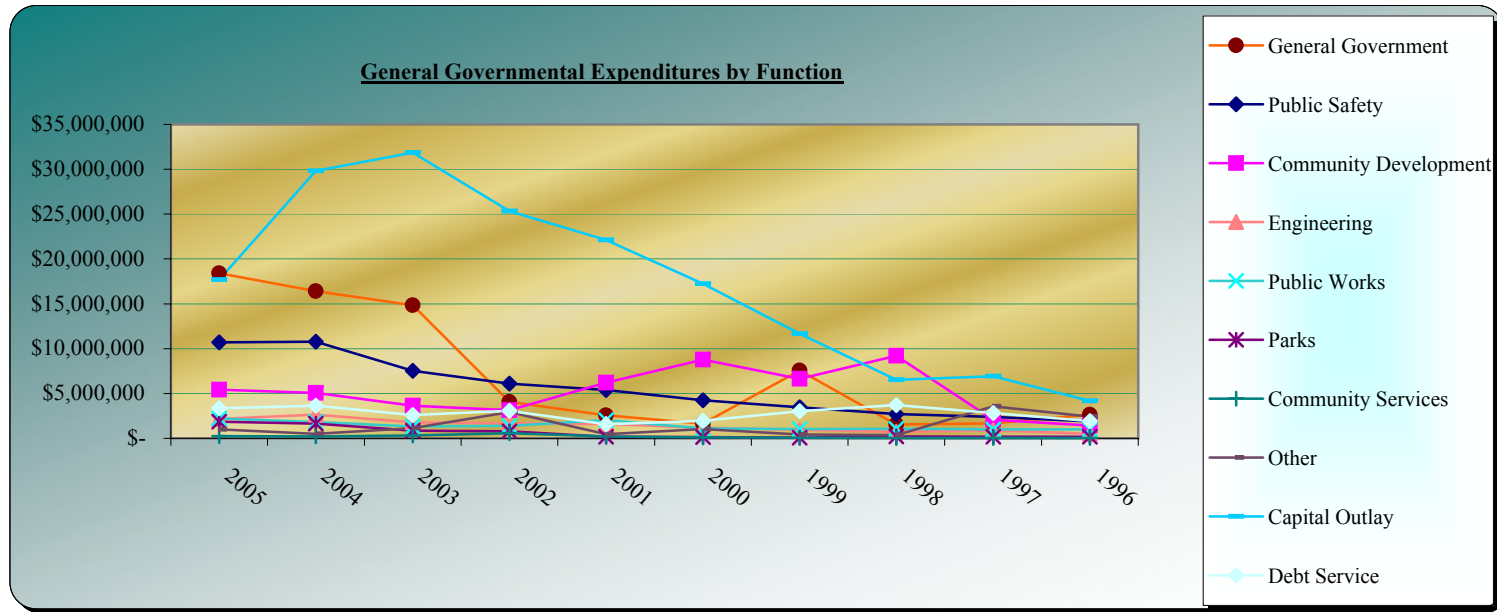
City of Brentwood

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
2005	\$ 18,411,773	\$ 10,697,057	\$ 5,418,378	\$ 2,166,280	\$ 2,208,201	\$ 1,838,817	\$ 237,458	\$ 1,008,158	\$ 17,688,834	\$ 3,340,867	\$ 63,015,823
2004	16,407,013	10,781,506	5,074,939	2,656,493	1,821,818	1,658,400	226,732	512,952	29,822,905	3,649,223	72,611,981
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

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

Source: City of Brentwood Finance Department



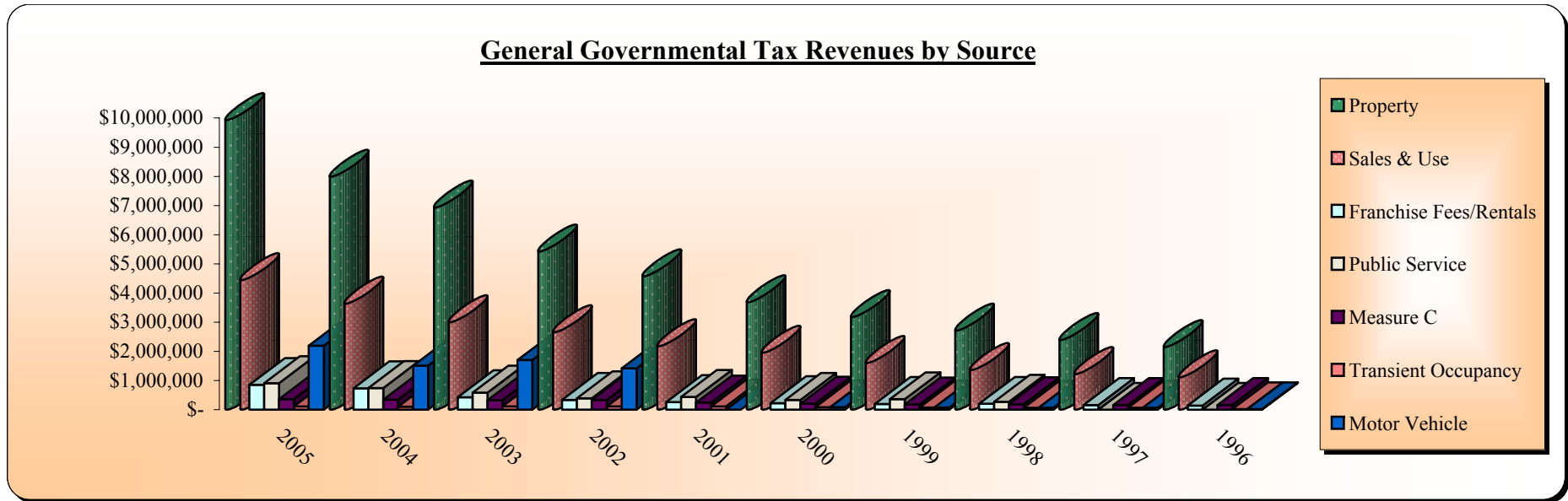
City of Brentwood

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year	Property	Sales & Use	Franchise Fees/Rentals	Public Service	Measure C	Transient Occupancy	Motor Vehicle	Total
2005	\$ 9,932,342	\$ 4,442,764	\$ 851,237	\$ 914,426	\$ 364,398	\$ 116,440	\$ 2,198,750	\$ 18,820,357
2004	7,990,595	3,644,368	738,525	743,890	347,579	110,304	1,508,664	15,083,925
2003	6,933,900	2,998,922	428,731	589,266	330,165	118,332	1,702,279	13,101,595
2002	5,423,132	2,661,107	338,692	391,088	337,623	112,031	1,423,128	10,686,801
2001	4,576,990	2,178,366	264,651	440,753	244,298	115,367	1,226	7,821,651
2000	3,687,940	1,954,804	225,795	341,894	208,946	88,147	88,147	6,595,673
1999	3,174,930	1,607,208	197,029	361,346	182,492	81,662	81,662	5,686,329
1998	2,715,841	1,363,371	203,500	276,845	187,451	71,046	71,046	4,889,100
1997	2,392,738	1,227,802	161,991	-	165,481	72,119	72,119	4,092,250
1996	2,151,909	1,113,446	140,159	-	161,528	19,126	19,126	3,605,294

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)
2005	\$ 44,974,778	\$ 44,974,778
2004	35,730,374	35,730,374
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

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

(2) Tax 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 loss 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

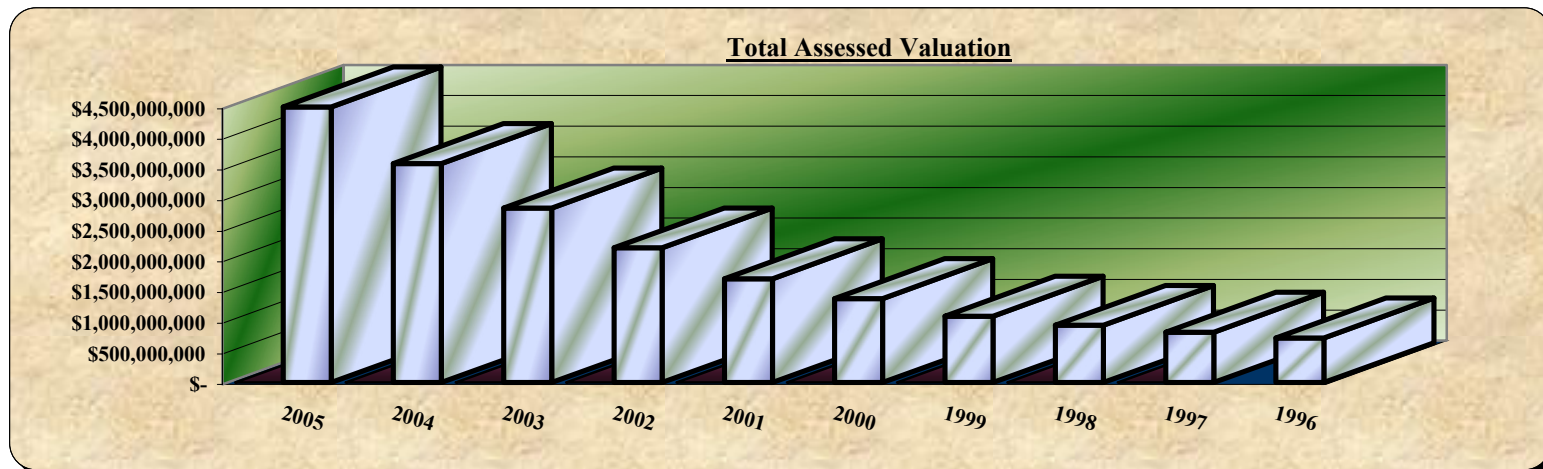
**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

(Unaudited)

Fiscal Year	Secured Property	Secured Utility (1)	Unsecured Property	Total Assessed Valuation	Percentage Increase
2005	\$ 4,430,183,935	\$ 324,720	\$ 66,969,122	\$ 4,497,477,777	25.87%
2004	3,520,582,878	299,250	52,155,304	3,573,037,432	25.41%
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%

(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
2005	1.0000%	-	0.0051%	0.0057%	0.0489%	0.0517%	0.0042%	1.1156%
2004	1.0000%	-	0.0063%	0.0057%	0.0405%	0.0405%	0.0038%	1.0968%
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%

Source: Contra Costa County Auditor/Controller, Tax Rate Area (TRA) 10001

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 CFD #3	Brentwood Assessment 2002-1	Brentwood Assessment 2003-1	Brentwood Assessment 2004-1	Total
2005	\$ 541,007	\$ 2,134,070	\$ 2,889,841	\$ 1,499,431	\$ 673,081	\$ 1,252,589	\$ 633,840	\$ 977,118	\$ 266,678	\$ 232,212	\$ 84,575	\$ 1,215,972	\$ 1,313,356	\$ 1,571,652	\$ 15,285,422
2004	555,756	1,716,604	3,091,555	1,598,318	729,604	1,101,540	682,605	1,117,595	268,236	78,688	-	1,260,856	1,331,799	-	13,533,156
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

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

Fiscal Year	Special Assessment Billings (1)	Special Assessment Collections (2)
2005	\$ 15,285,422	\$ 15,285,422
2004	13,533,156	13,533,156
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

(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 loss 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, 2005**

(Unaudited)

Total assessed value of all real and personal property (1)	\$ 4,497,477,777
Debt limit percentage (2)	<u>3.75%</u>
Total debt limit	168,655,417
Amount of debt applicable to debt limit	<u>6,411,571</u>
Legal debt margin	<u><u>\$ 162,243,846</u></u>

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

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
2005	40,912	\$ 4,497,477,777	\$ 36,801,571	0.0082	\$ 900
2004	37,060	3,573,037,432	37,280,771	0.0104	1,006
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

(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

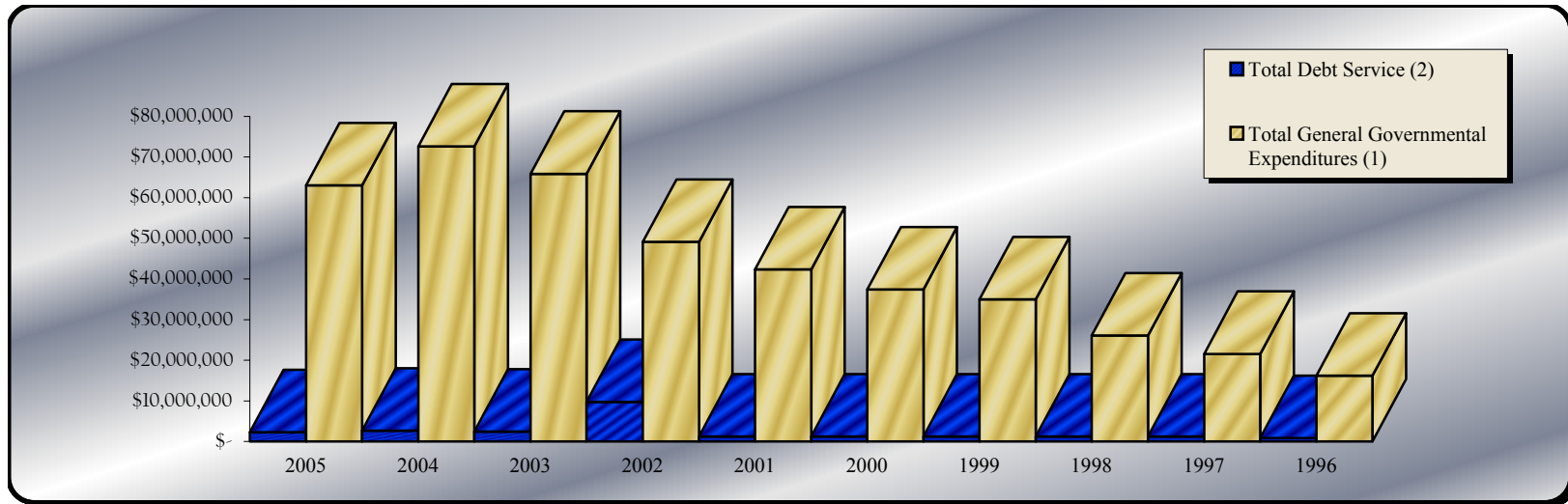
(Unaudited)

Fiscal Year	Principal	Interest	Total Debt Service (2)	Total General Governmental Expenditures (1)	Ratio of Debt Service to General Governmental Expenditures (1)
2005	\$ 740,000	\$ 1,610,879	\$ 2,350,879	\$ 63,015,823	3.73%
2004	1,020,000	1,647,691	2,667,691	72,611,981	3.67%
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%

(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, 2005

(Unaudited)

	Percentage Applicable	Net Bonded Debt 6/30/05
OVERLAPPING TAX AND ASSESSMENT DEBT:		
Bay Area Rapid Transit	1.224%	\$ 1,224,000
Contra Costa Community College District	3.952%	3,620,032
Liberty Union High School District	48.463%	32,994,899
Brentwood Union School District	92.838%	47,619,311
Oakley Union School District	0.003%	536
City of Brentwood	100.000%	6,411,571 ⁽¹⁾
City of Brentwood 1915 Act Bonds	100.000%	135,128,000
California Statewide Communities Development Authority Assessment District No. 04-1	100.000%	447,314
East Bay Regional Park District	1.808%	2,629,555
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		230,075,218
DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:		
Contra Costa County General Fund Obligations	3.946%	12,453,181
Contra Costa County Pension Obligations	3.946%	21,889,843
Contra Costa County Board of Education Certificates of Participation	3.946%	66,885
Contra Costa County Mosquito Abatement District Certificates of Participation	3.946%	11,443
Contra Costa Community College District Certificates of Participation	3.952%	49,993
Liberty Union High School District Certificates of Participation	48.463%	1,286,693
Brentwood Union School District Certificates of Participation	92.838%	5,728,105
City of Brentwood General Fund Obligations	100.000%	10,065,000
TOTAL DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT		51,551,143
COMBINED TOTAL DEBT		\$ 281,626,361 ⁽²⁾

⁽¹⁾ Includes \$621,595 accreted value.

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

Ratios to 2004/05 Assessed Valuation:

Direct Debt (\$6,411,571)	0.14%
Total Overlapping Tax and Assessment Debt	5.06%

Ratios to Adjusted Assessed Valuation:

Combined Direct Debt (\$16,581,572)	0.40%
Combined Total Debt	6.81%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/05:	\$	0
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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	
2005	\$ 23,995,940	\$ 11,126,313	\$ 12,869,627	\$ 270,000	\$ 591,446	\$ 861,446	7%
2004	25,463,724	9,563,623	15,900,101	1,225,000	643,808	1,868,808	12%
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%

(1) Total revenues (including interest), plus impact fees and credits

(2) Total operating expenses exclusive of depreciation and amortization

(3) Required by Bond Covenances

Source: City of Brentwood Finance Department

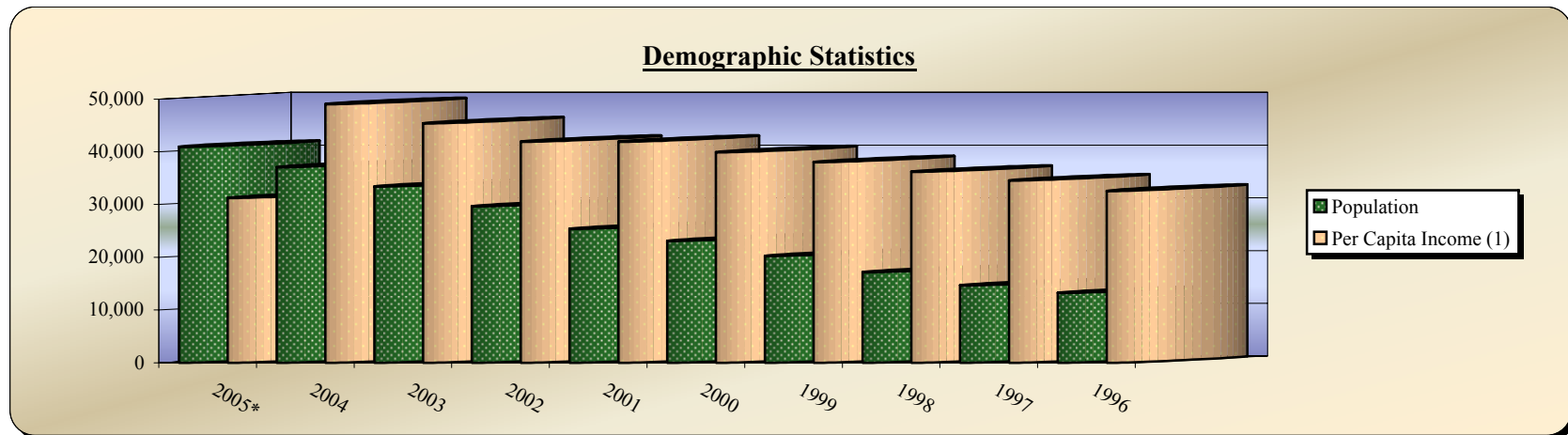
City of Brentwood

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)
2005*	40,912	\$ 31,220	33.1	11,949	5.5%
2004	37,060	49,003	37.4	10,645	5.7%
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%

* Prior to 2005, County figures were used for the Per Capita Income and Median Age categories. Beginning with 2005, the figures reflect City of Brentwood data.

- Source: (1) Department of Finance Economic Research Unit; 2005 - Claritas, Inc.
 (2) US Census Bureau; 2005 - Claritas, Inc.
 (3) Brentwood Union School District (1994 - 2001) Liberty Union and Brentwood School Districts (2002 to present)
 (4) Employment Development Department



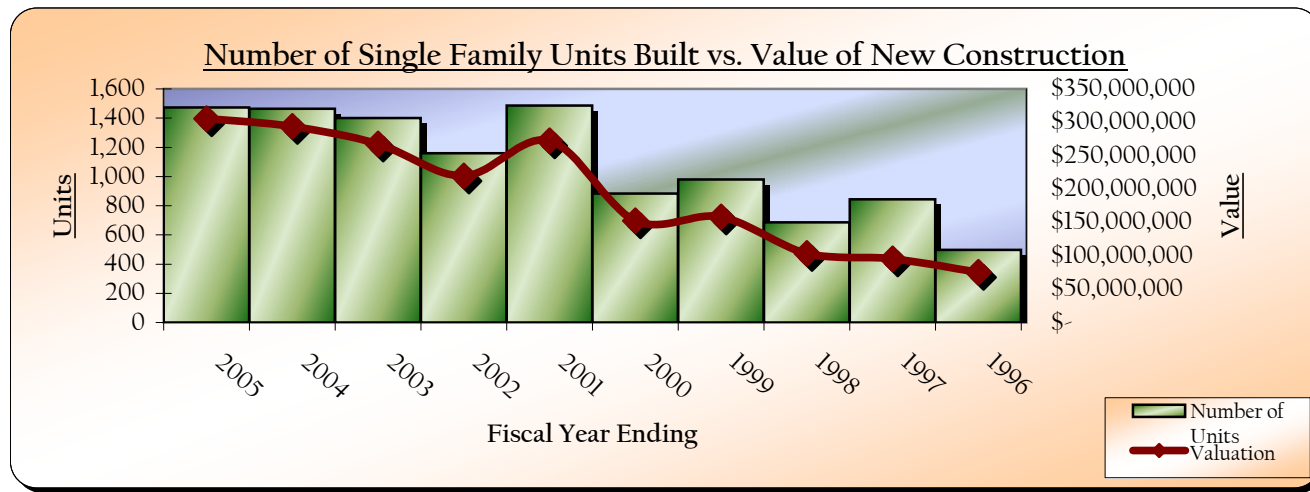
City of Brentwood

**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
2005	46	\$ 29,256,233	1,473	\$ 305,301,991	1,519	\$ 334,558,224
2004	51	48,494,264	1,465	293,718,306	1,516	342,212,570
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

Source: City of Brentwood Community Development Department



City of Brentwood

**LARGEST PROPERTY TAXPAYERS
WITHIN THE CITY LIMITS
JUNE 30, 2005
(Unaudited)**

Property Owners Name	Primary Use	Total Secured Assessed Value	Percentage of Secured Assessed Value
Sand Creek Crossing LLC	Commercial	\$ 51,739,545	1.1504%
Western Pacific Housing Inc.	Industrial	35,555,618	0.7906%
HPH Properties Limited Partnership	Commercial, Residential	28,990,957	0.6446%
Pulte Home Corporation	Residential	15,935,328	0.3543%
Signature Properties Inc.	Commercial	15,097,011	0.3357%
Safeway Stores Inc.	Commercial	7,808,433	0.1736%
US Print Corporation	Industrial	7,316,844	0.1627%
Sand Creek Business Center II LP	Commercial	6,224,583	0.1384%
Paul and Lisa Taylor	Industrial	4,426,463	0.0984%
		\$ 173,094,782	3.8487%

Source: HdL, Coren & Cone

City of Brentwood

MISCELLANEOUS STATISTICAL INFORMATION

JUNE 30, 2005

(Unaudited)

Date of Incorporation:	January 21, 1948
Forms of Government:	General Law Council-Manager
Fiscal Year Begins:	July 1
Area of City:	14.83 Sq Miles
Population as of January 2005:	40,912

<u>Number of Full-time Equivalent Positions</u>	<u>Year End</u>
294.75	2005
263.45	2004
244.14	2003
202.80	2002
189.45	2001
155.50	2000
134.50	1999
106.85	1998
95.95	1997
87.75	1996

<u>Public Schools</u>	
Elementary	6
Intermediate	2
High School	2
Alternative High Schools	2

<u>Miles of Streets</u>	
Arterial Miles	12.05
Local Miles	149.20
Miles of Sanitary Sewers	101.20
Miles of Water Mains	163.87
Number of Street Lights	3,873

<u>Municipal Wastewater System</u>	
Number of lift stations	3
Sanitary	3
Storm	0
Number of connections	13,702
Average daily flow	3.2 MGD

<u>Municipal Water System</u>	
Number of wells	8
Number of reservoirs	5
Storage capacity (gallons)	14.8 MG
Average daily consumption	8.1 MGD
Peak daily consumption	14.9 MGD
Number of fire hydrants	1,521
Number of connections	13,713

<u>Municipal Solid Waste</u>	
Number of Residential Services	13,540
Number of Commercial Services	541

<u>Parks and Recreation</u>	
Neighborhood Parks	170.65 acres
Aquatic Complex	7.5 Acres
Skate Park	.50 acres
Play Areas	24
Sunset Park Athletic Complex	38 acres

<u>Parks Facilities</u>	
Multi-Use Trails	14.5 miles
Multi-Use Ballfields	10
Multi-Use Soccer Fields	10
Tennis Courts	2
Basketball Courts	10
Bocce ball Courts	6
Volleyball Courts	3
Horseshoe Courts	2
Gazebos	2
Picnic Areas	25
Restrooms (Permanenet)	7

<u>Police Protection</u>	
Sworn Officers	62
Non-Sworn	16
Reserves	1
Vehicles	38
Motorcycles	6

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