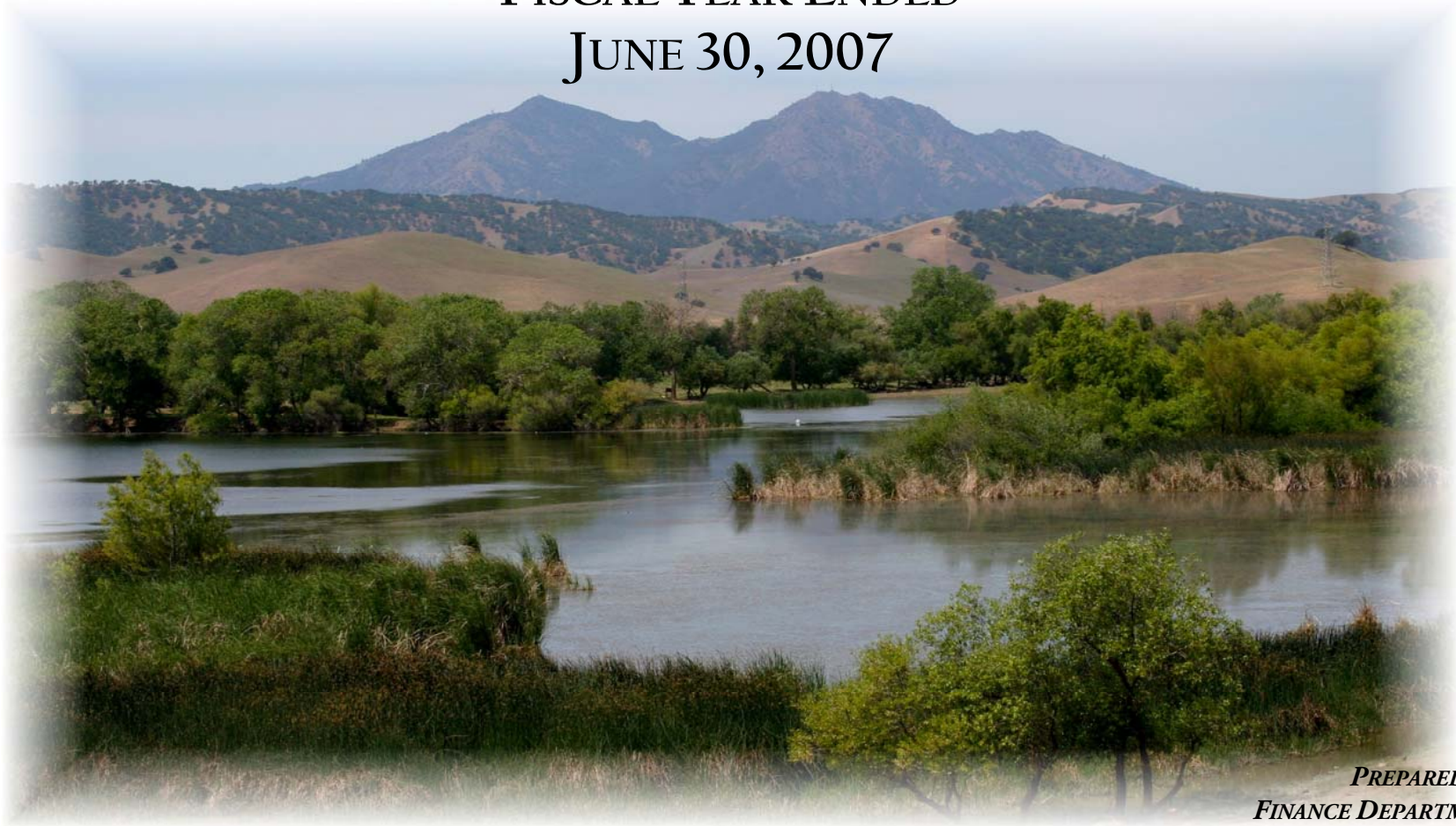


COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED
JUNE 30, 2007



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



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For Fiscal Year Ended June 30, 2007

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City of Brentwood
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Fiscal Year Ended June 30, 2007

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For Fiscal Year Ended June 30, 2007

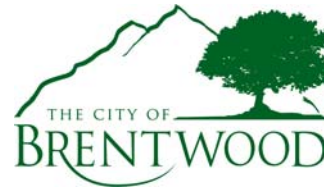
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Letter of Transmittal



December, 2007

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

Dear Mayor, 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, within six months of the close of each fiscal year. Therefore, we are pleased to submit the Comprehensive Annual Financial Report for the City of Brentwood, California for the fiscal year ended June 30, 2007. This is the seventh year the City's Finance Department has prepared this report and the sixth year using the reporting requirements as prescribed by the Governmental Accounting Standards Board 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 these objectives are met, while recognizing that this assurance is not absolute. The concept of reasonable assurance recognizes: 1) the cost of a control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits requires estimates and judgments by management. City administration believes the existing internal control

City Hall – 708 Third Street, Brentwood, California 94513 Phone: (925) 516-5400 Fax: (925) 516-5401

Letter of Transmittal

systems are adequate to provide reasonable assurance 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 eighth consecutive "Unqualified" Audit issued in 2007.

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 Maze & Associates Corporation. 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, Maze & Associates Corporation 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 basic 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 Amendments of 1996 and related Office of Management and Budget 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.



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, in eastern Contra Costa County. The City is governed by a five member City Council, under the Council-Manager form of government. As of June 30, 2007 the City had a population of 48,907 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 a recycling program and refuse collection and disposal. All of these services are accounted for in the City's financial statements.

Letter of Transmittal

In addition, the City is financially accountable for two component units, the Brentwood Redevelopment Agency and the Brentwood Infrastructure 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 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 any changes to appropriations for the second year.



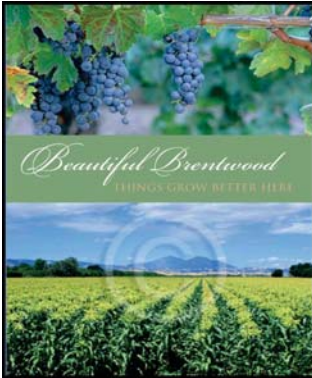
Activities of the General Fund, Special Revenue Funds, Debt Service Funds, Proprietary and Capital Project Funds are included in the annual appropriated budget. Budget-to-actual comparisons are included in the Financial Section for the General Fund, Special Revenue Funds, certain Debt Service Funds and 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, 2002 Series A&B, 2006 Series A&B, Capital Improvement 2001, Randy Way Assessment District Improvements, and the 2002 General Obligation Bond. See Note #2-A on page 43, for additional information.

ECONOMIC OUTLOOK

The City of Brentwood, along with the rest of the nation, has experienced the dramatic slowdown in residential development and pullback in the housing market. The City's population has increased at an annual average rate of 12.8% over the past decade. The past three years have seen the City's population growth slow from 12.9% in 2004/05 to 9.3% in 2005/06 and down to 6.4% in 2006/07. This slowdown in residential development is expected to continue over the next two years. As a result, the population growth is anticipated to be under 5% per year through build out. As a result of the slowdown in housing growth, development fee income, once a leading source of revenue for the General Fund, will decrease while revenues from property and sales taxes will increase due to a newly expanded commercial and economic base.

Letter of Transmittal



Over the past few years, Brentwood has added approximately 600,000 square feet of new office and industrial space for business. Large retail centers, such as Lone Tree Plaza and Sand Creek Crossing, generate a significant amount of sales tax revenue that is a huge financial benefit to the City’s General Fund. In 2007, Brentwood was again named one of the fastest growing retail markets by California Retail Survey, ranking 10th throughout California. While the City has experienced tremendous retail growth in the past several years, there is still more to come. Currently under construction is “The Streets of Brentwood” project, a 460,000 square-foot open-air shopping center anchored with a new multi-screen cinema, as well as approximately 80 specialty shops and restaurants. This project is being constructed at the corner of Sand Creek Road and the new Highway 4 Bypass, a prime area for retail activity. The Streets of Brentwood project is expected to open in either late 2008 or early 2009.

FINANCIAL OUTLOOK

Long-Range Financial Planning – Key to planning for the City’s build-out is the development of a highly sophisticated fiscal model that ensures that the City continues to budget conservatively, with revenues exceeding expenditures, and with adequate reserves to cover future liabilities and unexpected emergencies. The City’s fiscal model, adopted by the City Council in February 2007, combines a 10-year financial forecast of expenditures, revenues and fund balance, with recommendations on how any possible gaps between City revenues and expenditures might be closed. The fiscal model is updated annually and is a valuable tool during the next decade as the City continues to transition from a reliance on developer revenue to a reliance on property and sales taxes from a newly expanded economic and commercial base.

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, 2007, are classified in the category of lowest credit risk as defined by the Governmental Accounting Standards Board.

Development Fees – The City of Brentwood established a Development Fee Program in 1989. The program sets forth the nexus between 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. 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).” Capital Improvement Financing Programs provide a mechanism through which the City and the development community cooperate to fund and construct both major Master Planned and Sub-Master Planned

infrastructure (roads, water and wastewater lines, regional drainage facilities, etc.). Bonds are sold using the participating Developer's property as collateral. There is minimal 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.

MAJOR INITIATIVES – BRINGING BRENTWOOD'S VISION TO REALITY



Community Award

The City of Brentwood has been named one of the 100 Best Communities for Young People, a national competition sponsored by America's Promise - The Alliance for Youth. The competition honors communities, ranging from small towns to urban neighborhoods, for their commitment to provide healthy, safe and caring environments for young people. Over a thousand communities in America applied for this award of distinction.

Customer Service

Several initiatives are under way in order to provide efficient service to both internal and external customers. These include: 1) implementation of the One Stop Permit Center which will provide one location for customers who need any type of City permit and 2) selection of a new development services software system which includes a workflow component for all departmental approvals required during the processing of development projects.

Economic Development

Economic development remains a top priority for the City. Key economic development projects include: implementation of the Downtown Specific Plan; continued facilitation of regional retail development including the Streets of Brentwood shopping center; the development of the Agricultural Park and History Center; enhancement of the John Muir medical facility; expansion of Los Medanos College and the planning and development of the Vineyards Project.

Infrastructure and Public Facilities

Brentwood continues to cultivate a vital, thriving and charming historical Downtown. These efforts resulted in the development of the Downtown Brentwood 2010 action plan which will serve as the template for the following community facilities: a new City Hall, Council Chambers, and Community Center; the Civic Center Parking Facility; the Civic Center Plaza; a new Senior Center, Library and City Park; and the Downtown Parking Facilities. The designs for all of these facilities will reflect the community input gathered as a result of community outreach workshops.

Neighborhood Improvement

The City is monitoring and evaluating the success of the Current Code Enforcement practices to ensure that citizens are reasonably maintaining their property and that public property enhances the appearance of all neighborhoods. The newly appointed City Council Neighborhood Improvement Committee and City staff will continue to work with the community to monitor the Code, as well as oversee other neighborhood concerns such as noise, civility issues and neighborhood beautification efforts.

Letter of Transmittal

Public Safety

To help maintain a community where everyone feels safe, the City is focused on the following activities: 1) development of a fire plan for the City; 2) implementing a crime analysis software program which will help identify and track crime occurrences and trends; 3) increasing traffic enforcement; 4) creating a Street Crime Impact Team; 5) improving communication with the community and 6) establishing a professional standards unit which will provide a centralized contact point for citizen complaints and provide consistency in training, internal investigations and procedures.

Regional / Local Transportation

Brentwood has been a leader in regional transportation through participation with local, County and regional agencies for the planning and funding of transportation projects. As a member of the State Route 4 Bypass Authority and East Contra Costa Regional Fee and Finance Authority, Brentwood was actively involved in the implementation of the Regional Transportation Mitigation Fee. This \$16,667 fee is collected from all new development to continue to finance transportation projects.

A current project under construction is the State Route 4 Bypass. This project will ease traffic and commute congestion in Brentwood and Oakley and provide access to the growing areas of eastern Contra Costa County. Segment II, which runs south from Lone Tree Way to Balfour Road, was completed in 2002. The Bypass Authority's project priority list (East Contra Costa Regional Fee and Financing Authority's Strategic Plan) includes funding for widening of Segment II to four lanes, with bridges for grade separation at Sand Creek Road and Balfour Road. This widening work will commence after completion of Segments I and III. Segments I and III are currently under construction and are scheduled to be completed by 2008. These segments will extend the Bypass north from Lone Tree Way to the existing Highway 4 and south from Balfour Road to Vasco Road.

In addition to the State Route 4 Bypass, The East Contra Costa Regional Fee and Finance Authority also includes funding for regional projects such as widening of the existing State Route 4 east of Antioch, BART and Vasco Road safety improvements.

Technology

The City is committed to either implementing new systems, or updating existing systems, in order to ensure state-of-the-art technology is always being utilized. The City is in the process of implementing a newly adopted, five-year Technology Strategic Plan which will help the City meet its technology goals.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Brentwood for its comprehensive annual financial report for the fiscal year ended June 30, 2006. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

Letter of Transmittal

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

ACKNOWLEDGEMENTS

We wish to thank the City Council for providing the clear policy direction and goals that have been used to prepare this Comprehensive Annual Financial Report. 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 Comprehensive Annual Financial Report. Special recognition is given to the Finance Department and specifically the 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 Comprehensive Annual Financial Report is the next step towards meeting those challenges. By continuing to follow the financial policy set forth by the City Council, the City of Brentwood will deliver the highest level of service permitted by the available resources.

Respectfully submitted,

Donna Landeros

Donna Landeros
City Manager

Pamela Ehler

Pamela Ehler
City Treasurer
Director of Finance and Information Systems

Letter of Transmittal

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Brentwood
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

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



Handwritten signature of Ronald Khan in black ink.

President

Handwritten signature of Jeffrey R. Egan in black ink.

Executive Director

LIST OF PRINCIPAL OFFICIALS

(As of June 30, 2007)

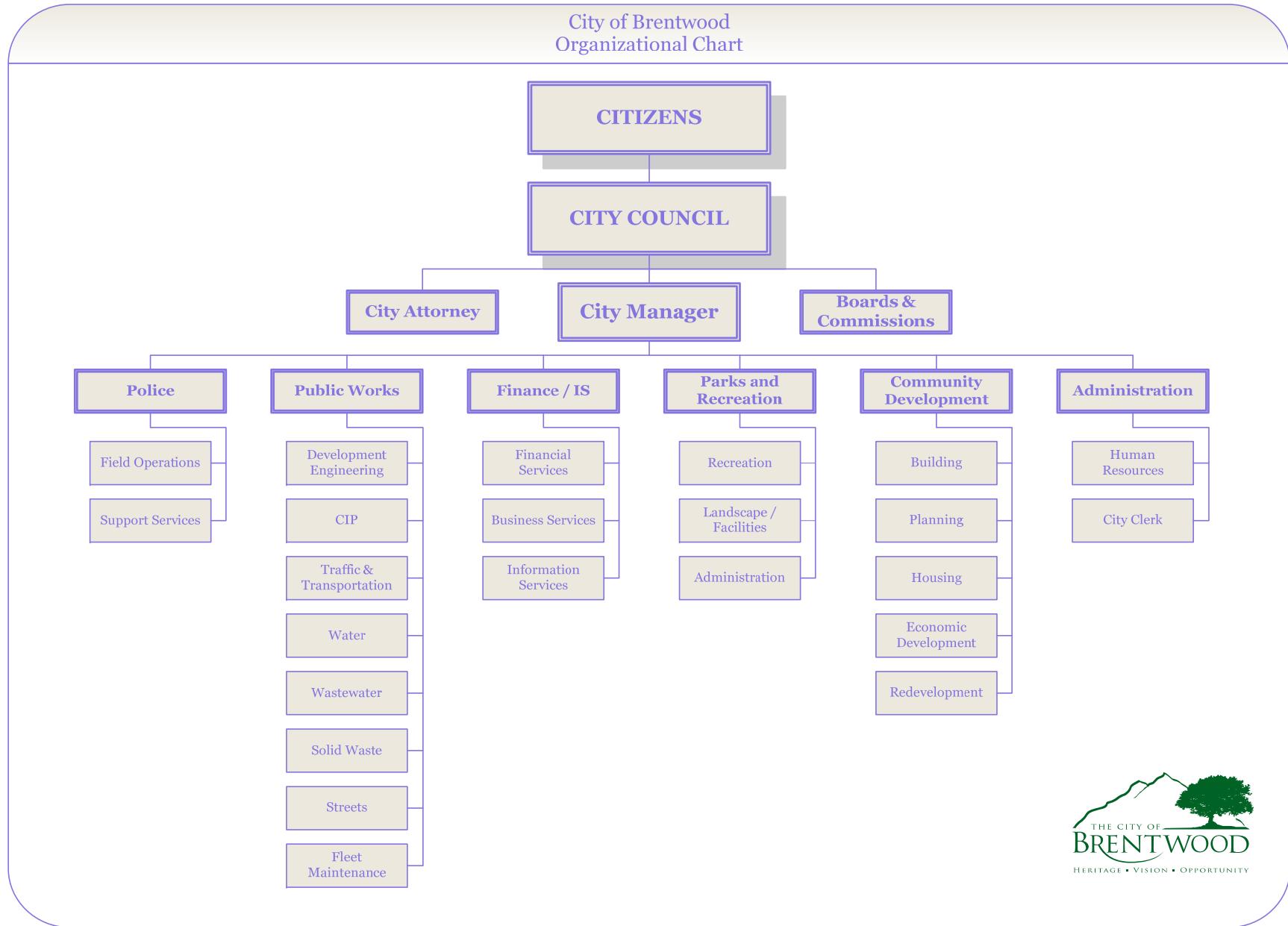
City Officials

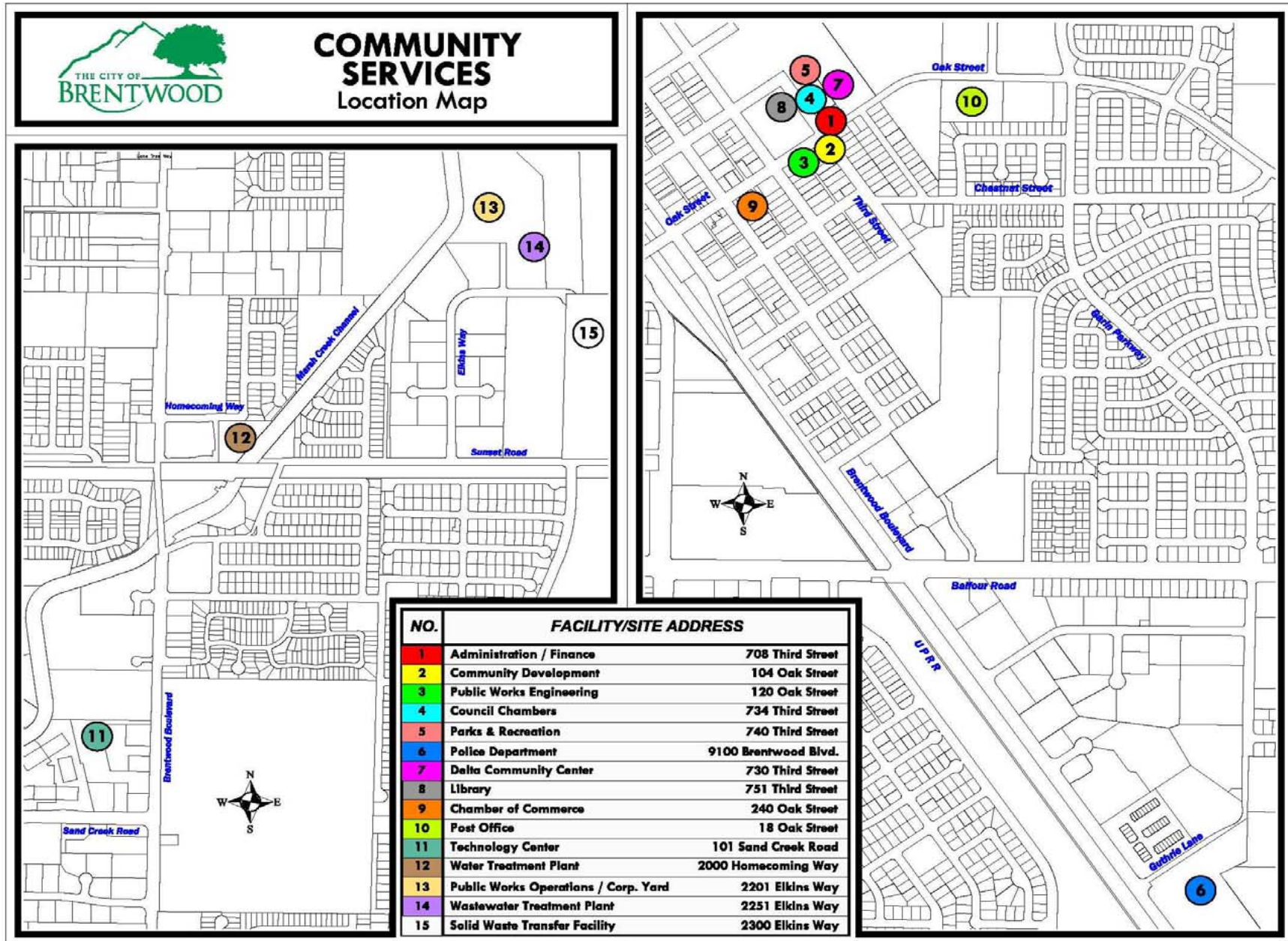
Robert Taylor Mayor
Robert Brockman Vice-Mayor
Chris Becnel Council Member
Brandon Richey Council Member
Erick Stonebarger Council Member

Executive Team

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

Letter of Transmittal





Mission Statement

Bringing Brentwood's Vision to Reality

Vision and Culture

We are an organization of dedicated professionals working together to make Brentwood the very best, preserving its rich heritage and keeping Brentwood in the hearts of the people.



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INDEPENDENT AUDITOR'S REPORT

ACCOUNTANCY CORPORATION

3478 Buskirk Ave. - Suite 215

Pleasant Hill, California 94523

(925) 930-0902 • FAX (925) 930-0135

maze@mazeassociates.com

www.mazeassociates.com

Honorable Mayor and City Council
City of Brentwood, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brentwood, California as of and for the year ended June 30, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the City as of June 30, 2006 were audited by other auditors whose report dated November 28, 2006 was unqualified.

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

In our opinion, based on our audit, 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 at June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof listed as part of the basic financial statements 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 reports dated October 12, 2007 on our consideration of the City's internal control structure and on its compliance with laws and regulations.

Management's Discussion and Analysis and the Required Supplementary Information are not a required part of the basic financial statements but are supplementary information required by the Government Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and we express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City of Brentwood. Such 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 in relation to the basic financial statements taken as a whole.

The introductory section and statistical section listed in the table of contents were not audited by us and we do not express an opinion on this information.

Maze and Associates

A Professional Corporation

October 12, 2007



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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, 2007. 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 \$658.6 million. Of this amount, \$81.2 million may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased \$79.3 million due primarily to development impact fees and contributed assets.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$117.6 million, an increase of \$.5 million in comparison to the prior year.
- The City's total long-term debt decreased by \$3.3 million.
- Internal Service (Replacement) Funds have net assets of \$26.0 million at year end, which is an increase of \$5.0 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, Community Services and Parks and Recreation. 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, 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 Solid Waste. 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 Replacement Fund and the Fleet Maintenance Services 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 – 123 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 13.7% from \$579.3 million at June 30, 2006 to \$658.6 million at June 30, 2007. This increase of \$79.3 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 \$67.4 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 \$110.3 million as of June 30, 2007. The remaining balance of unrestricted net assets, \$81.2 million as of June 30, 2007, may be used to meet the City's ongoing obligations to citizens and creditors.

	Governmental Activities		Business-Type Activities		Totals	
	2007	2006	2007	2006	2007	2006
Current and Other Assets	\$ 154,808,543	\$ 147,961,234	\$ 57,381,055	\$ 48,422,953	\$ 212,189,598	\$ 196,384,187
Capital Assets	379,572,774	334,722,847	174,573,049	157,837,344	554,145,823	492,560,191
Total Assets	<u>534,381,317</u>	<u>482,684,081</u>	<u>231,954,104</u>	<u>206,260,297</u>	<u>766,335,421</u>	<u>688,944,378</u>
Current Liabilities	\$ 17,030,668	\$ 15,008,427	\$ 6,107,518	\$ 6,808,029	\$ 23,138,186	\$ 21,816,456
Long-Term Liabilities Outstanding	36,781,822	37,499,176	47,805,597	50,339,477	84,587,419	87,838,653
Total Liabilities	<u>53,812,490</u>	<u>52,507,603</u>	<u>53,913,115</u>	<u>57,147,506</u>	<u>107,725,605</u>	<u>109,655,109</u>
Net Assets:						
Invested in Capital Assets, Net of Related Debt	\$ 342,332,679	\$ 294,803,288	\$ 124,783,446	\$ 104,790,118	\$ 467,116,125	\$ 399,593,406
Restricted	79,105,723	81,395,898	31,204,635	30,182,173	110,310,358	111,578,071
Unrestricted	59,130,425	53,977,292	22,052,908	14,140,500	81,183,333	68,117,792
Total Net Assets - Restated	<u>\$ 480,568,827</u>	<u>\$ 430,176,478</u>	<u>\$ 178,040,989</u>	<u>\$ 149,112,791</u>	<u>\$ 658,609,816</u>	<u>\$ 579,289,269</u>

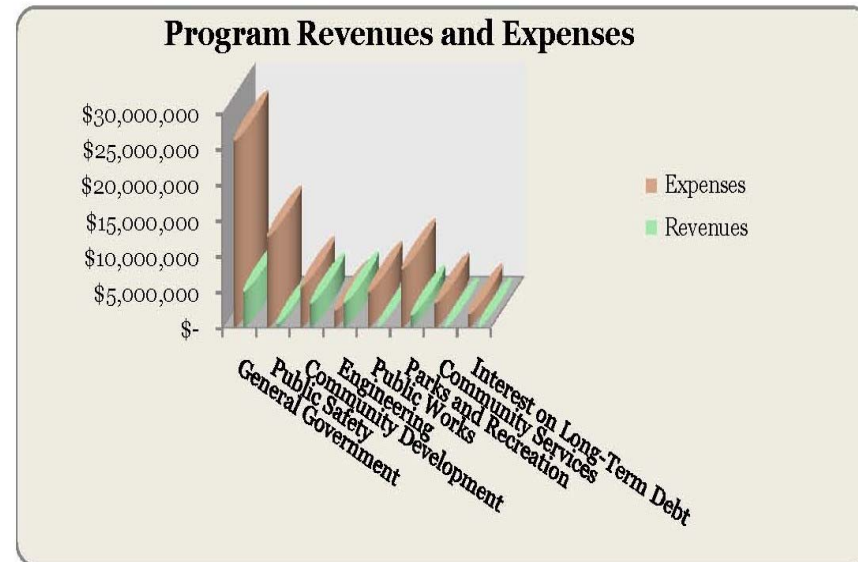
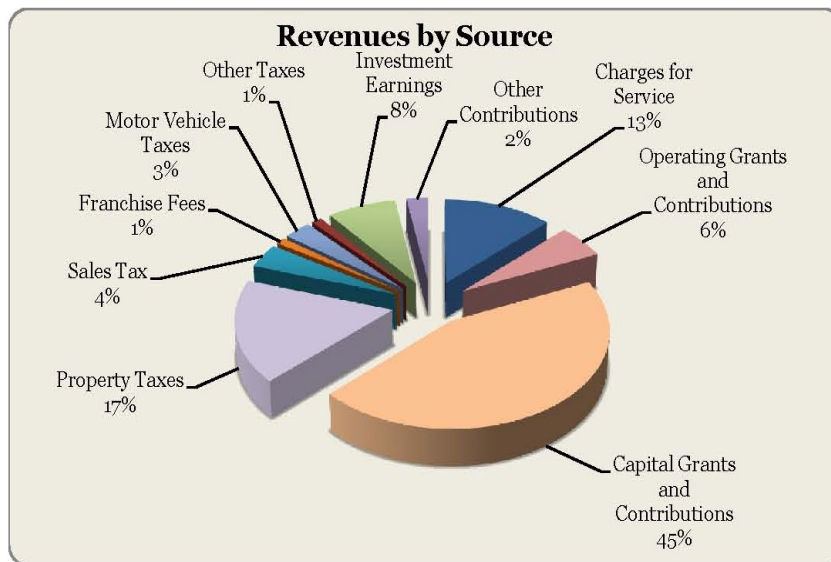
Governmental Activities – The City’s net assets from governmental activities increased 11.7% from \$430.2 million to \$480.6 million. This increase represents 63.5% of the City’s total growth in net assets. The majority of this increase was due to an increase in fixed assets through capital contributions.

Business-Type Activities –The City’s net assets from Business-Type activities increased 19.4% from \$149.1 million to \$178.0 million. Investment in capital assets, net of related debt, increased \$20.0 million due to capital asset contributions from development. Overall, the unrestricted net assets increased by \$7.9 million

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2007	2006	2007	2006	2007	2006
Revenues:						
Program Revenues:						
Charges for Services	\$ 14,225,400	\$ 16,189,709	\$ 31,451,819	\$ 27,067,781	\$ 45,677,219	\$ 43,257,490
Operating Grants and Revenues	6,443,633	200,915	-	-	6,443,633	200,915
Capital Grants and Contributions	50,529,249	212,611	22,969,310	-	73,498,559	212,611
General Revenues:						
Taxes:						
Property Taxes	19,676,078	14,887,469	-	-	19,676,078	14,887,469
Sales Tax	4,661,529	5,411,724	-	-	4,661,529	5,411,724
Franchise Fees	1,230,265	1,021,258	-	-	1,230,265	1,021,258
Public Service Taxes	527,766	1,000,573	-	-	527,766	1,000,573
Measure C, TOT	598,358	532,035	-	-	598,358	532,035
Motor Vehicle Taxes	3,597,495	3,502,237	-	-	3,597,495	3,502,237
Other Taxes	260,577	188,636	-	-	260,577	188,636
Investment Earnings	8,960,696	3,639,789	2,535,390	1,199,763	11,496,086	4,839,552
Impact Fees	-	31,600,393	-	11,381,912	-	42,982,305
Capital Contributions	-	33,424,231	-	6,287,482	-	39,711,713
Intergovernmental	42,737	1,151,837	-	-	42,737	1,151,837
Interfund Services	48,484	4,627,478	-	-	48,484	4,627,478
Miscellaneous	2,726,006	3,328,605	-	-	2,726,006	3,328,605
Total Revenues	113,528,273	120,919,500	56,956,519	45,936,938	170,484,792	166,856,438
Expenses:						
General Government	26,103,080	17,927,800	-	-	26,103,080	17,927,800
Public Safety	12,768,274	10,952,967	-	-	12,768,274	10,952,967
Community Development	5,704,796	3,960,793	-	-	5,704,796	3,960,793
Engineering	2,332,730	4,063,792	-	-	2,332,730	4,063,792
Public Works	4,967,567	1,815,288	-	-	4,967,567	1,815,288
Parks and Recreation	8,129,353	6,965,572	-	-	8,129,353	6,965,572
Community Services	3,402,377	2,059,834	-	-	3,402,377	2,059,834
Other	-	2,918,908	-	-	-	2,918,908
Interest on Long-Term Debt	1,839,058	1,766,038	-	-	1,839,058	1,766,038
Wastewater	-	-	6,264,947	5,995,237	6,264,947	5,995,237
Solid Waste	-	-	6,259,740	6,018,649	6,259,740	6,018,649
Water	-	-	11,181,295	12,073,423	11,181,295	12,073,423
City Rentals	-	-	729,754	728,604	729,754	728,604
Housing	-	-	1,481,274	1,215,548	1,481,274	1,215,548
Total Expenses	65,247,235	52,430,992	25,917,010	26,031,461	91,164,245	78,462,453
Increase in Net Assets Before Transfers	48,281,038	68,488,508	31,039,509	19,905,477	79,320,547	88,393,985
Transfers	2,111,311	57,512,251	(2,111,311)	(57,512,251)	-	-
Increase in Net Assets	50,392,349	126,000,759	28,928,198	(37,606,774)	79,320,547	88,393,985
Net Assets 7/1 - Restated	430,176,478	304,175,719	149,112,791	186,719,565	579,289,269	490,895,284
Net Assets 6/30	\$ 480,568,827	\$ 430,176,478	\$ 178,040,989	\$ 149,112,791	\$ 658,609,816	\$ 579,289,269

Governmental Activities – The cost of all Governmental activities this year was \$65.2 million. Net revenues, as shown in the Statement of Activities, were \$6.0 million. A portion of the cost for these activities was paid either by those who directly benefited from the programs (\$14.2 million), by other governments and organizations that subsidized certain programs with operating grants and contributions (\$6.4 million), or capital grants and contributions (\$50.5 million). Public Works finished the year with net revenues of \$29.3 million as a result of significant dedicated infrastructure. Overall, the City's governmental program revenues were \$71.2 million.

Total resources available during the year to finance governmental operations were \$545.8 million consisting of net assets at July 1, 2006 of \$430.2 million, program revenues of \$71.2 million and general revenues and transfers of \$44.4 million. Total Governmental activities during the year were \$65.2 million, thus net assets were increased by \$50.4 million to \$480.6 million.



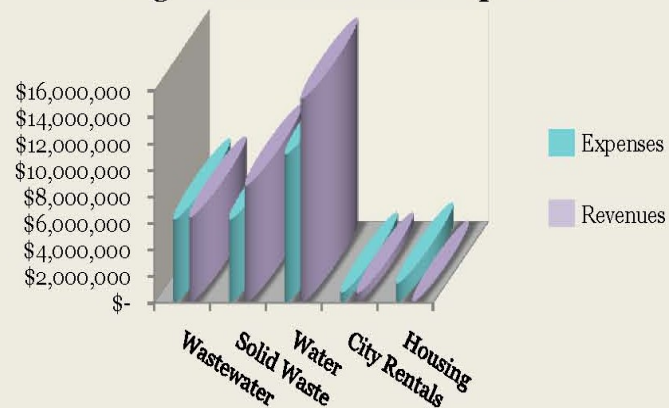
Business-Type Activities – The cost of all Business-Type activities this year was \$25.9 million. As shown in the Statement of Activities and Changes in Net Assets, the amounts paid by users of the systems were \$31.5 million. Capital Grants and Contributions totaled \$23.0 million and Investment earnings were \$2.5 million.

Total resources available during the year to finance Business-Type activities were \$203.9 million consisting of net assets at July 1, 2006 of \$149.1 million, charges for services of \$31.4 million, capital contributions of \$23.0 million and general revenues and net transfers of \$.4 million. Total Business-Type activities during the year were \$25.9 million, thus net assets increased by \$28.9 million to \$178.0 million.

Revenues by Source



Program Revenues and Expenses



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

At year-end the City's General Fund had a fund balance of \$25,399,565. This is an increase of \$2,885,228 compared to last year. The increase is attributable to budgeted positions which remained unfilled during the year.

Thoroughfares, which is reported as a Special Revenue fund, had a decrease in fund balance of \$2,722,261 due primarily to a transfer of funds to the Street Improvement Projects fund.

Community Facilities, which is reported as a Special Revenue fund, had a decrease in fund balance of \$2,383,151 due to transfers to the Community Facilities Projects fund for future projects.

Redevelopment Debt, which is reported as a Debt Service fund, had an increase in fund balance of \$2,151,977 as tax increment revenue currently exceeds debt service requirements. We anticipate issuing additional bonds in the next few years which will raise our debt service requirements.

Capital Improvement Financing Program (CIFP) 2005-1, which is reported as a Capital Projects fund, had a decrease in fund balance of \$7,866,703. This was primarily due to reimbursements paid to developers for the construction of certain capital assets and infrastructure. The majority of the revenue for the CIFP 2005-1 fund was received in fiscal year 2005/06 with the funding of CIFP 2005-1. Current revenues consist only of interest income.

Community Facilities Improvement Projects, which is reported as a Capital Projects Fund, had an increase in fund balance of \$3,543,476 due to transfers which were received for upcoming projects.

Street Improvement Projects, which is reported as a Capital Projects Fund, had an increase in fund balance of \$940,867 due to transfers which were received for upcoming projects.

Equipment Replacement, which is reported as an Internal Service fund, had an increase in net assets of \$1,623,439. This was due to a transfer of assets into the fund as well as the City's continued effort to ensure that the fund will be capable of replacing all City equipment as needed.

Insurance, which is reported as an Internal Service fund, had an increase in net assets of \$2,273,406. A significant portion of this increase was due to the City transferring savings achieved through prepaying our Public Employees Retirement System (PERS) employer contributions at a discounted rate. This fund, which is used to pay for retiree medical benefits, workers compensation and property insurance costs, will potentially provide a significant funding source for the City when Governmental Accounting Standards Board (GASB) Statement Number 45 is implemented.

GENERAL FUND BUDGETARY HIGHLIGHTS

Comparing the fiscal year 2006/07 original budget (or adopted) General Fund expenditures and transfers out in the amount of \$43,829,563, to the final budget amount of \$43,944,834 shows a net increase of \$115,271.

<u>Beginning Balance</u> \$43,829,563	+	<u>Supplemental Changes</u> \$115,271	=	<u>Final Budget</u> \$43,944,834
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During the fiscal year, the total revenues and transfers in for the General Fund were \$41,313,308. This was \$2,225,568 less than budgeted. The shortfall was due to a considerable slowdown in development. The City finished the year approximately 60% under building permit projections. The total expenses and transfers out for the General Fund were \$38,428,080. This was \$5,516,754 less than budgeted. There were two main factors which contributed to the savings:

- Salary and benefit savings of \$2,400,000, plus \$200,000 in supplies, training and related expenses, due to budgeted positions remaining unfilled during the fiscal year.
- Expenses related to development activities were lower due to the slowdown in development.

Supplemental changes to the FY 2006/07 General Fund budget were:

- \$39,152 for personnel changes during the year
- \$17,000 for an Economic Development Study
- \$59,119 for Parks and Recreation programs

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, 2007, capital assets net of accumulated depreciation of the Governmental activities totaled \$375,470,697, excluding intangible assets. Capital assets net of accumulated depreciation of the Business-Type activities totaled \$164,790,630, excluding intangible assets. Depreciation on capital assets is recognized in the Government-Wide financial statements. Refer to Note #5, found on pages 53 – 55 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	\$ 26,858,232	\$ -	\$ 26,858,232
Land Improvements	1,085,213	547,629	537,584
Buildings	12,324,480	2,505,154	9,819,326
Infrastructure	286,718,469	39,546,469	247,172,000
Machinery and Equipment	3,642,188	1,726,731	1,915,457
Vehicles	7,017,722	3,457,267	3,560,455
Work in Progress – CIP & Infrastructure	85,607,643	-	85,607,643
Total Capital Assets – Governmental	<u>\$ 423,253,947</u>	<u>\$ 47,783,250</u>	<u>\$ 375,470,697</u>
Capital Assets – Business-Type:			
Land	\$ 1,655,954	\$ -	\$ 1,655,954
Land Improvements	1,230,303	681,254	549,049
Buildings	10,256,670	2,314,418	7,942,252
Infrastructure	142,406,099	14,874,435	127,531,664
Machinery and Equipment	1,047,548	589,458	458,090
Work in Progress – CIP & Infrastructure	26,653,621	-	26,653,621
Total Capital Assets – Business-Type	<u>\$ 183,250,195</u>	<u>\$ 18,459,565</u>	<u>\$ 164,790,630</u>

Debt Administration – Debt, considered a liability of Governmental Activities, decreased in fiscal year 2006/07 by \$626,074. Per capita debt outstanding decreased from \$851 to \$787 per capita compared to the prior fiscal year. Detailed information regarding long-term debt activity can be found in Note #6 on pages 55 – 62 in this report.

Debt of the Business-Type activities decreased by \$2,658,053 in fiscal year 2006/07 due primarily to regularly scheduled principal payments.

	Balance June 30, 2006	Incurred or Issued	Satisfied or Matured	Balance June 30, 2007
Governmental Activities				
Capital Leases	\$ 17,754	\$ -	\$ 17,754	\$ -
Notes Payable	1,867,208	-	128,348	1,738,860
Bonds Payable	36,124,302	191,936	815,000	35,501,238
Accumulated Compensated Absences	1,129,640	1,548,298	1,405,206	1,272,732
Total Governmental Activities	<u>\$ 39,138,904</u>	<u>\$ 1,740,234</u>	<u>\$ 2,366,308</u>	<u>\$ 38,512,830</u>
Business-Type Activities				
Capital Leases	\$ 190,955	\$ -	\$ 190,955	\$ -
Notes Payable	42,731,268	250,445	2,440,395	40,541,318
Bonds Payable	10,240,000	-	295,000	9,945,000
Accumulated Compensated Absences	231,225	373,093	355,241	249,077
Total Business-Type Activities	<u>\$ 53,393,448</u>	<u>\$ 623,538</u>	<u>\$ 3,281,591</u>	<u>\$ 50,735,395</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The key assumptions in the General Fund revenue forecast for fiscal year 2007/08 were:

1. Sales Tax revenues are expected to increase by 12% due to growth in new commercial and retail centers. This is well below the City's recent averages of greater than 20% annual growth.
2. Investment income will increase by an estimated \$100,000 due to the recent rise in interest rates.
3. Approximately 500 new housing units will be constructed.
4. Business License revenues are estimated to increase to \$637,500 for fiscal year 2007/08, which is an increase of \$106,250 compared to fiscal year 2006/07. This projected increase is due to new businesses and continued code enforcement. This revenue is significant because it is considered discretionary and therefore it isn't subject to being taken away by the State.

The City of Brentwood is feeling a significant financial impact from the slow housing market and slowdown in general building activity. The City's population, which has increased at an annual average rate of 12.8% over the past decade, is expected to increase by less than 5% per year over the next several years. Key budgetary impacts addressed in the 2007/08 budget year were:

- Building, planning and engineering revenues, when taken as a whole, will decline about \$250,000 from the already depressed levels of 2006/07. This represents a budgetary decline of 51% from our peak budgeted revenue which was set during the 2004/05 fiscal year.
- Property taxes, which have consistently grown at 25% per year for the past several years, are projected to grow at 13% for the 2007/08 fiscal year.
- Property Transfer Taxes are expected to increase slightly from fiscal year 2006/07, although they will remain significantly below the amounts received in the early to mid 2000's.
- In 2005/06, the City implemented a 10-year plan to minimize its dependence on development impact fees. As part of this plan staff members funded through CIP are having their allocations changed from allocations funded by development impact fees to allocations funded by the General Fund. By 2008/09, we will have just 8.02 full time employees (FTE's) funded by development impact fees.

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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Statement of Net Assets

June 30, 2007

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Investments	\$ 117,805,486	\$ 49,152,744	\$ 166,958,230
Restricted Cash and Investments	32,881,173	926,763	33,807,936
Receivables	3,656,894	5,110,630	8,767,524
Prepays	136,890	29,084	165,974
Land Held for Resale	1,088,957	-	1,088,957
Notes Receivable	-	58,500	58,500
Total Current Assets	<u>155,569,400</u>	<u>55,277,721</u>	<u>210,847,121</u>
Non-Current Assets:			
Deferred Charges	-	457,591	457,591
Long-Term Notes Receivable	450,000	434,886	884,886
Internal Balances	(1,210,857)	1,210,857	-
Capital Assets, Net of Accumulated Depreciation & Amortization:			
Intangible Assets	4,102,077	9,782,419	13,884,496
Land	26,858,232	1,655,954	28,514,186
Land Improvements	537,584	549,049	1,086,633
Buildings	9,819,326	7,942,252	17,761,578
Infrastructure	247,172,000	127,531,664	374,703,664
Machinery and Equipment	1,915,457	458,090	2,373,547
Vehicles	3,560,455	-	3,560,455
Work in Progress	85,607,643	26,653,621	112,261,264
Total Non-Current Assets	<u>378,811,917</u>	<u>176,676,383</u>	<u>555,488,300</u>
Total Assets	<u>534,381,317</u>	<u>231,954,104</u>	<u>766,335,421</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	8,107,040	2,522,825	10,629,865
Other Liabilities	372,173	61,763	433,936
Unearned Revenue	103,912	393,981	497,893
Deposits Held	6,716,535	199,151	6,915,686
Long-Term Debt Due Within One Year	1,731,008	2,929,798	4,660,806
Total Current Liabilities	<u>17,030,668</u>	<u>6,107,518</u>	<u>23,138,186</u>
Non-Current Liabilities Due in More Than One Year:			
Bonds Payable	34,646,238	9,635,000	44,281,238
Notes Payable	1,626,491	38,070,966	39,697,457
Compensated Absences Payable	509,093	99,631	608,724
Total Non-Current Liabilities	<u>36,781,822</u>	<u>47,805,597</u>	<u>84,587,419</u>
Total Liabilities	<u>53,812,490</u>	<u>53,913,115</u>	<u>107,725,605</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	342,332,679	124,783,446	467,116,125
Restricted for:			
Debt Service	7,664,578	-	7,664,578
Specific Projects and Programs	71,441,145	31,204,635	102,645,780
Unrestricted	59,130,425	22,052,908	81,183,333
Total Net Assets	<u>\$ 480,568,827</u>	<u>\$ 178,040,989</u>	<u>\$ 658,609,816</u>

City of Brentwood

Statement of Activities and Changes in Net Assets
For Year Ended June 30, 2007

Functions/Programs	Program Revenues					Net (Expenses) Revenues and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	Primary Government		
						Governmental Activities	Business-Type Activities	Total
Primary Government:								
Government Activities								
General Government	\$ 26,103,080	\$ 5,050,422	\$ 1,226,762	\$ 9,054,212	\$ 15,331,396	\$ (10,771,684)	\$ -	\$ (10,771,684)
Public Safety	12,768,274	563,191	1,116,916	241,094	1,921,201	(10,847,073)	-	(10,847,073)
Community Development	5,704,796	3,371,910	-	1,251,820	4,623,730	(1,081,066)	-	(1,081,066)
Engineering	2,332,730	3,499,111	-	-	3,499,111	1,166,381	-	1,166,381
Public Works	4,967,567	53,474	840,330	33,346,255	34,240,059	29,272,492	-	29,272,492
Parks and Recreation	8,129,353	1,687,292	-	6,635,868	8,323,160	193,807	-	193,807
Community Services	3,402,377	-	3,259,625	-	3,259,625	(142,752)	-	(142,752)
Interest on Long-Term Debt	1,839,058	-	-	-	-	(1,839,058)	-	(1,839,058)
Total Governmental Activities	65,247,235	14,225,400	6,443,633	50,529,249	71,198,282	5,951,047	-	5,951,047
Business-Type Activities								
Wastewater	6,264,947	6,441,711	-	7,010,633	13,452,344	-	7,187,397	7,187,397
Solid Waste	6,259,740	8,826,499	-	-	8,826,499	-	2,566,759	2,566,759
Water	11,181,295	15,348,469	-	13,499,464	28,847,933	-	17,666,638	17,666,638
City Rentals	729,754	717,539	-	-	717,539	-	(12,215)	(12,215)
Housing	1,481,274	117,601	-	2,459,213	2,576,814	-	1,095,540	1,095,540
Total Business-Type Activities	25,917,010	31,451,819	-	22,969,310	54,421,129	-	28,504,119	28,504,119
Total Primary Government	\$ 91,164,245	\$ 45,677,219	\$ 6,443,633	\$ 73,498,559	\$ 125,619,411	\$ 5,951,047	\$ 28,504,119	\$ 34,455,166
General Revenues:								
Taxes:								
Property Taxes						19,676,078	-	19,676,078
Sales Tax						4,661,529	-	4,661,529
Franchise Fees						1,230,265	-	1,230,265
Public Service Taxes						527,766	-	527,766
Measure C, TOT						598,358	-	598,358
Motor Vehicle Taxes						3,597,495	-	3,597,495
Other Taxes						260,577	-	260,577
Investment Earnings						8,960,696	2,535,390	11,496,086
Intergovernmental						42,737	-	42,737
Interfund Services						48,484	-	48,484
Miscellaneous						2,726,006	-	2,726,006
Transfers						2,111,311	(2,111,311)	-
						44,441,302	424,079	44,865,381
						50,392,349	28,928,198	79,320,547
						430,176,478	149,112,791	579,289,269
						\$ 480,568,827	\$ 178,040,989	\$ 658,609,816

City of Brentwood

Balance Sheet
Governmental Funds
 June 30, 2007

	General Fund	Thoroughfares	Capital Improvement Financing Program 2005-1	Street Improvement Projects	Other Governmental Funds	Total Governmental Funds
ASSETS						
Current Assets:						
Cash and Investments	\$ 33,678,202	\$ -	\$ -	\$ 11,900,753	\$ 51,027,069	\$ 96,606,024
Restricted Cash and Investments	-	-	19,510,034	371,942	12,999,197	32,881,173
Receivables	1,220,959	265,854	-	23,254	2,461,731	3,971,798
Prepays	124,588	-	-	-	4,333	128,921
Due from Other Funds	-	97,069	-	-	2,328,221	2,425,290
Land Held for Resale	-	-	-	-	1,088,957	1,088,957
Total Assets	\$ 35,023,749	\$ 362,923	\$ 19,510,034	\$ 12,295,949	\$ 69,909,508	\$ 137,102,163
LIABILITIES AND FUND BALANCES						
Current Liabilities:						
Accounts Payable and Accrued Liabilities	\$ 2,803,737	\$ 2,137	\$ -	\$ 1,482,626	\$ 3,447,435	\$ 7,735,935
Due to Other Funds	-	1,923,488	-	-	302,364	2,225,852
Internal Balances	-	-	-	-	1,410,295	1,410,295
Other Liabilities	-	-	-	371,942	231	372,173
Unearned Revenue	103,912	344,411	-	-	552,370	1,000,693
Deposits Held	6,716,535	-	-	-	-	6,716,535
Total Liabilities	9,624,184	2,270,036	-	1,854,568	5,712,695	19,461,483
Fund Balances:						
Reserved for:						
Prepays	124,588	-	-	-	4,333	128,921
Land Held for Resale	-	-	-	-	1,088,957	1,088,957
Debt Service	-	-	-	-	7,664,578	7,664,578
Specific Projects and Programs	-	-	19,510,034	10,441,381	55,859,953	85,811,368
Unreserved, Reported in:						
General Fund	25,274,977	-	-	-	-	25,274,977
Special Revenue	-	(1,907,113)	-	-	(385,141)	(2,292,254)
Capital Projects	-	-	-	-	(35,867)	(35,867)
Total Fund Balances	25,399,565	(1,907,113)	19,510,034	10,441,381	64,196,813	117,640,680
Total Liabilities and Fund Balances	\$ 35,023,749	\$ 362,923	\$ 19,510,034	\$ 12,295,949	\$ 69,909,508	\$ 137,102,163

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

June 30, 2007

Total Fund Balances - Total Governmental Funds	\$	117,640,680
Amounts reported for Governmental Activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet.		374,484,935
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.		25,982,982
The long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		896,784
Long-term liabilities are not due and payable in the current period; therefore, they are not reported in the Governmental Funds Balance Sheet.		(38,436,554)
Net Assets of Governmental Activities	\$	480,568,827

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
 For Year Ended June 30, 2007

	General Fund	Thoroughfares	Capital Improvement Financing Program 2005-1	Street Improvement Projects	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 15,761,372	\$ -	\$ -	\$ -	\$ 10,081,439	\$ 25,842,811
Licenses	509,618	-	-	-	-	509,618
Permits and Fines	6,130,221	-	-	-	-	6,130,221
Uses of Money and Property	1,761,114	580,847	1,135,497	-	4,785,586	8,263,044
Intergovernmental	4,277,770	-	-	42,737	702,343	5,022,850
Franchises	965,066	-	-	-	-	965,066
Charges for Other Services	776,584	-	-	-	-	776,584
Charges to Other Funds	5,590,646	-	-	-	-	5,590,646
Fees and Other Revenues	1,132,736	3,728,802	-	211,935	16,713,267	21,786,740
Total Revenues	36,905,127	4,309,649	1,135,497	254,672	32,282,635	74,887,580
EXPENDITURES						
Current:						
General Government	5,940,065	388,256	9,002,200	2,761,782	7,936,822	26,029,125
Public Safety	13,948,795	-	-	-	180,680	14,129,475
Community Development	4,446,696	-	-	-	1,645,545	6,092,241
Engineering	2,532,147	-	-	-	-	2,532,147
Public Works	2,486,963	-	-	-	-	2,486,963
Parks and Recreation	5,626,310	-	-	-	2,298,314	7,924,624
Community Services	449,819	-	-	-	2,964,629	3,414,448
Capital Outlay	-	-	-	6,780,350	4,587,405	11,367,755
Debt Service:						
Principal	-	-	-	-	832,754	832,754
Interest and Fiscal Charges	-	-	-	-	1,647,122	1,647,122
Total Expenditures	35,430,795	388,256	9,002,200	9,542,132	22,093,271	76,456,654
REVENUES OVER (UNDER) EXPENDITURES	1,474,332	3,921,393	(7,866,703)	(9,287,460)	10,189,364	(1,569,074)
OTHER FINANCING SOURCES (USES)						
Transfers In	4,408,181	-	-	10,228,327	12,571,734	27,208,242
Transfers Out	(2,997,285)	(6,643,654)	-	-	(15,487,438)	(25,128,377)
Total Other Financing Sources (Uses)	1,410,896	(6,643,654)	-	10,228,327	(2,915,704)	2,079,865
NET CHANGE IN FUND BALANCES	2,885,228	(2,722,261)	(7,866,703)	940,867	7,273,660	510,791
Fund Balance, Beginning of Year, Restated	22,514,337	815,148	27,376,737	9,500,514	56,923,153	117,129,889
Fund Balance, End of Year	\$ 25,399,565	\$ (1,907,113)	\$ 19,510,034	\$ 10,441,381	\$ 64,196,813	\$ 117,640,680

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, 2007

Net Changes in Fund Balances - Total Governmental Funds	\$	510,791
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
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.		11,367,755
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.		(3,930,209)
The net effect of various miscellaneous transactions involving Capital Assets (e.g. sales, trade-ins and contributions) is to increase net assets.		36,827,245
To record the net change in compensated absences in the Statement of Activities.		(137,025)
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.		961,102
This amount represents accretion interest.		(191,936)
Revenues in the Governmental Funds that have been previously recognized in the Statement of Activities.		(21,103)
Internal Service Funds are used by management to charge the costs of certain activities, such as data processing and fleet management, to individual funds. The net revenue of the Internal Service Funds is reported with Governmental Activities.		5,005,729
Changes in Net Assets of Governmental Activities	\$	50,392,349

Statement of Net Assets
 Proprietary Funds
 June 30, 2007

	Business-Type Activities - Enterprise Funds						Governmental
	Wastewater	Solid Waste	Water	City Rentals	Housing	Totals	Activities - Internal Service Funds
ASSETS							
Current Assets:							
Cash and Investments	\$ 24,835,481	\$ 4,382,264	\$ 13,475,721	\$ 80,614	\$ 6,378,664	\$ 49,152,744	\$ 21,199,462
Restricted Cash and Investments	176,894	-	749,869	-	-	926,763	-
Receivables	1,068,932	1,458,963	2,394,413	155,091	33,231	5,110,630	135,096
Prepays	9,159	7,508	10,559	941	917	29,084	7,966
Notes Receivable	-	-	58,500	-	-	58,500	-
Total Current Assets	26,090,466	5,848,735	16,689,062	236,646	6,412,812	55,277,721	21,342,524
Non-Current Assets:							
Deferred Charges	94,951	-	362,640	-	-	457,591	-
Due from Other Funds	35,331	-	45,516	-	-	80,847	-
Long-Term Notes Receivable	-	-	292,500	-	142,386	434,886	-
Internal Balances	-	-	1,410,295	-	-	1,410,295	-
Capital Assets:							
Intangible Assets	-	-	10,597,532	-	-	10,597,532	-
Land	97,376	254,420	62,556	-	1,241,602	1,655,954	-
Buildings	2,895,398	14,000	5,780,724	-	1,566,547	10,256,669	-
Infrastructure	80,206,322	696,851	61,502,927	-	-	142,406,100	-
Machinery and Equipment	546,109	86,354	415,086	-	-	1,047,549	2,744,534
Vehicles	-	-	-	-	-	-	7,017,722
Land Improvements	58,494	1,000,000	171,809	-	-	1,230,303	-
Work in Progress	1,866,492	604,802	24,182,327	-	-	26,653,621	-
Less Accumulated Depreciation and Amortization	(7,459,510)	(587,653)	(11,209,309)	-	(18,207)	(19,274,679)	(4,674,417)
Total Capital Assets, Net of Accumulated Depreciation	78,210,681	2,068,774	91,503,652	-	2,789,942	174,573,049	5,087,839
Total Non-Current Assets	78,340,963	2,068,774	93,614,603	-	2,932,328	176,956,668	5,087,839
Total Assets	104,431,429	7,917,509	110,303,665	236,646	9,345,140	232,234,389	26,430,363
LIABILITIES AND NET ASSETS							
Current Liabilities:							
Accounts Payable and Accrued Liabilities	727,950	306,822	1,399,463	15,293	73,297	2,522,825	371,105
Due to Other Funds	-	-	-	-	280,285	280,285	-
Other Liabilities	-	-	61,763	-	-	61,763	-
Unearned Revenue	-	-	351,001	42,980	-	393,981	-
Deposits Held	-	4,456	137,000	35,925	21,770	199,151	-
Long-Term Debt Due Within One Year	1,776,834	-	1,003,518	-	-	2,780,352	-
Compensated Absences Payable	37,451	45,454	53,824	1,389	11,328	149,446	45,765
Total Current Liabilities	2,542,235	356,732	3,006,569	95,587	386,680	6,387,803	416,870
Non-Current Liabilities Due in More Than One Year:							
Bonds Payable	1,970,357	-	7,664,643	-	-	9,635,000	-
Notes Payable	29,744,923	-	8,326,043	-	-	38,070,966	-
Compensated Absences Payable	24,968	30,302	35,883	926	7,552	99,631	30,511
Total Non-Current Liabilities	31,740,248	30,302	16,026,569	926	7,552	47,805,597	30,511
Total Liabilities	34,282,483	387,034	19,033,138	96,513	394,232	54,193,400	447,381
Net Assets:							
Invested in Capital Assets, Net of Related Debt	45,052,642	2,068,774	74,872,088	-	2,789,942	124,783,446	5,087,839
Restricted for:							
Special Projects and Programs	19,090,859	1,347,187	4,469,432	35,925	6,261,232	31,204,635	-
Unrestricted	6,005,445	4,114,514	11,929,007	104,208	(100,266)	22,052,908	20,895,143
Total Net Assets	\$ 70,148,946	\$ 7,530,475	\$ 91,270,527	\$ 140,133	\$ 8,950,908	\$ 178,040,989	\$ 25,982,982

Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For Year Ended June 30, 2007

	Business-Type Activities - Enterprise Funds					Totals	Governmental
	Wastewater	Solid Waste	Water	City Rentals	Housing		Activities - Internal Service Funds
Operating Revenues:							
Charges for Services	\$ 6,197,721	\$ 8,814,556	\$ 15,186,796	\$ 710,573	\$ 117,601	\$ 31,027,247	\$ 8,162,059
Other Income	243,990	11,943	161,673	6,966	-	424,572	866,147
Total Operating Revenues	6,441,711	8,826,499	15,348,469	717,539	117,601	31,451,819	9,028,206
Operating Expenses:							
Personnel Services	1,605,935	2,151,922	2,052,155	95,179	462,963	6,368,154	1,712,295
Repairs and Maintenance	36,585	268,487	588,904	111,182	14,351	1,019,509	555,142
Materials, Supplies and Services	2,662,811	3,760,780	6,627,859	523,393	985,753	14,560,596	1,752,273
Depreciation and Amortization	1,248,578	69,482	1,278,603	-	18,207	2,614,870	963,450
Total Operating Expenses	5,553,909	6,250,671	10,547,521	729,754	1,481,274	24,563,129	4,983,160
Operating Income (Loss)	887,802	2,575,828	4,800,948	(12,215)	(1,363,673)	6,888,690	4,045,046
Non-Operating Revenues (Expenses):							
Interest Income	1,250,969	177,050	792,166	4,211	310,994	2,535,390	933,471
Interest Expense	(700,578)	(9,069)	(593,383)	-	-	(1,303,030)	-
Connection Fees Paid	-	-	(40,391)	-	-	(40,391)	-
Loss on Disposal of Capital Assets	(10,460)	-	-	-	-	(10,460)	(4,234)
Total Non-Operating Revenues (Expenses)	539,931	167,981	158,392	4,211	310,994	1,181,509	929,237
Income (Loss) before Contributions and Transfers	1,427,733	2,743,809	4,959,340	(8,004)	(1,052,679)	8,070,199	4,974,283
Contributions - Impact Fees and Credits	2,224,681	-	5,477,655	-	1,323,770	9,026,106	-
Capital Asset Contributions	4,785,952	-	8,021,809	-	1,135,443	13,943,204	-
Transfers In	-	214,274	112,000	320,589	-	646,863	535,844
Transfers Out	(812,080)	(188,422)	(1,454,978)	(302,694)	-	(2,758,174)	(504,398)
Change in Net Assets	7,626,286	2,769,661	17,115,826	9,891	1,406,534	28,928,198	5,005,729
Net Assets, Beginning of Year, Restated	62,522,660	4,760,814	74,154,701	130,242	7,544,374	149,112,791	20,977,253
Net Assets, End of Year	\$ 70,148,946	\$ 7,530,475	\$ 91,270,527	\$ 140,133	\$ 8,950,908	\$ 178,040,989	\$ 25,982,982

City of Brentwood

**Statement of Cash Flows
Proprietary Funds
For Year Ended June 30, 2007**

	Business-Type Activities - Enterprise Funds					Totals	Governmental Activities - Internal Service Funds
	Wastewater	Solid Waste	Water	City Rentals	Housing		
Cash Flows from Operating Activities							
Cash Received from Customers/Other Funds	\$ 6,094,481	\$ 8,618,841	\$ 14,989,828	\$ 683,887	\$ 117,601	\$ 30,504,638	\$ 901,461
Cash Received from Interfund Services	-	-	-	-	-	-	8,073,177
Cash Payments to Suppliers of Goods and Services	(1,859,758)	(2,959,578)	(6,949,467)	(337,618)	(892,921)	(12,999,342)	(1,835,060)
Cash Payments to Employees for Services	(1,605,935)	(2,151,922)	(2,052,155)	(95,179)	(462,963)	(6,368,154)	(1,712,295)
Cash Payments for Interfund Services	(547,847)	(1,070,393)	(527,239)	(304,820)	(39,013)	(2,489,312)	(338,804)
Other Receipts/Payments	401,019	(575)	125,167	45,513	(63,730)	507,394	268,296
Net Cash Provided By (Used for) Operating Activities	2,481,960	2,436,373	5,586,134	(8,217)	(1,341,026)	9,155,224	5,356,775
Cash Flows from Non-Capital Financing Activities							
Transfers Received	-	214,274	112,000	320,589	-	646,863	535,844
Transfers Paid	(812,080)	(188,422)	(1,454,978)	(302,694)	-	(2,758,174)	(504,398)
Due from Other Funds	-	-	541,875	-	-	541,875	-
Net Cash Provided By (Used for) Non-Capital Financing Activities	(812,080)	25,852	(801,103)	17,895	-	(1,569,436)	31,446
Cash Flows from Capital and Related Financing Activities							
Proceeds from Capital Debt	210,054	-	-	-	-	210,054	-
Contributions - Impact Fees and Credits	2,224,681	-	5,477,655	-	1,323,770	9,026,106	-
Interest Paid on Debt	(700,578)	(9,069)	(593,383)	-	-	(1,303,030)	-
Principal Paid on Debt	(1,743,810)	(190,955)	(991,585)	-	-	(2,926,350)	-
Acquisition and Construction of Assets	(549,106)	(78,010)	(4,760,207)	-	-	(5,387,323)	(1,552,823)
Net Cash Provided By (Used for) Capital and Related Financing Activities	(558,759)	(278,034)	(867,520)	-	1,323,770	(380,543)	(1,552,823)
Cash Flows from Investing Activities							
Interest on Investments	1,250,969	177,050	792,166	4,211	310,994	2,535,390	933,471
Net Cash Provided By Investing Activities	1,250,969	177,050	792,166	4,211	310,994	2,535,390	933,471
Net Increase (Decrease) in Cash and Cash Equivalents	2,362,090	2,361,241	4,709,677	13,889	293,738	9,740,635	4,768,869
Cash and Cash Equivalents - Beginning of Year	22,650,285	2,021,023	9,515,913	66,725	6,084,926	40,338,872	16,430,593
Cash and Cash Equivalents - End of Year	\$ 25,012,375	\$ 4,382,264	\$ 14,225,590	\$ 80,614	\$ 6,378,664	\$ 50,079,507	\$ 21,199,462
Reconciliation of Operating Income to Net Cash Provided By (Used for) Operating Activities:							
Operating Income (Loss)	\$ 887,802	\$ 2,575,828	\$ 4,800,948	\$ (12,215)	\$ (1,363,673)	\$ 6,888,690	\$ 4,045,046
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used for) Operating Activities :							
Depreciation and Amortization	1,248,578	69,482	1,278,603	-	18,207	2,614,870	963,450
Receivables, Net	47,492	(220,369)	(243,385)	24,956	(72,164)	(463,470)	37,625
Inventories	6,296	12,135	9,910	541	2,544	31,426	177,104
Accounts Payable and Other Payables	291,792	48,240	(174,127)	(7,951)	68,170	226,124	133,846
Accrued Expenses	-	-	6,435	6	5,890	12,331	(296)
Deposits	-	(48,943)	(92,250)	(13,554)	-	(154,747)	-
Net Cash Provided By (Used for) Operating Activities	\$ 2,481,960	\$ 2,436,373	\$ 5,586,134	\$ (8,217)	\$ (1,341,026)	\$ 9,155,224	\$ 5,356,775
Noncash Capital Activities:							
Capital Assets Contributed	\$ 4,785,952	\$ -	\$ 8,021,809	\$ -	\$ 1,135,443	\$ 13,943,204	\$ -



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Statement of Fiduciary Net Assets
Agency Funds
June 30, 2007

ASSETS

Cash and Investments	\$	10,828,614
Restricted Cash and Investments		7,294,921
Interest Receivable		<u>38,918</u>
Total Assets	\$	<u><u>18,162,453</u></u>

LIABILITIES

Accounts Payable and Accrued Liabilities	\$	1,748,838
Due to Others		65,133
Due to Bondholders		<u>16,348,482</u>
Total Liabilities	\$	<u><u>18,162,453</u></u>



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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 Infrastructure 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 Infrastructure Financing Authority

The Brentwood Infrastructure 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 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 after year-end) which are recognized when due. Expenditures are recorded in the accounting period in which the related fund liability is incur-

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

red. 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, Capital Improvement Financing Program 2005-1 and Street Improvement Projects. 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 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.
- *Citywide Parks Districts* – This fund accounts for special benefit assessments levied on property owners for citywide park maintenance.
- *Community Facilities Districts* – This fund accounts for special benefit assessments levied on property owners for police services, fire services, joint use school facilities, open space preservation and flood and storm drain construction, acquisition and maintenance.
- *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 within the redevelopment project area.

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

- PEG Media – This fund accounts for Public Access, Educational and Governmental (PEG) television channels provided for the citizens of Brentwood.
- 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.
- Parks and Trails – This fund accounts for development fees collected for the design and construction of parks and trails.
- 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.
- Public Art Acquisition – This fund accounts for development fees collected for the acquisition and construction of Public Art.
- Arts Commission – This fund accounts for monies which are used for Arts Commission programs.
- Agricultural Park and History Center – This fund accounts for monies to be used for the development of an Agricultural Park and History Center.
- 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.
- Parking In Lieu – This fund accounts for development fees collected for off street parking facilities located within the Downtown area.
- Lighting and Landscape Districts – This fund accounts for special benefit assessments levied on property owners for street lighting and landscape maintenance.

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:

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

- 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.
- 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 Improvement Financing Program 2005-1 and Street Improvement Projects funds are the only major Capital Project Funds 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. CIFP 2004 A&B refinanced CIFP 94-1.
- 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. CIFP 2004 C refinanced CIFP 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. CIFP 2005 A&B refinanced CIFP 2002-1.
- Capital Improvement Financing Program 2003-1 (2006 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 infrastructures.
- Capital Improvement Financing Program 2004-1(2006 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 infrastructures.
- Capital Improvement Financing Program 2005-1 – 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 2006-1 – 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.

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

- 2006 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.
- Randy Way District Improvements – This fund accounts for transactions from assessment bonds and other resources and their use to finance infrastructure improvements within the Randy Way Assessment District.
- City Capital Improvement Financing Program – This fund accounts for transactions related to proceeds from assessment bonds and other resources and their use to acquire and construct public capital improvements.
- Capital Project Administration – This fund accounts for administrative costs associated with all capital improvement projects.
- Community Facilities Improvement Projects – This fund accounts for various community facilities improvement projects associated with either the construction or improvement of the City's community facilities.
- Park Improvement Projects – This fund accounts for various park improvement projects associated with either the construction or improvement of the City's parks.
- 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.
- Vineyards Projects – This fund accounts for transactions related to proceeds from assessment bonds and other resources and their use to finance infrastructure improvements within the Vineyards assessment district.
- 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 fund 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 fund accounts for the operation, maintenance and capital improvement projects of the solid waste system. These activities are funded by user charges and impact fees.

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

- Water Enterprise – This fund accounts for the operation, maintenance and capital improvement projects of the water system. These activities are funded by user charges and impact fees.
- City Rentals Enterprise – This fund accounts for all the City facilities rented and maintained through this fund.
- Housing Enterprise – This fund 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.
- Equipment Replacement – To provide a source of funding for vehicle and equipment replacement.
- Information Systems Replacement – To provide a source of funding for the on-going replacement of information systems such as computers and the phone system.
- Facilities Replacement – To provide a source of funding for 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.
- Facilities Maintenance Services – To provide a source of funding for the custodial, janitorial and maintenance needs of the City's facilities and buildings.
- Parks and LLD Replacement – To provide a source of funding for the replacement of landscaping, equipment and facilities in the Citywide Parks and Lighting and Landscape Districts (LLD).
- 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:

- Assessments – Special obligations payable from, and secured by, specific revenue sources.

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

- Pass-Through Funds – Special funds used for the collection and distribution of development fees collected on behalf of other agencies.
- Asset Seizure – Special funds to be used exclusively to support law enforcement and prosecutorial efforts of the agency.

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 fair value. Market value is used as fair value 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 fair value of those investments as of June 30, 2007.

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.

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

v. Prepaid Items and Land Held for Resale

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

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

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

- Up to either 60, 80 or 120 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 and are liquidated by the fund which has recorded the liability. The long-term portion of compensated absences in Governmental-Type activities is liquidated by the General Fund.

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 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.

NOTE # 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**x. New GASB Pronouncements**

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.

In September 2006, GASB issued GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*. This Statement establishes criteria that the City will use to ascertain whether certain transactions should be regarded as sales or as collateralized borrowing. Statement No. 48 also includes disclosure requirements for future revenues that are pledged or sold. The requirements of Statement No. 48 are effective for fiscal periods beginning after December 15, 2006. The City does not anticipate that Statement No. 48 will have a significant impact on its financial statements.

In December 2006, GASB issued GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. This Statement provides guidance on calculating and reporting the costs and obligations associated with pollution cleanup efforts. The requirements of Statement No. 49 are effective for fiscal periods beginning after December 15, 2007. The City does not anticipate that Statement No. 49 will have a significant impact on its 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

The City operates on a two year budget cycle. During the first year of the cycle the next two budget years are legally enacted through passage of a resolution prior to July 1. The City Council periodically reviews the budgets and adopts supplemental appropriations (amendments) at the fund level when required over the ensuing two years. 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, Special Revenue, certain 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.

Capital Project Funds

Capital Improvement Financing Program 94-1 (2004 A&B Refi)	Capital Improvement Financing Program 2006-1
Capital Improvement Financing Program 2000-1 (2004 C Refi)	2002 Series A&B
Capital Improvement Financing Program 2002-1 (2005 A&B Refi)	2006 Series A&B
Capital Improvement Financing Program 2003-1 (2006 A&B Refi)	Capital Improvement 2001
Capital Improvement Financing Program 2004-1 (2006 A&B Refi)	Randy Way District Improvements
Capital Improvement Financing Program 2005-1	

Debt Service Funds

2002 General Obligation Bond

B. DEFICIT FUND EQUITY

The following funds have either a deficit fund or accumulated deficit balance as of June 30, 2007, which were due to timing issues at year-end. Coverage of these funds was addressed in the fiscal year 2007/08 Operating Budget.

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

Special Revenue:

Thoroughfares	\$ 1,907,113
Facility Fee Administration	\$ 863,430
Community Facilities	\$ 62,116

Capital Projects:

Capital Project Administration	\$ 32,968
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C. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of the “Due To / From Other Funds” balance, as of June 30, 2007, is shown below. The due from amounts for Thoroughfares, Leases, Community Facilities, Open Space, Measure C and Other Grants are due to timing issues and are 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>
Community Facilities Improvements	Thoroughfares	\$ 1,923,488
Community Facilities Improvements	Capital Lease Program	96
Community Facilities Improvements	Community Facilities	61,047
Community Facilities Improvements	Open Space	299
Community Facilities Improvements	Measure C	238,118
Police Grants	Other Grants	2,804
Thoroughfares	Housing Enterprise	97,069
Community Facilities	Housing Enterprise	31,148
Facility Fee Administration	Housing Enterprise	4,725
Parks and Trails	Housing Enterprise	66,496
Wastewater Enterprise	Housing Enterprise	35,331
Water Enterprise	Housing Enterprise	45,516
	Total	\$ 2,506,137

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 three years.

Interfund Loan

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Water Enterprise	Facility Fee Administration - Non-Major Funds	\$ 1,410,295
	Total	<u><u>\$ 1,410,295</u></u>

Interfund Transfers

Fund Description	General Fund	Street Improvement Projects	Internal Service Funds	Non-Major Governmental Funds	Solid Waste Enterprise	Water Enterprise	City Rentals Enterprise	Total Transfers Out
General Fund	\$ -	\$ 1,808,283	\$ 281,394	\$ 587,019	\$ -	\$ -	\$ 320,589	\$ 2,997,285
Thoroughfares Fund	-	5,048,398	-	1,595,256	-	-	-	6,643,654
Internal Service Funds	-	-	-	504,398	-	-	-	504,398
Non-Major Governmental Funds	4,408,181	2,450,562	-	8,414,421	214,274	-	-	15,487,438
Wastewater Enterprise	-	324,000	20,091	355,989	-	112,000	-	812,080
Solid Waste Enterprise	-	-	188,422	-	-	-	-	188,422
Water Enterprise	-	597,084	45,937	811,957	-	-	-	1,454,978
City Rentals Enterprise	-	-	-	302,694	-	-	-	302,694
Total Transfers In	<u>\$ 4,408,181</u>	<u>\$ 10,228,327</u>	<u>\$ 535,844</u>	<u>\$ 12,571,734</u>	<u>\$ 214,274</u>	<u>\$ 112,000</u>	<u>\$ 320,589</u>	<u>\$ 28,390,949</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 To	Amount	Purpose
Capital Projects	\$ 650,000	Provide a subsidy to cover a portion of the costs for the 400 Guthrie Lane Parking Lot project.
City Rentals Enterprise	320,589	Provide a subsidy to cover a portion of the costs for the City Rentals Enterprise.
Capital Projects	1,484,621	Provide a subsidy to cover a portion of the costs for the Pavement Management Program.
Capital Projects	766,930	Provide a subsidy to cover a portion of the costs for the 118 Oak Street Remodel project.
General Fund	840,330	Gas Tax revenue to subsidize the Street Maintenance Division.
Capital Projects	1,080,000	Provide a subsidy to cover a portion of the costs for the Agricultural Park and History Center project.
Capital Projects	4,180,664	Provide a subsidy to cover a portion of the costs for the New City Hall project.
Capital Projects	334,282	Provide a subsidy to cover a portion of the costs for the Community Beautification project.
Capital Projects	402,262	Provide a subsidy to cover a portion of the costs for the Chloramination of Wells project.
Capital Projects	2,431,174	Provide a subsidy to cover a portion of the costs for the Walnut Boulevard Widening project.
Capital Projects	1,388,984	Provide a subsidy to cover a portion of the costs for the Lone Tree Way - Union Pacific Undercrossing project.
Capital Projects	531,337	Provide a subsidy to cover a portion of the costs for the Well #15 project.
Capital Projects	350,000	Provide a subsidy to cover a portion of the costs for the Jeffery Way Realignment / Widening project.
Capital Projects	294,002	Provide a subsidy to cover a portion of the costs for the Sand Creek Road East A & B project.
Capital Projects	559,500	Provide a subsidy to cover a portion of the costs for the Brentwood Boulevard Widening - Central project.
Capital Projects	295,700	Provide a subsidy to cover a portion of the costs for the Logan Way Extension project.
Capital Projects	266,896	Provide a subsidy to cover a portion of the costs for the American Avenue Extension project.
Capital Projects	808,500	Provide a subsidy to cover a portion of the costs for the Sand Creek Road Widening - UPRR to O'Hara Avenue project.
Capital Projects	250,000	Provide a subsidy to cover a portion of the costs for the Financial Software project.
Capital Projects	4,444,381	Provide a subsidy to cover a portion of the costs for the Surface Water Treatment Facility Phases I & II 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 \$1,598,311 at June 30, 2007. The bank balance, before reconciling items, was \$4,075,302. 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	\$ 1,598,311
Petty Cash	4,430
Pooled Investments	<u>217,286,960</u>
Total Cash and Investments	<u><u>\$ 218,889,701</u></u>

Cash and investments appear on the financial statements as follows:

Cash and Investments	
Governmental Activities	\$ 117,805,486
Business-Type Activities	49,152,744
Fiduciary Funds	<u>10,828,614</u>
	<u>177,786,844</u>
Restricted Cash and Investments	
Governmental Activities	32,881,173
Business-Type Activities	926,763
Fiduciary Funds	<u>7,294,921</u>
	<u>41,102,857</u>
Total Cash and Investments	<u><u>\$ 218,889,701</u></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 includes permitted investments for the management of the City's cash. In addition, these guidelines are used for the investments of debt proceeds held by bond trustees, which are governed by the provision of the City's debt agreements.

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	\$40M/Account	\$40M/Account
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 83% of the rated 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, 2007, 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, 2007, 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
Medium Term Corporate Notes	\$ 3,588,000	AA	3%
Medium Term Corporate Notes	2,982,128	AA+	3%
Medium Term Corporate Notes	6,614,505	AA-	5%
Medium Term Corporate Notes	2,331,977	AAA	2%
Commercial Paper	5,257,317	A-1+	4%
Federal Agency Bonds / Notes	<u>102,267,897</u>	AAA	83%
Total Rated Investments	123,041,824		
U.S. Treasury Bonds / Notes	29,270,702	Not Rated	
Local Agency Investment Fund	29,008,984	Not Rated	
Money Market Mutual Funds	34,174,695	Not Rated	
Guaranteed Investment Contracts	<u>1,790,755</u>	Not Rated	
Total Unrated Investments	<u>94,245,136</u>		
Total Investments	<u>\$ 217,286,960</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*

Issuers	Fair Value	% of Portfolio
Federal Home Loan Mortgage Corp.	\$ 23,871,594	10.99
Federal Home Loan Bank	34,276,740	15.77
Federal National Mortgage Association	31,909,329	14.69
Federal Farm Credit Bank	12,210,234	5.62

* 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, 80% of the investment portfolio is concentrated in the 0 to 2 year maturity range.

Investment Maturities

	<u>Fair Value *</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	29,270,702	-	-	26,777,752	2,492,950	30.00
Medium-Term Corporate Notes and Commercial Paper	20,773,927	5,257,317	2,331,976	5,849,985	7,334,649	9.60
Federal Agency Bonds/Notes	102,267,897	13,229,167	9,000,910	45,622,890	34,414,930	46.00
Local Agency Investment Funds	29,008,984	29,008,984	-	-	-	13.20
Money Market Mutual Funds	34,174,695	34,174,695	-	-	-	0.56
Guaranteed Investments Contracts	1,790,755	-	-	-	1,790,755	0.64
Totals	<u>\$ 217,286,960</u>	<u>\$ 81,670,163</u>	<u>\$ 11,332,886</u>	<u>\$ 78,250,627</u>	<u>\$ 46,033,284</u>	
% of Portfolio		37.59	5.22	36.01	21.18	100.00

*Fair Value includes accrued interest

**Callable Securities are reported at 0-6 months

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, 2007, the amortized cost of the pool was \$65,786,597,418. The fair value was \$65,756,665,963. 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, plus monies held by a third-party administrator of the City's Housing Rental Program. The City has also set up escrow bank accounts to hold retention payments due to certain contractors. 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. FAIR 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 "fair value" on an annual basis.
- The Fund investment custodians provide fair 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 \$29,008,984 whose pro-rata share of fair value was estimated by the State Treasurer to be \$28,995,786. 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 – RECEIVABLES

Accounts receivables at June 30, 2007 were comprised of the following:

	<u>Taxes</u>	<u>Accounts</u>	<u>Inter-Governmental</u>	<u>Interest</u>	<u>Utilities</u>	<u>Loans</u>	<u>Total Receivables</u>
Governmental Activities:							
General Fund	\$ 170,366	\$ 540,849	\$ 450,942	\$ 58,802	\$ -	\$ -	\$ 1,220,959
Internal Services	-	74,396	-	34,375	-	26,325	135,096
Special Revenue	247,344	450,000	748,786	61,027	-	-	1,507,157
Debt Service	-	-	-	20,812	-	-	20,812
Capital Projects	-	23,254	1,110,651	88,965	-	-	1,222,870
Total Governmental Activities	<u>\$ 417,710</u>	<u>\$ 1,088,499</u>	<u>\$ 2,310,379</u>	<u>\$ 263,981</u>	<u>\$ -</u>	<u>\$ 26,325</u>	<u>\$ 4,106,894</u>
Business - Type Activities:							
Wastewater	\$ -	\$ 7,390	\$ -	\$ 43,900	\$ 1,017,642	\$ -	\$ 1,068,932
Solid Waste	-	33,780	-	7,508	1,417,675	-	1,458,963
Water	-	88,284	-	24,011	2,021,893	260,225	2,394,413
Housing	-	21,770	-	11,461	-	-	33,231
City Rentals	-	154,952	-	139	-	-	155,091
Total Business-Type Activities	<u>\$ -</u>	<u>\$ 306,176</u>	<u>\$ -</u>	<u>\$ 87,019</u>	<u>\$ 4,457,210</u>	<u>\$ 260,225</u>	<u>\$ 5,110,630</u>

NOTE #5 – 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, 2007 are as follows:

	Balance July 1, 2006	Increases	Decreases	Transfers ⁽³⁾	Balance June 30, 2007
Governmental Activities : ⁽¹⁾					
Capital Assets, Not Being Depreciated:					
Land	\$ 27,288,471	\$ -	\$ (430,239)	\$ -	\$ 26,858,232
Work in Progress - CIP	95,114,876	11,367,755	-	(20,874,988)	85,607,643
Total Capital Assets, Not Being Depreciated	<u>122,403,347</u>	<u>11,367,755</u>	<u>(430,239)</u>	<u>(20,874,988)</u>	<u>112,465,875</u>
Capital Assets, Being Depreciated:					
Land Improvements	1,085,213	-	-	-	1,085,213
Buildings	12,324,480	-	-	-	12,324,480
Infrastructure	231,100,703	37,242,778	-	18,374,988	286,718,469
Machinery and Equipment	3,299,956	583,846	(241,614)	-	3,642,188
Vehicles	6,725,656	985,013	(692,947)	-	7,017,722
Total Capital Assets Being Depreciated	<u>254,536,008</u>	<u>38,811,637</u>	<u>(934,561)</u>	<u>18,374,988</u>	<u>310,788,072</u>
Less Accumulated Depreciation for:					
Land Improvements	497,216	50,413	-	-	547,629
Buildings	2,259,510	245,644	-	-	2,505,154
Infrastructure	36,029,532	3,516,937	-	-	39,546,469
Machinery and Equipment	1,633,876	333,137	(240,282)	-	1,726,731
Vehicles	3,353,992	682,220	(578,945)	-	3,457,267
Total Accumulated Depreciation	<u>43,774,126</u>	<u>4,828,351</u>	<u>(819,227)</u>	<u>-</u>	<u>47,783,250</u>
Total Capital Assets, Being Depreciated, Net	<u>210,761,882</u>	<u>33,983,286</u>	<u>(115,334)</u>	<u>18,374,988</u>	<u>263,004,822</u>
Governmental Activities Capital Assets, Net	<u>\$ 333,165,229</u>	<u>\$ 45,351,041</u>	<u>\$ (545,573)</u>	<u>\$ (2,500,000)</u>	<u>\$ 375,470,697</u>
Business-Type Activities : ⁽²⁾					
Capital Assets, Not Being Depreciated:					
Land	\$ 1,114,092	\$ 541,862	\$ -	\$ -	\$ 1,655,954
Work in Progress - CIP	22,549,824	5,387,324	-	(1,283,527)	26,653,621
Total Capital Assets, Not Being Depreciated	<u>23,663,916</u>	<u>5,929,186</u>	<u>-</u>	<u>(1,283,527)</u>	<u>28,309,575</u>
Capital Assets, Being Depreciated:					
Land Improvements	1,230,303	-	-	-	1,230,303
Buildings	9,600,472	593,582	-	62,616	10,256,670
Infrastructure	129,807,256	12,807,761	(1,429,829)	1,220,911	142,406,099
Machinery and Equipment	1,120,327	-	(72,779)	-	1,047,548
Total Capital Assets Being Depreciated	<u>141,758,358</u>	<u>13,401,343</u>	<u>(1,502,608)</u>	<u>1,283,527</u>	<u>154,940,620</u>
Less Accumulated Depreciation for:					
Land Improvements	621,600	59,654	-	-	681,254
Buildings	2,122,409	192,009	-	-	2,314,418
Infrastructure	12,961,630	1,997,322	(84,517)	-	14,874,435
Machinery and Equipment	563,431	76,186	(50,159)	-	589,458
Total Accumulated Depreciation	<u>16,269,070</u>	<u>2,325,171</u>	<u>(134,676)</u>	<u>-</u>	<u>18,459,565</u>
Total Capital Assets, Being Depreciated, Net	<u>125,489,288</u>	<u>11,076,172</u>	<u>(1,367,932)</u>	<u>1,283,527</u>	<u>136,481,055</u>
Business-Type Activities Capital Assets, Net	<u>\$ 149,153,204</u>	<u>\$ 17,005,358</u>	<u>\$ (1,367,932)</u>	<u>\$ -</u>	<u>\$ 164,790,630</u>

⁽¹⁾ Intangible Assets (Amortized), equaling \$4,102,077, are not included within the Note for the Governmental Capital Assets

⁽²⁾ Intangible Assets (Amortized), equaling \$9,782,419, are not included within the Note for the Business-Type Capital Assets

⁽³⁾ There was a reclassification of infrastructure to intangible assets for \$2,500,000 during the year in the Governmental Funds

NOTE #5 – CAPITAL ASSETS (Continued)

For the year ended June 30, 2007, depreciation expense on capital assets was charged to the governmental function as follows:

Governmental Activities:	
General Government	\$ 258,935
Public Safety	56,608
Community Development	8,033
Public Works	2,867,704
Parks and Recreation	673,621
Internal Service	963,450
Total Depreciation Expense - Governmental Activities	<u><u>\$ 4,828,351</u></u>
Business-Type Activities:	
Water	\$ 995,005
Wastewater	1,242,477
Solid Waste	69,482
Housing	18,207
Total Depreciation Expense - Business-Type Activities	<u><u>\$ 2,325,171</u></u>

* Intangible and amortized assets are not included within the Note for either Governmental or Business-Type capital assets.

A. Intangible Assets

i. Water Rights

In an agreement between the City of Brentwood and the Contra Costa Water District (CCWD), dated February 29, 2000, the City is obligated to reimburse CCWD \$597,532 as a buy-down cost per acre foot of water. The City capitalized this expenditure as of June 30, 2001 and will amortize the expense over 65 years.

In an amendatory agreement between Brentwood and CCWD, dated September 24, 2003, the City purchased the treatment capacity right of up to 3,200 acre feet per year of water per year, from the Randall-Bold Water Treatment Plant, for \$10,000,000. The City capitalized this expenditure as of June 30, 2004 and will amortize the expense over 40 years. The capacity right doesn't confer title or ownership of the facility, but merely reserves capacity in the facility.

NOTE #5 – CAPITAL ASSETS (Continued)**ii. Joint Use Facilities**

The governing bodies of the City, Liberty Union High School District (LUHSD) and Brentwood Union School District (BUSD) have recognized the public need for additional facilities. As a result of these cooperative efforts, the City has made contributions to these school districts relating to the joint use of these facilities. The City has capitalized these expenditures and will amortize the expense over 65 years.

- As of June 30, 2002, \$1,000,000 for the BUSD Gym allocated at Edna Hill Middle School
- As of June 30, 2003, \$650,000 for the LUHSD Gym located at Liberty High School
- As of June 30, 2005, \$95,000 for the LUHSD Ball Fields located at Liberty High School
- As of June 30, 2005, \$2,500,000 for the LUHSD Community Pool and Gym located at Heritage High School

NOTE # 6 – LONG-TERM OBLIGATIONS

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

A. GOVERNMENTAL ACTIVITIES

	Balance June 30, 2006	Additions	Payments Adjustments	Balance June 30, 2007	Amounts Due Within One Year
Bonds					
2002 General Obligation Bonds	\$ 6,384,302	\$ 191,936 ⁽¹⁾	\$ (140,000)	\$ 6,436,238	\$ 160,000
CIP 2001 Revenue Bonds	29,740,000	-	(675,000)	29,065,000	695,000
Total Bonds	<u>36,124,302</u>	<u>191,936</u>	<u>(815,000)</u>	<u>35,501,238</u>	<u>855,000</u>
Capital Leases (Governmental)					
Various Equipment	17,754	-	(17,754)	-	-
Total Capital Leases (Governmental)	<u>17,754</u>	<u>-</u>	<u>(17,754)</u>	<u>-</u>	<u>-</u>
Notes Payable					
Village Community Resource Center	500,634	-	(128,348)	372,286	112,369
Heritage High Joint Use Pool	1,366,574	-	-	1,366,574	-
Total Notes Payable	<u>1,867,208</u>	<u>-</u>	<u>(128,348)</u>	<u>1,738,860</u>	<u>112,369</u>
Other					
Accumulated Compensated Absences	1,129,640	1,548,298	(1,405,206)	1,272,732	763,639
Sub-Total General Long-Term Debt	<u>39,138,904</u>	<u>1,740,234</u>	<u>(2,366,308)</u>	<u>38,512,830</u>	<u>1,731,008</u>
Total General Long-Term Debt	<u>\$ 39,138,904</u>	<u>\$ 1,740,234</u>	<u>\$ (2,366,308)</u>	<u>\$ 38,512,830</u>	<u>\$ 1,731,008</u>

(1) Accreted Interest

NOTE # 6 – LONG-TERM OBLIGATIONS (Continued)

i. Bonds

- **2002 General Obligation Bonds**

On February 28, 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 \$208,666 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
2008	\$ 160,000	\$ 141,956	\$ 301,956
2009	180,000	135,756	315,756
2010	205,000	126,756	331,756
2011	230,000	119,325	349,325
2012	260,000	107,825	367,825
2013-2017	1,820,000	306,138	2,126,138
2018-2022	1,007,807	1,702,193	2,710,000
2023-2027	941,077	2,513,923	3,455,000
2028-2031	726,093	2,718,908	3,445,001
Sub-total	5,529,977	<u>\$ 7,872,780</u>	<u>\$ 13,402,757</u>
Accretion to date	906,261		
	<u>\$ 6,436,238</u>		

NOTE # 6 – 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. 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
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	780,000	1,301,863	2,081,863
2012	815,000	1,269,453	2,084,453
2013-2017	4,625,000	5,770,019	10,395,019
2018-2022	5,850,000	4,500,059	10,350,059
2023-2027	7,520,000	2,801,750	10,321,750
2028-2032	7,300,000	948,000	8,248,000
Total	<u>\$ 29,065,000</u>	<u>\$ 20,672,844</u>	<u>\$ 49,737,844</u>

NOTE # 6 – LONG-TERM OBLIGATIONS (Continued)

ii. Notes Payable

- On July 1, 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 June 30, 2011.

Year Ending June 30	Payments
2008	\$ 112,369
2009	98,379
2010	86,131
2011	75,407
Total	<u>\$ 372,286</u>

- Heritage High Joint Use Pool**

On October 13, 2005 the City entered into a long-term agreement with 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 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. Remaining payments are estimated as follows:

Year Ending June 30	Estimated Principal
2008	\$ -
2009	683,287
2010	683,287
Total	<u>\$ 1,366,574</u>

NOTE # 6 – LONG-TERM OBLIGATIONS (Continued)

iii. Accumulated Compensated Absences

- The long-term compensated absences balances at June 30, 2007, are:

Governmental	\$ 509,093
Business-Type	\$ 99,631

B. BUSINESS-TYPE ACTIVITIES

	Balance June 30, 2006	Additions	Payments Adjustments	Balance June 30, 2007	Amounts Due Within One Year
Capital Leases					
Solid Waste - Transfer Station	\$ 190,955	\$ -	\$ (190,955)	\$ -	\$ -
Total Capital Leases	190,955	-	(190,955)	-	-
Notes Payable					
CCWD Water Connection Fee	9,799,478	40,391	(756,913)	9,082,956	756,913
State Water Resources Loan (Wastewater)	32,931,790	210,054	(1,683,482)	31,458,362	1,713,439
Total Notes Payable	42,731,268	250,445	(2,440,395)	40,541,318	2,470,352
Wastewater Revenue Bonds	2,094,080	-	(60,328)	2,033,752	63,395
Water Revenue Bonds	8,145,920	-	(234,672)	7,911,248	246,605
Other					
Accumulated Compensated Absences	231,225	373,093	(355,241)	249,077	149,446
Total All Business-Type Funds	\$ 53,393,448	\$ 623,538	\$ (3,281,591)	\$ 50,735,395	\$ 2,929,798

NOTE # 6 – LONG-TERM OBLIGATIONS (Continued)

i. Notes Payable

- **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, at June 30, 2007, was \$3,167 per connection, with an interest rate of zero percent per annum.

Year Ending	Principal
June 30	
2008	\$ 756,913
2009	756,913
2010	756,913
2011	756,913
2012	756,913
2013-2017	3,784,565
2018-2019	1,513,826
Total	<u>\$ 9,082,956</u>

NOTE # 6 – LONG-TERM OBLIGATIONS (Continued)

- **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 Treatment Plant 5MGD Expansion project. Under the terms of the contract, the City has agreed to repay the State \$45,580,886 in exchange for receiving \$37,983,920 in proceeds used to fund the project. The difference between the repayment obligation and proceeds amounted to \$7,596,966 upon issue and represents in-substance interest on the outstanding balance. This in-substance interest amount has been recorded as a discount on debt at an imputed yield of 1.81% per year and is being amortized over the remaining life of the contract. As of June 30, 2007, the City's gross repayment obligation totaled \$36,500,720 and is being reported in the accompanying financial statement net of the unamortized discount of \$5,042,358. During FY 2006/07, the City repaid \$1,683,482 on the obligation and amortized \$597,812 of the discount which was reported as interest expense.

Year Ending				
June 30	Principal	Interest	Total	
2008	\$ 1,713,439	\$ 567,856	\$ 2,281,295	
2009	1,744,368	536,927	2,281,295	
2010	1,775,856	505,439	2,281,295	
2011	1,807,912	473,383	2,281,295	
2012	1,840,547	440,748	2,281,295	
2013-2017	9,713,249	1,693,226	11,406,475	
2018-2022	10,622,146	784,329	11,406,475	
2023	2,240,845	40,450	2,281,295	
Total	<u>\$ 31,458,362</u>	<u>\$ 5,042,358</u>	<u>\$ 36,500,720</u>	

NOTE # 6 – LONG-TERM OBLIGATIONS (Continued)

ii. **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, 2007, is \$9,945,000. Future payments for these bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2008	\$ 310,000	\$ 549,906	\$ 859,906
2009	330,000	534,096	864,096
2010	345,000	516,936	861,936
2011	365,000	498,651	863,651
2012	385,000	479,306	864,306
2013-2017	2,255,000	2,059,351	4,314,351
2018-2022	2,945,000	1,360,341	4,305,341
2023-2026	3,010,000	435,094	3,445,094
Total	<u>\$ 9,945,000</u>	<u>\$ 6,433,681</u>	<u>\$ 16,378,681</u>
Wastewater Fund Portion	\$ 2,033,752	\$ 1,315,688	\$ 3,349,440
Water Fund Portion	7,911,248	5,117,993	13,029,241
	<u>\$ 9,945,000</u>	<u>\$ 6,433,681</u>	<u>\$ 16,378,681</u>

NOTE # 7 – 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 reported in long-term debt. These are special obligations payable from, and secured by, specific revenue sources described in the bond resolutions and official statements of the respective issues. The City is the collecting and paying agent for the debt issued by these districts, but 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 # 7 – SPECIAL ASSESSMENT DISTRICTS (Continued)

<u>Special Assessment District Bonds</u>	<u>Assessment District Debt</u>
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	\$ 11,750,000
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	480,000
Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2002 A & B (Refinancing of CIPF's 98-1 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	17,462,000
Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2004 A & B (Refinancing of CIPF 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	32,837,000
Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2004 C (Refinancing of CIPF 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	11,675,000
Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2005 A & B (Refinancing of CIPF 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	15,730,000
Brentwood Infrastructure Financing Authority - CIPF 2005-1 Infrastructure Revenue Bonds, Series 2005 • Dated August 3, 2005 • Annual debt service payments, including interest at 3.0 percent to 4.625 percent, range from \$2,616,165 to \$2,621,171 • Final payment due September 2035	39,550,000
Brentwood Infrastructure Financing Authority - CIPF 2006-1 Infrastructure Revenue Bonds, Series 2006 • Dated August 16, 2006 • Annual debt service payments, including interest at 3.90 percent to 5.20 percent, range from \$1,134,205 to \$1,139,455 • Final payment due September 2036	17,195,000
Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2006 A&B (Refinancing of CIPF 2003-1 & 2004-1) • Dated January 11, 2007 • Annual debt service payments, including interest at 3.625 percent to 5.0 percent, range from \$825,608 to \$1,905,000 • Final payment due September 2034	35,750,000
Total Assessment District Debt	\$ 182,429,000

NOTE # 8 – 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 # 9 – 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 2006/07 was 13.849 percent for miscellaneous employees and 29.746 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

NOTE # 9 – DEFINED BENEFIT PENSION PLAN (Continued)

year 2006/07, the City of Brentwood paid both the member contribution amounts and the employer contribution amounts for all full-time, benefited, active plan members.

C. ANNUAL PENSION COST

For fiscal year 2006/07, the City of Brentwood’s annual pension cost was \$5,572,961. This amount equals the City’s required and actual contributions. The required contribution for fiscal year 2006/07 was determined as part of the June 30, 2005 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, age and type of employment ranging from 3.25 percent to 14.45 percent for miscellaneous members and c) payroll growth of 3.25%. Both (a) and (b) include an inflation component of 3.0 percent. The actuarial values 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, 2022, for the Safety Plan and June 30, 2035 for the Miscellaneous Plan.

D. THREE-YEAR TREND INFORMATION FOR THE PLANS

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2005	\$ 4,667,092	100%	\$ -
6/30/2006	\$ 5,221,470	100%	\$ -
6/30/2007	\$ 5,572,961	100%	\$ -

As required by new State law, effective July 1, 2005, the City’s Safety Plan was terminated and the employees in the plan were required by CalPERS to join a new State-wide pool. One of the conditions of entry to the pool was for the City to true-up any unfunded liabilities in the former Plan, either by paying cash or by increasing its future contribution rates through a Side Fund offered by CalPERS. The City satisfied its Safety Plan’s unfunded liabilities by agreeing to contribute to the Side Fund through an addition to its normal contribution rates. The balance of the Safety Plan’s Side Fund, \$3,170,355 at June 30, 2007, will be repaid over the next nine years.

NOTE # 10 – 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 (\$20 million coverage, \$10,000 deductible); Employer’s Resource Management Association (ERMA) (\$1 million, \$50,000 deductible on employment claims); Fire and Property (\$350 million coverage, \$5,000 deductible); Flood (\$20 million, \$100,000 to \$250,000 minimum deductible per occurrence); Earthquake, in selected locations (\$40 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 (\$200 million coverage, \$0 deductible). The Agreement provides that the Authority will be self-sustaining through member premiums and assessments. The Authority purchases commercial insurance in excess of those amounts covered by the Authority’s self-insurance pool.

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, 2006, were the cities of Antioch, Brentwood, Clayton, El Cerrito, Hercules, Lafayette, Manteca, Martinez, Oakley, Orinda, Pacifica, Pinole, Pittsburg, Pleasant Hill, Richmond, San Pablo, 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.

There have been no significant reductions in any of the City’s areas of insurance, other than a reduction in the Authority’s Fire and Property coverage from \$1 billion, for the fiscal year ended June 30, 2006, to \$350 million for the fiscal year ended June 30, 2007. 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 # 11 – POST-RETIREMENT HEALTH CARE BENEFITS

In addition to the pension benefits described in Note #9, the City provides certain post-retirement health care benefits to employees who retire from the City and who meet the following criteria: 1) they retire on or after reaching age 50 and 2) they have at least five years of cumulative service credits with organizations participating in a CalPERS Defined Benefit Pension Plan. Employees hired after August 1, 2004 are subject to a 20-year vesting schedule and are eligible for benefits after: 1) five years of service with the City and 2) 10 years of cumulative service credits with organizations participating in a CalPERS Defined Benefit Pension Plan.

Coverage is also included for one employee dependent. Currently, 46 retirees are receiving these benefits. The City pays up to \$900.35 per month for health insurance for miscellaneous retirees and up to \$924.38 per month for safety retirees. Expenditures for post-retirement health care benefits are recognized on a pay as you go method. During fiscal year 2006/07, expenditures of \$387,747 were recognized for post-retirement health care.

NOTE # 12 – BRENTWOOD REDEVELOPMENT AGENCY TAX SHARING AGREEMENTS

The Brentwood Redevelopment Agency entered into tax sharing agreements for the North Brentwood Redevelopment Project Area with the following entities: East Diablo Fire District; Brentwood Union School District; Liberty Union High School District; Oakley School District; Knightsen School District; 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 negotiated 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 for the North Brentwood Redevelopment Project Area with the Contra Costa Community College District, the East Bay Regional Park District and the Byron/Brentwood/Knightsen Union Cemetery District. The agreements call for a pass-through of their negotiated 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 for the North Brentwood Redevelopment Project Area. 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 to the taxing agencies was deferred for the first twelve years. The accrued deferred amounts, interest and the pass-through of the annual tax increment were paid over a four-year period with the entire deferred portion of the pass-throughs being repaid in full by fiscal year 2006/07. From this point forward, the agreements provide for pass-through of 100% of the tax increment which would have been allocated to these taxing agencies but for the adoption of the North Brentwood Redevelopment Project.

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

The Brentwood Redevelopment Agency has entered into a tax-sharing agreement with the East Bay Regional Park District for the North Brentwood Redevelopment Project Area. The agreement calls for a pass-through of their negotiated 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. All payments due to date have been paid to the appropriate taxing entities and payments will continue in accordance with the provisions of AB1290.

NOTE # 13 – CONTINGENT LIABILITIES**A. LITIGATION**

The City is involved as a defendant in one legal action. An unfavorable outcome in this matter could result in a loss ranging from \$0 to \$40,000. The City intends to vigorously defend this matter and, while it isn't feasible to either predict or determine the outcome in the case, it is the opinion of the City that the outcome will have no material adverse effect on the financial position of the City.

B. FEDERAL GRANTS

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

NOTE # 13 – CONTINGENT LIABILITIES (Continued)

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, 2007 was \$20,192,249, after a total of \$5,631,298 were used as credits through fiscal year 2006/07. 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, 2007, the City had the following commitments with respect to unfinished capital projects:

<u>Project Name</u>	<u>Outstanding Commitment</u>
Brentwood Boulevard Widening - Central	\$ 885,242
BUSD Joint Use Community Gymnasium	1,500,000
Surface Water Treatment Facility Phases I & II	5,738,441
	<u>\$ 8,123,683</u>

NOTE # 14 – SUBSEQUENT EVENTS

On August 7, 2007 the City issued \$840,000 of Infrastructure Revenue Bonds. The Randy Way Sewer Line Assessment District encompasses 34 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.

In September 2007 the City reached a settlement agreement with a general contractor and their subcontractors arising from a disputed public works construction contract. As part of the agreement the general contractor agrees to defend and indemnify the city against any and all subcontractor and supplier claims, if any, in connection with the contract. The settlement agreement calls for the City to pay the general contractor \$465,000 on or before September 27, 2007. The City has accrued the full amount of this payment as a liability in the Park Improvement Projects Fund.

NOTE # 15 – FUND BALANCE RESTATEMENTS

The City has determined two fixed assets, a long-term receivable and an interfund payable, were recorded incorrectly in previous years. The two fixed assets were in the Water and Vehicle Replacement Fund and had been inappropriately capitalized in a previous year. They have therefore been removed from beginning fund balance and from the fixed asset totals.

The long-term receivable had been recorded as income rather than being deferred in the PEG Media fund. Therefore, an adjustment to beginning fund balance was recorded in order to defer revenue recognition under modified accounting rules. The interfund payable in the Facility Fee Administration Fund had been recorded as a long term liability in previous years which excluded it from presentation on the fund financial statements. An adjustment to beginning fund balance has been recorded in order to establish the payable. The effects of the restatements on the beginning balances are as follows: 1) a decrease to the Water fund of \$1,357,472, 2) a decrease to the Vehicle Replacement fund of \$109,767, 3) a decrease to the PEG Media fund of \$450,000 and 4) a decrease to the Facility Fee Administration fund of \$1,910,295.

Budgetary Comparison Schedule, General Fund
For Year Ended June 30, 2007

	Budget Amounts		Actual	Variance
	Original Budget	Final Budget		
REVENUES				
Taxes	\$ 16,148,439	\$ 15,793,439	\$ 15,761,372	\$ (32,067)
Licenses	631,250	531,250	509,618	(21,632)
Permits and Fines	9,594,051	7,746,051	6,130,221	(1,615,830)
Uses of Money and Property	1,451,575	1,726,575	1,761,114	34,539
Intergovernmental	3,559,685	4,256,748	4,277,770	21,022
Franchises	920,893	920,893	965,066	44,173
Charges for Other Services	1,659,653	1,597,153	776,584	(820,569)
Charges to Other Funds	5,520,484	5,520,484	5,590,646	70,162
Fees and Other Revenues	1,597,822	1,634,659	1,132,736	(501,923)
Total Revenues	41,083,852	39,727,252	36,905,127	(2,822,125)
EXPENDITURES				
Current:				
General Government	7,968,016	8,021,399	5,940,065	2,081,334
Public Safety	14,654,135	14,656,249	13,948,795	707,454
Community Development	5,264,503	5,264,503	4,446,696	817,807
Engineering	2,978,488	2,978,487	2,532,147	446,340
Public Works	2,853,913	2,853,913	2,486,963	366,950
Parks and Recreation	6,382,521	6,439,796	5,626,310	813,486
Community Services	562,550	565,050	449,819	115,231
Total Expenditures	40,664,126	40,779,397	35,430,795	5,348,602
REVENUES OVER (UNDER) EXPENDITURES	419,726	(1,052,145)	1,474,332	2,526,477
OTHER FINANCING SOURCES (USES)				
Transfers In	3,329,094	3,811,624	4,408,181	596,557
Transfers Out	(3,165,437)	(3,165,437)	(2,997,285)	168,152
Total Other Financing Sources (Uses)	163,657	646,187	1,410,896	764,709
NET CHANGE IN FUND BALANCES	\$ 583,383	\$ (405,958)	2,885,228	\$ 3,291,186
Fund Balance, Beginning of Year			22,514,337	
Fund Balance, End of Year			\$ 25,399,565	

Budgetary Comparison Schedule, Thoroughfares
For Year Ended June 30, 2007

	Budget Amounts		Actual	Variance
	Original Budget	Final Budget		
REVENUES				
Uses of Money and Property	\$ 20,000	\$ 20,000	\$ 580,847	\$ 560,847
Fees and Other Revenues	17,400,000	11,900,000	3,728,802	(8,171,198)
Total Revenues	<u>17,420,000</u>	<u>11,920,000</u>	<u>4,309,649</u>	<u>(7,610,351)</u>
EXPENDITURES				
Current:				
General Government	5,682,584	450,360	388,256	62,104
Total Expenditures	<u>5,682,584</u>	<u>450,360</u>	<u>388,256</u>	<u>62,104</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>11,737,416</u>	<u>11,469,640</u>	<u>3,921,393</u>	<u>(7,548,247)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(7,172,624)	(10,828,749)	(6,643,654)	4,185,095
Total other Financing Sources (Uses)	<u>(7,172,624)</u>	<u>(10,828,749)</u>	<u>(6,643,654)</u>	<u>4,185,095</u>
NET CHANGE IN FUND BALANCES	<u>\$ 4,564,792</u>	<u>\$ 640,891</u>	<u>(2,722,261)</u>	<u>\$ (3,363,152)</u>
Fund Balance, Beginning of Year			<u>815,148</u>	
Fund Balance, End of Year			<u>\$ (1,907,113)</u>	

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

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
6/30/2004	\$ 24,884,866	\$ 20,675,251	\$ 4,209,615	83.1%	\$ 13,533,385	31.1%
6/30/2005	\$ 30,745,530	\$ 25,232,747	\$ 5,512,783	82.1%	\$ 14,033,438	39.3%
6/30/2006	\$ 37,323,519	\$ 29,802,610	\$ 7,520,909	79.8%	\$ 15,565,585	48.3%

As required by new State law, effective July 1, 2005, the City's Safety Plan was terminated and the employees in the plan were required by CalPERS to join a new State-wide pool.

City of Brentwood

Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2007

Special Revenue Funds

	Gas Tax	Police Grants	Other Grants	Citywide Parks Districts	Community Facilities Districts	Community Facilities	Vehicle Abatement	Economic Development
ASSETS								
Current Assets:								
Cash and Investments	\$ -	\$ 154,833	\$ -	\$ 690,699	\$ 62,220	\$ -	\$ 81,001	\$ 5,039
Restricted Cash and Investments	-	-	-	-	-	-	-	-
Receivables	-	37,203	5,149	1,251	1,234	-	13,688	9
Prepays	-	-	-	787	-	-	-	-
Due from Other Funds	-	2,804	-	-	-	31,148	-	-
Land Held for Resale	-	-	-	-	-	-	-	-
Total Assets	\$ -	\$ 194,840	\$ 5,149	\$ 692,737	\$ 63,454	\$ 31,148	\$ 94,689	\$ 5,048
LIABILITIES AND FUND BALANCES								
Current Liabilities:								
Accounts Payable and Accrued Liabilities	\$ -	\$ 19,727	\$ 2,345	\$ 319,187	\$ 4,979	\$ 1,069	\$ -	\$ -
Due to Other Funds	-	-	2,804	-	-	61,047	-	-
Internal Balances	-	-	-	-	-	-	-	-
Other Liabilities	-	-	-	231	-	-	-	-
Unearned Revenue	-	-	-	-	-	31,148	-	-
Total Liabilities	-	19,727	5,149	319,418	4,979	93,264	-	-
Fund Balances:								
Reserved for:								
Prepays	-	-	-	787	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
Specific Projects and Programs	-	175,113	-	-	-	-	-	-
Unreserved, Reported in:								
Special Revenue	-	-	-	372,532	58,475	(62,116)	94,689	5,048
Capital Projects	-	-	-	-	-	-	-	-
Total Fund Balances	-	175,113	-	373,319	58,475	(62,116)	94,689	5,048
Total Liabilities and Fund Balances	\$ -	\$ 194,840	\$ 5,149	\$ 692,737	\$ 63,454	\$ 31,148	\$ 94,689	\$ 5,048

Continued

Combining Balance Sheet
Non-Major Governmental Funds (Continued)
 June 30, 2007

Special Revenue Funds (Continued)

	Storm Drainage	RDA Low Income Housing	PEG Media	Asset Forfeiture	Open Space	Measure C	Facility Fee Administration	Parks and Trails	Agriculture Administration
ASSETS									
Current Assets:									
Cash and Investments	\$ 9,658	\$ 2,258,661	\$ 436,303	\$ 51,785	\$ -	\$ -	\$ 546,704	\$ 1,199,648	\$ 1,180,973
Restricted Cash and Investments	-	-	-	-	-	-	-	-	-
Receivables	3	3,937	450,770	85	299	461,249	1,229	8,362	1,987
Prepays	-	215	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	4,725	66,496	-
Land Held for Resale	-	389,849	-	-	-	-	-	-	-
Total Assets	\$ 9,661	\$ 2,652,662	\$ 887,073	\$ 51,870	\$ 299	\$ 461,249	\$ 552,658	\$ 1,274,506	\$ 1,182,960
LIABILITIES AND FUND BALANCES									
Current Liabilities:									
Accounts Payable and Accrued Liabilities	\$ -	\$ 5,276	\$ -	\$ -	\$ -	\$ -	\$ 1,068	\$ 1,068	\$ 2,430
Due to Other Funds	-	-	-	-	299	238,118	-	-	-
Internal Balances	-	-	-	-	-	-	1,410,295	-	-
Other Liabilities	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	450,000	-	-	-	4,725	66,497	-
Total Liabilities	-	5,276	450,000	-	299	238,118	1,416,088	67,565	2,430
Fund Balances:									
Reserved for:									
Prepays	-	215	-	-	-	-	-	-	-
Land Held for Resale	-	389,849	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Specific Projects and Programs	-	2,257,322	437,073	51,870	-	223,131	-	1,206,941	1,180,530
Unreserved, Reported in:									
Special Revenue	9,661	-	-	-	-	-	(863,430)	-	-
Capital Projects	-	-	-	-	-	-	-	-	-
Total Fund Balances	9,661	2,647,386	437,073	51,870	-	223,131	(863,430)	1,206,941	1,180,530
Total Liabilities and Fund Balances	\$ 9,661	\$ 2,652,662	\$ 887,073	\$ 51,870	\$ 299	\$ 461,249	\$ 552,658	\$ 1,274,506	\$ 1,182,960

Continued

Combining Balance Sheet
Non-Major Governmental Funds (Continued)
 June 30, 2006

Special Revenue Funds (Continued)

	Public Art Administration	Public Art Acquisition	Arts Commission	Agricultural Park and History Center	Fire Fees	Agriculture Land	Parking In Lieu	Lighting and Landscape Districts
ASSETS								
Current Assets:								
Cash and Investments	\$ 41,733	\$ 518,014	\$ 79,299	\$ -	\$ 1,134,432	\$ 8,759,656	\$ 22,891	\$ 2,543,135
Restricted Cash and Investments	-	-	-	-	-	-	-	-
Receivables	60	877	141	232,000	1,972	15,015	41	4,742
Prepays	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-
Total Assets	\$ 41,793	\$ 518,891	\$ 79,440	\$ 232,000	\$ 1,136,404	\$ 8,774,671	\$ 22,932	\$ 2,547,877
LIABILITIES AND FUND BALANCES								
Current Liabilities:								
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ 960	\$ -	\$ -	\$ -	\$ -	\$ 281,400
Due to Other Funds	-	-	-	-	-	-	-	-
Internal Balances	-	-	-	-	-	-	-	-
Other Liabilities	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-
Total Liabilities	-	-	960	-	-	-	-	281,400
Fund Balances:								
Reserved for:								
Prepays	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
Specific Projects and Programs	41,793	518,891	78,480	232,000	1,136,404	8,774,671	22,932	2,266,477
Unreserved, Reported in:								
Special Revenue	-	-	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-	-	-
Total Fund Balances	41,793	518,891	78,480	232,000	1,136,404	8,774,671	22,932	2,266,477
Total Liabilities and Fund Balances	\$ 41,793	\$ 518,891	\$ 79,440	\$ 232,000	\$ 1,136,404	\$ 8,774,671	\$ 22,932	\$ 2,547,877

Continued

Combining Balance Sheet
Non-Major Governmental Funds (Continued)
 June 30, 2006

	Debt Service Funds				Capital Project 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 2000-1 (2004 C Refi)	Capital Improvement Financing Program 2002-1 (2005 A&B Refi)
ASSETS							
Current Assets:							
Cash and Investments	\$ 6,986,517	\$ 111,881	\$ 104,383	\$ -	\$ -	\$ -	\$ -
Restricted Cash and Investments	-	2,109,750	-	-	275,538	639,922	1,170,923
Receivables	20,133	197	386	96	889,715	-	41,518
Prepays	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-
Total Assets	\$ 7,006,650	\$ 2,221,828	\$ 104,769	\$ 96	\$ 1,165,253	\$ 639,922	\$ 1,212,441
LIABILITIES AND FUND BALANCES							
Current Liabilities:							
Accounts Payable and Accrued Liabilities	\$ 1,439,011	\$ 229,658	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	96	-	-	-
Internal Balances	-	-	-	-	-	-	-
Other Liabilities	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-
Total Liabilities	1,439,011	229,658	-	96	-	-	-
Fund Balances:							
Reserved for:							
Prepays	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-
Debt Service	5,567,639	1,992,170	104,769	-	-	-	-
Specific Projects and Programs	-	-	-	-	1,165,253	639,922	1,212,441
Unreserved, Reported in:							
Special Revenue	-	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-	-
Total Fund Balances	5,567,639	1,992,170	104,769	-	1,165,253	639,922	1,212,441
Total Liabilities and Fund Balances	\$ 7,006,650	\$ 2,221,828	\$ 104,769	\$ 96	\$ 1,165,253	\$ 639,922	\$ 1,212,441

Continued

Combining Balance Sheet
Non-Major Governmental Funds (Continued)
 June 30, 2007

Capital Project Funds (Continued)

	Capital Improvement Financing Program 2003-1 (2006 A&B Refi)	Capital Improvement Financing Program 2004-1 (2006 A&B Refi)	Capital Improvement Financing Program 2006-1	2002 Series A & B	2006 Series A & B	Capital Improvement 2001	Randy Way District Improvements	City Capital Improvement Financing Program
ASSETS								
Current Assets:								
Cash and Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,674	\$ 62,690	\$ 1,451,614
Restricted Cash and Investments	-	-	4,513,142	382,794	107,842	-	-	-
Receivables	-	-	-	-	179,419	24	74	2,562
Prepays	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-
Total Assets	\$ -	\$ -	\$ 4,513,142	\$ 382,794	\$ 287,261	\$ 13,698	\$ 62,764	\$ 1,454,176
LIABILITIES AND FUND BALANCES								
Current Liabilities:								
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,068
Due to Other Funds	-	-	-	-	-	-	-	-
Internal Balances	-	-	-	-	-	-	-	-
Other Liabilities	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-	-	1,068
Fund Balances:								
Reserved for:								
Prepays	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
Specific Projects and Programs	-	-	4,513,142	382,794	287,261	13,698	62,764	1,453,108
Unreserved, Reported in:								
Special Revenue	-	-	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-	-	-
Total Fund Balances	-	-	4,513,142	382,794	287,261	13,698	62,764	1,453,108
Total Liabilities and Fund Balances	\$ -	\$ -	\$ 4,513,142	\$ 382,794	\$ 287,261	\$ 13,698	\$ 62,764	\$ 1,454,176

Continued

Combining Balance Sheet
Non-Major Governmental Funds (Continued)
 June 30, 2007

Capital Project Funds (Continued)

	Capital Project Administration	Community Facilities Improvement Projects	Park Improvement Projects	Drainage Improvement Projects	Vineyards Projects	Redevelopment Projects	Total Non-Major Governmental Funds
ASSETS							
Current Assets:							
Cash and Investments	\$ -	\$ 12,541,965	\$ 3,041,327	\$ 160,515	\$ 1,640,883	\$ 5,134,936	\$ 51,027,069
Restricted Cash and Investments	-	-	-	-	-	3,799,286	12,999,197
Receivables	90	25,807	-	286	2,897	57,224	2,461,731
Prepays	2,899	-	-	-	-	432	4,333
Due from Other Funds	-	2,223,048	-	-	-	-	2,328,221
Land Held for Resale	-	-	-	-	-	699,108	1,088,957
Total Assets	\$ 2,989	\$ 14,790,820	\$ 3,041,327	\$ 160,801	\$ 1,643,780	\$ 9,690,986	\$ 69,909,508
LIABILITIES AND FUND BALANCES							
Current Liabilities:							
Accounts Payable and Accrued Liabilities	\$ 35,957	\$ 420,597	\$ 645,441	\$ 802	\$ 1,880	\$ 33,512	\$ 3,447,435
Due to Other Funds	-	-	-	-	-	-	302,364
Internal Balances	-	-	-	-	-	-	1,410,295
Other Liabilities	-	-	-	-	-	-	231
Unearned Revenue	-	-	-	-	-	-	552,370
Total Liabilities	35,957	420,597	645,441	802	1,880	33,512	5,712,695
Fund Balances:							
Reserved for:							
Prepays	2,899	-	-	-	-	432	4,333
Land Held for Resale	-	-	-	-	-	699,108	1,088,957
Debt Service	-	-	-	-	-	-	7,664,578
Specific Projects and Programs	-	14,370,223	2,395,886	159,999	1,641,900	8,957,934	55,859,953
Unreserved, Reported in:							
Special Revenue	-	-	-	-	-	-	(385,141)
Capital Projects	(35,867)	-	-	-	-	-	(35,867)
Total Fund Balances	(32,968)	14,370,223	2,395,886	159,999	1,641,900	9,657,474	64,196,813
Total Liabilities and Fund Balances	\$ 2,989	\$ 14,790,820	\$ 3,041,327	\$ 160,801	\$ 1,643,780	\$ 9,690,986	\$ 69,909,508

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For Year Ended June 30, 2007

	Special Revenue Funds							Economic Development
	Gas Tax	Police Grants	Other Grants	Citywide Parks Districts	Community Facilities Districts	Community Facilities	Vehicle Abatement	
REVENUES								
Taxes	\$ 840,330	\$ -	\$ -	\$ 1,535,645	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	-	10,490	-	20,285	31,078	244,233	3,257	252
Intergovernmental	-	172,745	68,349	-	-	-	-	-
Fees and Other Revenues	-	-	-	27,609	2,079,752	1,417,581	67,880	-
Total Revenues	840,330	183,235	68,349	1,583,539	2,110,830	1,661,814	71,137	252
EXPENDITURES								
Current:								
General Government	-	-	12,096	-	-	7,141	-	-
Public Safety	-	180,135	-	-	-	-	545	-
Community Development	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	2,040,914	-	-	-	-
Community Services	-	-	-	-	21,196	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Total Expenditures	-	180,135	12,096	2,040,914	21,196	7,141	545	-
REVENUES OVER (UNDER) EXPENDITURES	840,330	3,100	56,253	(457,375)	2,089,634	1,654,673	70,592	252
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	531,196	-	-	-	-
Transfers Out	(840,330)	-	(56,253)	-	(2,071,287)	(4,037,824)	(15,000)	-
Total Other Financing Sources (Uses)	(840,330)	-	(56,253)	531,196	(2,071,287)	(4,037,824)	(15,000)	-
Net Change in Fund Balances	-	3,100	-	73,821	18,347	(2,383,151)	55,592	252
Fund Balance, Beginning of Year, Restated	-	172,013	-	299,498	40,128	2,321,035	39,097	4,796
Fund Balance, End of Year	\$ -	\$ 175,113	\$ -	\$ 373,319	\$ 58,475	\$ (62,116)	\$ 94,689	\$ 5,048

Continued

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
 For Year Ended June 30, 2007

	Special Revenue Funds (Continued)								
	Storm Drainage	RDA Low Income Housing	PEG Media	Asset Forfeiture	Open Space	Measure C	Facility Fee Administration	Parks and Trails	Agriculture Administration
REVENUES									
Taxes	\$ -	\$ 1,477,295	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	8,336	107,249	21,782	1,956	8,514	-	44,475	241,916	58,795
Intergovernmental	-	-	-	-	-	461,249	-	-	-
Fees and Other Revenues	-	-	-	20,788	-	-	241,627	1,129,599	203,963
Total Revenues	8,336	1,584,544	21,782	22,744	8,514	461,249	286,102	1,371,515	262,758
EXPENDITURES									
Current:									
General Government	2,011	1,590,208	-	10,815	2,500	4,504	248,187	-	252,539
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	257,400	-
Community Services	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	88,085	-	-
Total Expenditures	2,011	1,590,208	-	10,815	2,500	4,504	336,272	257,400	252,539
REVENUES OVER (UNDER) EXPENDITURES	6,325	(5,664)	21,782	11,929	6,014	456,745	(50,170)	1,114,115	10,219
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	(200,000)	-	-	(169,790)	(372,996)	-	(148,212)	-
Total Other Financing Sources (Uses)	-	(200,000)	-	-	(169,790)	(372,996)	-	(148,212)	-
Net Change in Fund Balances	6,325	(205,664)	21,782	11,929	(163,776)	83,749	(50,170)	965,903	10,219
Fund Balance, Beginning of Year, Restated	3,336	2,853,050	415,291	39,941	163,776	139,382	(813,260)	241,038	1,170,311
Fund Balance, End of Year	\$ 9,661	\$ 2,647,386	\$ 437,073	\$ 51,870	\$ -	\$ 223,131	\$ (863,430)	\$ 1,206,941	\$ 1,180,530

Continued

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
 For Year Ended June 30, 2007

Special Revenue Funds (Continued)

	Public Art Administration	Public Art Acquisition	Arts Commission	Agricultural Park and History Center	Fire Fees	Agriculture Land	Parking In Lieu	Lighting and Landscape Districts
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	813	21,099	3,996	-	44,129	450,934	1,143	106,620
Intergovernmental	-	-	-	-	-	-	-	-
Fees and Other Revenues	67,171	179,817	53,764	232,000	250,089	815,857	-	3,259,625
Total Revenues	67,984	200,916	57,760	232,000	294,218	1,266,791	1,143	3,366,245
EXPENDITURES								
Current:								
General Government	-	-	61,292	-	-	305,000	-	-
Public Safety	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	2,943,433
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Total Expenditures	-	-	61,292	-	-	305,000	-	2,943,433
REVENUES OVER (UNDER) EXPENDITURES	67,984	200,916	(3,532)	232,000	294,218	961,791	1,143	422,812
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	-	11,136
Transfers Out	(57,904)	-	-	-	(1,397)	(1,090,000)	-	-
Total Other Financing Sources (Uses)	(57,904)	-	-	-	(1,397)	(1,090,000)	-	11,136
Net Change in Fund Balances	10,080	200,916	(3,532)	232,000	292,821	(128,209)	1,143	433,948
Fund Balance, Beginning of Year, Restated	31,713	317,975	82,012	-	843,583	8,902,880	21,789	1,832,529
Fund Balance, End of Year	\$ 41,793	\$ 518,891	\$ 78,480	\$ 232,000	\$ 1,136,404	\$ 8,774,671	\$ 22,932	\$ 2,266,477

Continued

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
 For Year Ended June 30, 2007

	Debt Service Funds				Capital Project 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 2000-1 (2004 C Refi)	Capital Improvement Financing Program 2002-1 (2005 A&B Refi)
REVENUES							
Taxes	\$ 5,909,179	\$ -	\$ 318,990	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	528,477	42,653	7,479	873	54,182	29,737	54,936
Intergovernmental	-	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	-	-	-	-
Total Revenues	6,437,656	42,653	326,469	873	54,182	29,737	54,936
EXPENDITURES							
Current:							
General Government	-	-	-	-	4,294	1,106	-
Public Safety	-	-	-	-	-	-	-
Community Development	1,627,183	12,200	6,162	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Debt Service:							
Principal	420,000	255,000	140,000	17,754	-	-	-
Interest and Fiscal Charges	949,807	459,046	148,256	1,928	-	-	-
Total Expenditures	2,996,990	726,246	294,418	19,682	4,294	1,106	-
REVENUES OVER (UNDER) EXPENDITURES	3,440,666	(683,593)	32,051	(18,809)	49,888	28,631	54,936
OTHER FINANCING SOURCES (USES)							
Transfers In	-	678,795	-	18,809	-	-	-
Transfers Out	(1,288,689)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(1,288,689)	678,795	-	18,809	-	-	-
Net Change in Fund Balances	2,151,977	(4,798)	32,051	-	49,888	28,631	54,936
Fund Balance, Beginning of Year, Restated	3,415,662	1,996,968	72,718	-	1,115,365	611,291	1,157,505
Fund Balance, End of Year	\$ 5,567,639	\$ 1,992,170	\$ 104,769	\$ -	\$ 1,165,253	\$ 639,922	\$ 1,212,441

Continued

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
 For Year Ended June 30, 2007

Capital Project Funds (Continued)

	Capital Improvement Financing Program 2003-1 (2006 A&B Refi)	Capital Improvement Financing Program 2004-1 (2006 A&B Refi)	Capital Improvement Financing Program 2006-1	2002 Series A & B	2006 Series A & B	Capital Improvement 2001	Randy Way District Improvements	City Capital Improvement Financing Program
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	67,501	2,824	163,832	17,344	11,206	680	673	62,844
Intergovernmental	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	-	4,349,310	-	26,272	-	62,091	679,527
Total Revenues	67,501	2,824	4,513,142	17,344	37,478	680	62,764	742,371
EXPENDITURES								
Current:								
General Government	-	-	-	-	1,861,110	-	-	2,118
Public Safety	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	1,861,110	-	-	2,118
REVENUES OVER (UNDER) EXPENDITURES	67,501	2,824	4,513,142	17,344	(1,823,632)	680	62,764	740,253
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	2,110,893	-	-	-
Transfers Out	(2,026,133)	(84,760)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(2,026,133)	(84,760)	-	-	2,110,893	-	-	-
Net Change in Fund Balances	(1,958,632)	(81,936)	4,513,142	17,344	287,261	680	62,764	740,253
Fund Balance, Beginning of Year, Restated	1,958,632	81,936	-	365,450	-	13,018	-	712,855
Fund Balance, End of Year	\$ -	\$ -	\$ 4,513,142	\$ 382,794	\$ 287,261	\$ 13,698	\$ 62,764	\$ 1,453,108

Continued

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
 For Year Ended June 30, 2007

Capital Project Funds (Continued)

	Capital Project Administration	Community Facilities Improvement Projects	Park Improvement Projects	Drainage Improvement Projects	Vineyards Projects	Redevelopment Projects	Total Non-Major Governmental Funds
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,081,439
Uses of Money and Property	815	668,509	-	-	83,333	1,556,336	4,785,586
Intergovernmental	-	-	-	-	-	-	702,343
Fees and Other Revenues	183,611	1,355,334	10,000	-	-	-	16,713,267
Total Revenues	<u>184,426</u>	<u>2,023,843</u>	<u>10,000</u>	<u>-</u>	<u>83,333</u>	<u>1,556,336</u>	<u>32,282,635</u>
EXPENDITURES							
Current:							
General Government	2,555,330	177,449	-	-	52,658	786,464	7,936,822
Public Safety	-	-	-	-	-	-	180,680
Community Development	-	-	-	-	-	-	1,645,545
Parks and Recreation	-	-	-	-	-	-	2,298,314
Community Services	-	-	-	-	-	-	2,964,629
Capital Outlay	-	2,233,179	2,353,423	803	-	-	4,587,405
Debt Service:							
Principal	-	-	-	-	-	-	832,754
Interest and Fiscal Charges	-	-	-	-	-	-	1,647,122
Total Expenditures	<u>2,555,330</u>	<u>2,410,628</u>	<u>2,353,423</u>	<u>803</u>	<u>52,658</u>	<u>786,464</u>	<u>22,093,271</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(2,370,904)</u>	<u>(386,785)</u>	<u>(2,343,423)</u>	<u>(803)</u>	<u>30,675</u>	<u>769,872</u>	<u>10,189,364</u>
OTHER FINANCING SOURCES (USES)							
Transfers In	2,336,703	4,634,503	951,010	10,000	-	1,288,689	12,571,734
Transfers Out	-	(704,242)	-	-	-	(2,322,621)	(15,487,438)
Total Other Financing Sources (Uses)	<u>2,336,703</u>	<u>3,930,261</u>	<u>951,010</u>	<u>10,000</u>	<u>-</u>	<u>(1,033,932)</u>	<u>(2,915,704)</u>
Net Change in Fund Balances	<u>(34,201)</u>	<u>3,543,476</u>	<u>(1,392,413)</u>	<u>9,197</u>	<u>30,675</u>	<u>(264,060)</u>	<u>7,273,660</u>
Fund Balance, Beginning of Year, Restated	<u>1,233</u>	<u>10,826,747</u>	<u>3,788,299</u>	<u>150,802</u>	<u>1,611,225</u>	<u>9,921,534</u>	<u>56,923,153</u>
Fund Balance, End of Year	<u>\$ (32,968)</u>	<u>\$ 14,370,223</u>	<u>\$ 2,395,886</u>	<u>\$ 159,999</u>	<u>\$ 1,641,900</u>	<u>\$ 9,657,474</u>	<u>\$ 64,196,813</u>

Combining Statement of Net Assets
All Internal Service Funds
 June 30, 2007

	Emergency Preparedness	Information Services	Equipment Replacement	Information Systems Replacement	Facilities Replacement	Tuition Program	Fleet Maintenance	Facilities Maintenance Services	Parks and LLD Replacement	Insurance	TOTALS
ASSETS											
Current Assets:											
Cash and Investments	\$ 5,841,096	\$ 274,888	\$ 6,280,920	\$ 107,884	\$ 942,630	\$ 53,002	\$ 411,640	\$ 156,250	\$ 1,382,539	\$ 5,748,613	\$ 21,199,462
Receivables	10,303	502	31,252	26,487	55,977	96	705	305	2,597	6,872	135,096
Prepays	-	1,762	-	-	-	-	5,652	552	-	-	7,966
Total Current Assets	5,851,399	277,152	6,312,172	134,371	998,607	53,098	417,997	157,107	1,385,136	5,755,485	21,342,524
Non-Current Assets:											
Machinery and Equipment	-	-	2,314,324	430,210	-	-	-	-	-	-	2,744,534
Vehicles	-	-	7,017,722	-	-	-	-	-	-	-	7,017,722
Less Accumulated Depreciation	-	-	(4,343,063)	(331,354)	-	-	-	-	-	-	(4,674,417)
Total Capital Assets, Net of Accumulated Depreciation	-	-	4,988,983	98,856	-	-	-	-	-	-	5,087,839
Total Non-Current Assets	-	-	4,988,983	98,856	-	-	-	-	-	-	5,087,839
Total Assets	5,851,399	277,152	11,301,155	233,227	998,607	53,098	417,997	157,107	1,385,136	5,755,485	26,430,363
LIABILITIES AND NET ASSETS											
Current Liabilities:											
Accounts Payable and Accrued Liabilities	78	38,484	194,592	48,450	75	-	41,368	47,542	(296)	812	371,105
Compensated Absences Payable	-	25,583	-	-	-	-	14,009	6,173	-	-	45,765
Total Current Liabilities	78	64,067	194,592	48,450	75	-	55,377	53,715	(296)	812	416,870
Non-Current Liabilities Due in More Than One Year:											
Compensated Absences Payable	-	17,056	-	-	-	-	9,339	4,116	-	-	30,511
Total Non-Current Liabilities	-	17,056	-	-	-	-	9,339	4,116	-	-	30,511
Total Liabilities	78	81,123	194,592	48,450	75	-	64,716	57,831	(296)	812	447,381
Net Assets:											
Invested in Capital Assets, Net of Related Debt	-	-	4,988,983	98,856	-	-	-	-	-	-	5,087,839
Unrestricted	5,851,321	196,029	6,117,580	85,921	998,532	53,098	353,281	99,276	1,385,432	5,754,673	20,895,143
Total Net Assets	\$ 5,851,321	\$ 196,029	\$ 11,106,563	\$ 184,777	\$ 998,532	\$ 53,098	\$ 353,281	\$ 99,276	\$ 1,385,432	\$ 5,754,673	\$ 25,982,982

Combining Statement of Activities and Changes in Net Assets
All Internal Service Funds
 For Year Ended June 30, 2007

	Emergency Preparedness	Information Services	Equipment Replacement	Information Systems Replacement	Facilities Replacement	Tuition Program	Fleet Maintenance	Facilities Maintenance Services	Parks and LLD Replacement	Insurance	TOTALS
Operating Revenues:											
Charges for Services	\$ -	\$ 1,365,000	\$ 1,614,570	\$ 506,089	\$ 396,133	\$ 10,300	\$ 1,015,389	\$ 796,794	\$ 526,310	\$ 1,931,474	\$ 8,162,059
Other Income	144,201	-	124,096	-	-	-	4,075	-	-	593,775	866,147
Total Operating Revenues	144,201	1,365,000	1,738,666	506,089	396,133	10,300	1,019,464	796,794	526,310	2,525,249	9,028,206
Operating Expenses:											
Personnel Services	-	958,846	-	-	-	-	486,774	266,675	-	-	1,712,295
Repairs and Maintenance	-	44	-	-	4,521	-	8,369	404,873	137,335	-	555,142
Materials, Supplies and Services	27,669	357,357	17,878	296,727	11,240	19,027	470,741	109,299	-	442,335	1,752,273
Depreciation and Amortization	-	-	910,954	52,496	-	-	-	-	-	-	963,450
Total Operating Expenses	27,669	1,316,247	928,832	349,223	15,761	19,027	965,884	780,847	137,335	442,335	4,983,160
Operating Income (Loss)	116,532	48,753	809,834	156,866	380,372	(8,727)	53,580	15,947	388,975	2,082,914	4,045,046
Non-Operating Revenue (Expenses):											
Interest Income	289,514	12,439	305,995	2,708	39,445	2,811	18,830	7,020	64,217	190,492	933,471
Loss on Disposal of Capital Assets	-	-	(4,234)	-	-	-	-	-	-	-	(4,234)
Total Non-Operating Revenues (Expenses)	289,514	12,439	301,761	2,708	39,445	2,811	18,830	7,020	64,217	190,492	929,237
Income (Loss) before Contributions and Transfers	406,046	61,192	1,111,595	159,574	419,817	(5,916)	72,410	22,967	453,192	2,273,406	4,974,283
Transfers In	-	24,000	511,844	-	-	-	-	-	-	-	535,844
Transfers Out	-	-	-	(250,000)	(254,398)	-	-	-	-	-	(504,398)
Change in Net Assets	406,046	85,192	1,623,439	(90,426)	165,419	(5,916)	72,410	22,967	453,192	2,273,406	5,005,729
Net Assets, Beginning of Year, Restated	5,445,275	110,837	9,483,124	275,203	833,113	59,014	280,871	76,309	932,240	3,481,267	20,977,253
Net Assets, End of Year	\$ 5,851,321	\$ 196,029	\$ 11,106,563	\$ 184,777	\$ 998,532	\$ 53,098	\$ 353,281	\$ 99,276	\$ 1,385,432	\$ 5,754,673	\$ 25,982,982

Combining Statement of Cash Flows
All Internal Service Funds
For Year Ended June 30, 2007

	Emergency Preparedness	Information Services	Equipment Replacement	Information Systems Replacement	Facilities Replacement	Tuition Program	Fleet Maintenance	Facilities Maintenance Services	Parks and LLD Replacement	Insurance	TOTALS
Cash Flows from Operating Activities											
Cash Received from Customers/Other Funds	\$ 11,295	\$ 5,953	\$ -	\$ 3,574	\$ 178,261	\$ 75	\$ 26,823	\$ 1,727	\$ 48,136	\$ 625,617	\$ 901,461
Cash Received from Interfund Services	-	1,365,000	1,598,754	506,089	394,976	10,300	991,964	796,794	477,826	1,931,474	8,073,177
Cash Payments to Suppliers of Goods and Services	(40,967)	(143,429)	23,772	(257,783)	(16,057)	(19,027)	(384,338)	(413,020)	(142,689)	(441,522)	(1,835,060)
Cash Payments to Employees for Services	-	(958,846)	-	-	-	-	(486,774)	(266,675)	-	-	(1,712,295)
Cash Payments for Interfund Services	-	(184,793)	-	-	-	-	(68,497)	(85,514)	-	-	(338,804)
Other Receipts/Payments	144,201	-	124,095	-	-	-	-	-	-	-	268,296
Net Cash Provided By (Used for) Operating Activities	114,529	83,885	1,746,621	251,880	557,180	(8,652)	79,178	33,312	383,273	2,115,569	5,356,775
Cash Flows from Non-Capital Financing Activities											
Transfers Received	-	24,000	511,844	-	-	-	-	-	-	-	535,844
Transfers Paid	-	-	-	(250,000)	(254,398)	-	-	-	-	-	(504,398)
Net Cash Provided By (Used for) Non-Capital Financing Activities	-	24,000	511,844	(250,000)	(254,398)	-	-	-	-	-	31,446
Cash Flows from Capital and Related Financing Activities											
Acquisition and Construction of Assets	-	-	(1,552,823)	-	-	-	-	-	-	-	(1,552,823)
Net Cash Provided By (Used for) Capital and Related Financing Activities	-	-	(1,552,823)	-	-	-	-	-	-	-	(1,552,823)
Cash Flows from Investing Activities											
Interest on Investments	289,514	12,439	305,995	2,708	39,445	2,811	18,830	7,020	64,217	190,492	933,471
Net Cash Provided By Investing Activities	289,514	12,439	305,995	2,708	39,445	2,811	18,830	7,020	64,217	190,492	933,471
Net Increase (Decrease) in Cash and Cash Equivalents	404,043	120,324	1,011,637	4,588	342,227	(5,841)	98,008	40,332	447,490	2,306,061	4,768,869
Cash and Cash Equivalents - Beginning of Year	5,437,053	154,564	5,269,283	103,296	600,403	58,843	313,632	115,918	935,049	3,442,552	16,430,593
Cash and Cash Equivalents - End of Year	\$ 5,841,096	\$ 274,888	\$ 6,280,920	\$ 107,884	\$ 942,630	\$ 53,002	\$ 411,640	\$ 156,250	\$ 1,382,539	\$ 5,748,613	\$ 21,199,462
Reconciliation of Operating Income to Net Cash Provided By (Used for) Operating Activities:											
Operating Income (Loss)	\$ 116,532	\$ 48,753	\$ 809,834	\$ 156,866	\$ 380,372	\$ (8,727)	\$ 53,580	\$ 15,947	\$ 388,975	\$ 2,082,914	\$ 4,045,046
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used for) Operating Activities:											
Depreciation	-	-	910,954	52,496	-	-	-	-	-	-	963,450
Receivables, Net	11,295	5,954	(15,816)	3,574	-	75	(678)	1,727	(348)	31,842	37,625
Inventories	-	-	-	-	177,104	-	-	-	-	-	177,104
Accounts Payable and Other Payables	(13,298)	29,178	41,649	38,944	-	-	26,276	15,638	(5,354)	813	133,846
Accrued Expenses	-	-	-	-	(296)	-	-	-	-	-	(296)
Net Cash Provided By (Used for) Operating Activities	\$ 114,529	\$ 83,885	\$ 1,746,621	\$ 251,880	\$ 557,180	\$ (8,652)	\$ 79,178	\$ 33,312	\$ 383,273	\$ 2,115,569	\$ 5,356,775



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Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2007

	<u>Assessments</u>	<u>Pass-Through Funds</u>	<u>Asset Seizure</u>	<u>Total</u>
ASSETS				
Cash and Investments	\$ 9,029,637	\$ 1,769,250	\$ 29,727	\$ 10,828,614
Restricted Cash and Investments	7,294,921	-	-	7,294,921
Interest Receivable	35,673	3,193	52	38,918
Total Assets	<u>\$ 16,360,231</u>	<u>\$ 1,772,443</u>	<u>\$ 29,779</u>	<u>\$ 18,162,453</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 11,749	\$ 1,737,089	\$ -	\$ 1,748,838
Due to Others	-	35,354	29,779	65,133
Due to Bondholders	16,348,482	-	-	16,348,482
Total Liabilities	<u>\$ 16,360,231</u>	<u>\$ 1,772,443</u>	<u>\$ 29,779</u>	<u>\$ 18,162,453</u>

Combining Statement of Changes in Fiduciary Assets and Liabilities

Agency Funds

For Year Ended June 30, 2007

	Balance July 1, 2006	Additions	Deductions	Balance June 30, 2007
Assessments				
ASSETS				
Cash and Investments	\$ 9,395,959	\$ 29,215,834	\$ 29,582,156	\$ 9,029,637
Restricted Cash and Investments	8,356,023	95,504,059	96,565,161	7,294,921
Interest Receivable	20,821	96,442	81,590	35,673
Total Assets	<u>\$ 17,772,803</u>	<u>\$ 124,816,335</u>	<u>\$ 126,228,907</u>	<u>\$ 16,360,231</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 11,801	\$ 13,695,027	\$ 13,695,079	\$ 11,749
Due to Bondholders	17,761,002	69,789,283	71,201,803	16,348,482
Total Liabilities	<u>\$ 17,772,803</u>	<u>\$ 83,484,310</u>	<u>\$ 84,896,882</u>	<u>\$ 16,360,231</u>
Pass-Through Funds				
ASSETS				
Cash and Investments	\$ 6,035,594	\$ 11,794,726	\$ 16,061,070	\$ 1,769,250
Interest Receivable	18,592	3,193	18,592	3,193
Total Assets	<u>\$ 6,054,186</u>	<u>\$ 11,797,919</u>	<u>\$ 16,079,662</u>	<u>\$ 1,772,443</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 6,018,832	\$ 28,692,831	\$ 32,974,574	\$ 1,737,089
Due to Others	35,354	-	-	35,354
Total Liabilities	<u>\$ 6,054,186</u>	<u>\$ 28,692,831</u>	<u>\$ 32,974,574</u>	<u>\$ 1,772,443</u>
Asset Seizure				
ASSETS				
Cash and Investments	\$ 28,212	\$ 1,515	\$ -	\$ 29,727
Interest Receivable	83	52	83	52
Total Assets	<u>\$ 28,295</u>	<u>\$ 1,567</u>	<u>\$ 83</u>	<u>\$ 29,779</u>
LIABILITIES				
Due to Others	\$ 28,295	\$ 1,484	\$ -	\$ 29,779
Total Liabilities	<u>\$ 28,295</u>	<u>\$ 1,484</u>	<u>\$ -</u>	<u>\$ 29,779</u>
Total - All Agency Funds				
ASSETS				
Cash and Investments	\$ 15,459,765	\$ 41,012,075	\$ 45,643,226	\$ 10,828,614
Restricted Cash and Investments	8,356,023	95,504,059	96,565,161	7,294,921
Interest Receivable	39,496	99,687	100,265	38,918
Total Assets	<u>\$ 23,855,284</u>	<u>\$ 136,615,821</u>	<u>\$ 142,308,652</u>	<u>\$ 18,162,453</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 6,030,633	\$ 42,387,858	\$ 46,669,653	\$ 1,748,838
Due to Others	63,649	1,484	-	65,133
Due to Bondholders	17,761,002	69,789,283	71,201,803	16,348,482
Total Liabilities	<u>\$ 23,855,284</u>	<u>\$ 112,178,625</u>	<u>\$ 117,871,456</u>	<u>\$ 18,162,453</u>

Balance Sheet
General Fund
 June 30, 2007

		General Fund
ASSETS		
Current Assets:		
Cash and Investments	\$	33,678,202
Receivables		1,220,959
Prepays		124,588
Total Assets	\$	35,023,749
LIABILITIES AND FUND BALANCES		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	\$	2,803,737
Unearned Revenue		103,912
Deposits Held		6,716,535
Total Liabilities		9,624,184
Fund Balances:		
Reserved for:		
Prepays		124,588
Unreserved, Reported in:		
General Fund		25,274,977
Total Fund Balances		25,399,565
Total Liabilities and Fund Balances	\$	35,023,749

City of Brentwood

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For Year Ended June 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Taxes	\$ 15,793,439	\$ 15,761,372	\$ (32,067)
Licenses	531,250	509,618	(21,632)
Permits and Fines	7,746,051	6,130,221	(1,615,830)
Uses of Money and Property	1,726,575	1,761,114	34,539
Intergovernmental	4,256,748	4,277,770	21,022
Franchises	920,893	965,066	44,173
Charges for Other Services	1,597,153	776,584	(820,569)
Charges to Other Funds	5,520,484	5,590,646	70,162
Fees and Other Revenues	1,634,659	1,132,736	(501,923)
Total Revenues	<u>39,727,252</u>	<u>36,905,127</u>	<u>(2,822,125)</u>
EXPENDITURES			
Current:			
General Government	8,021,399	5,940,065	2,081,334
Public Safety	14,656,249	13,948,795	707,454
Community Development	5,264,503	4,446,696	817,807
Engineering	2,978,487	2,532,147	446,340
Public Works	2,853,913	2,486,963	366,950
Parks	6,439,796	5,626,310	813,486
Community Services	565,050	449,819	115,231
Total Expenditures	<u>40,779,397</u>	<u>35,430,795</u>	<u>5,348,602</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,052,145)</u>	<u>1,474,332</u>	<u>2,526,477</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	3,811,624	4,408,181	596,557
Transfers Out	(3,165,437)	(2,997,285)	168,152
Total Other Financing Sources (Uses)	<u>646,187</u>	<u>1,410,896</u>	<u>764,709</u>
NET CHANGE IN FUND BALANCES	<u>\$ (405,958)</u>	<u>2,885,228</u>	<u>\$ 3,291,186</u>
Fund Balance, Beginning of Year		<u>22,514,337</u>	
Fund Balance, End of Year		<u>\$ 25,399,565</u>	

Combining Balance Sheet
All Special Revenue Funds
 June 30, 2007

	Thoroughfares	Gas Tax	Police Grants	Other Grants	Citywide Parks Districts	Community Facilities Districts	Community Facilities	Vehicle Abatement	Economic Development
ASSETS									
Current Assets:									
Cash and Investments	\$ -	\$ -	\$ 154,833	\$ -	\$ 690,699	\$ 62,220	\$ -	\$ 81,001	\$ 5,039
Receivables	265,854	-	37,203	5,149	1,251	1,234	-	13,688	9
Prepays	-	-	-	-	787	-	-	-	-
Due from Other Funds	97,069	-	2,804	-	-	-	31,148	-	-
Land Held for Resale	-	-	-	-	-	-	-	-	-
Total Assets	\$ 362,923	\$ -	\$ 194,840	\$ 5,149	\$ 692,737	\$ 63,454	\$ 31,148	\$ 94,689	\$ 5,048
LIABILITIES AND FUND BALANCES									
Current Liabilities:									
Accounts Payable and Accrued Liabilities	\$ 2,137	\$ -	\$ 19,727	\$ 2,345	\$ 319,187	\$ 4,979	\$ 1,069	\$ -	\$ -
Due to Other Funds	1,923,488	-	-	2,804	-	-	61,047	-	-
Internal Balances	-	-	-	-	-	-	-	-	-
Other Liabilities	-	-	-	-	231	-	-	-	-
Unearned Revenue	344,411	-	-	-	-	-	31,148	-	-
Total Liabilities	2,270,036	-	19,727	5,149	319,418	4,979	93,264	-	-
Fund Balances:									
Reserved for:									
Prepays	-	-	-	-	787	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-	-
Specific Projects and Programs	-	-	175,113	-	-	-	-	-	-
Unreserved, Reported in:									
Special Revenue	(1,907,113)	-	-	-	372,532	58,475	(62,116)	94,689	5,048
Total Fund Balances	(1,907,113)	-	175,113	-	373,319	58,475	(62,116)	94,689	5,048
Total Liabilities and Fund Balances	\$ 362,923	\$ -	\$ 194,840	\$ 5,149	\$ 692,737	\$ 63,454	\$ 31,148	\$ 94,689	\$ 5,048

Continued

Combining Balance Sheet
All Special Revenue Funds (Continued)
 June 30, 2007

	Storm Drainage	RDA Low Income Housing	PEG Media	Asset Forfeiture	Open Space	Measure C	Facility Fee Administration	Parks and Trails	Agriculture Administration
ASSETS									
Current Assets:									
Cash and Investments	\$ 9,658	\$ 2,258,661	\$ 436,303	\$ 51,785	\$ -	\$ -	\$ 546,704	\$ 1,199,648	\$ 1,180,973
Receivables	3	3,937	450,770	85	299	461,249	1,229	8,362	1,987
Prepays	-	215	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	4,725	66,496	-
Land Held for Resale	-	389,849	-	-	-	-	-	-	-
Total Assets	\$ 9,661	\$ 2,652,662	\$ 887,073	\$ 51,870	\$ 299	\$ 461,249	\$ 552,658	\$ 1,274,506	\$ 1,182,960
LIABILITIES AND FUND BALANCES									
Current Liabilities:									
Accounts Payable and Accrued Liabilities	\$ -	\$ 5,276	\$ -	\$ -	\$ -	\$ -	\$ 1,068	\$ 1,068	\$ 2,430
Due to Other Funds	-	-	-	-	299	238,118	-	-	-
Internal Balances	-	-	-	-	-	-	1,410,295	-	-
Other Liabilities	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	450,000	-	-	-	4,725	66,497	-
Total Liabilities	-	5,276	450,000	-	299	238,118	1,416,088	67,565	2,430
Fund Balances:									
Reserved for:									
Prepays	-	215	-	-	-	-	-	-	-
Land Held for Resale	-	389,849	-	-	-	-	-	-	-
Specific Projects and Programs	-	2,257,322	437,073	51,870	-	223,131	-	1,206,941	1,180,530
Unreserved, Reported in:									
Special Revenue	9,661	-	-	-	-	-	(863,430)	-	-
Total Fund Balances	9,661	2,647,386	437,073	51,870	-	223,131	(863,430)	1,206,941	1,180,530
Total Liabilities and Fund Balances	\$ 9,661	\$ 2,652,662	\$ 887,073	\$ 51,870	\$ 299	\$ 461,249	\$ 552,658	\$ 1,274,506	\$ 1,182,960

Continued

Combining Balance Sheet
All Special Revenue Funds (Continued)
 June 30, 2007

	Public Art Administration	Public Art Acquisition	Arts Commission	Agricultural Park and History Center	Fire Fees	Agriculture Land	Parking In Lieu	Lighting and Landscape Districts	Totals
ASSETS									
Current Assets:									
Cash and Investments	\$ 41,733	\$ 518,014	\$ 79,299	\$ -	\$ 1,134,432	\$ 8,759,656	\$ 22,891	\$ 2,543,135	\$ 19,776,684
Receivables	60	877	141	232,000	1,972	15,015	41	4,742	1,507,157
Prepays	-	-	-	-	-	-	-	-	1,002
Due from Other Funds	-	-	-	-	-	-	-	-	202,242
Land Held for Resale	-	-	-	-	-	-	-	-	389,849
Total Assets	\$ 41,793	\$ 518,891	\$ 79,440	\$ 232,000	\$ 1,136,404	\$ 8,774,671	\$ 22,932	\$ 2,547,877	\$ 21,876,934
LIABILITIES AND FUND BALANCES									
Current Liabilities:									
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ 960	\$ -	\$ -	\$ -	\$ -	\$ 281,400	\$ 641,646
Due to Other Funds	-	-	-	-	-	-	-	-	2,225,756
Internal Balances	-	-	-	-	-	-	-	-	1,410,295
Other Liabilities	-	-	-	-	-	-	-	-	231
Unearned Revenue	-	-	-	-	-	-	-	-	896,781
Total Liabilities	-	-	960	-	-	-	-	281,400	5,174,709
Fund Balances:									
Reserved for:									
Prepays	-	-	-	-	-	-	-	-	1,002
Land Held for Resale	-	-	-	-	-	-	-	-	389,849
Specific Projects and Programs	41,793	518,891	78,480	232,000	1,136,404	8,774,671	22,932	2,266,477	18,603,628
Unreserved, Reported in:									
Special Revenue	-	-	-	-	-	-	-	-	(2,292,254)
Total Fund Balances	41,793	518,891	78,480	232,000	1,136,404	8,774,671	22,932	2,266,477	16,702,225
Total Liabilities and Fund Balances	\$ 41,793	\$ 518,891	\$ 79,440	\$ 232,000	\$ 1,136,404	\$ 8,774,671	\$ 22,932	\$ 2,547,877	\$ 21,876,934



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Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Special Revenue Funds
For Year Ended June 30, 2007

	Thoroughfares	Gas Tax	Police Grants	Other Grants	Citywide Parks Districts	Community Facilities Districts	Community Facilities	Vehicle Abatement	Economic Development
REVENUES									
Taxes	\$ -	\$ 840,330	\$ -	\$ -	\$ 1,535,645	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	580,847	-	10,490	-	20,285	31,078	244,233	3,257	252
Intergovernmental	-	-	172,745	68,349	-	-	-	-	-
Fees and Other Revenues	3,728,802	-	-	-	27,609	2,079,752	1,417,581	67,880	-
Total Revenues	4,309,649	840,330	183,235	68,349	1,583,539	2,110,830	1,661,814	71,137	252
EXPENDITURES									
Current:									
General Government	388,256	-	-	12,096	-	-	7,141	-	-
Public Safety	-	-	180,135	-	-	-	-	545	-
Parks and Recreation	-	-	-	-	2,040,914	-	-	-	-
Community Services	-	-	-	-	-	21,196	-	-	-
Debt Service:									
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Total Expenditures	388,256	-	180,135	12,096	2,040,914	21,196	7,141	545	-
REVENUES OVER (UNDER) EXPENDITURES	3,921,393	840,330	3,100	56,253	(457,375)	2,089,634	1,654,673	70,592	252
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	531,196	-	-	-	-
Transfers Out	(6,643,654)	(840,330)	-	(56,253)	-	(2,071,287)	(4,037,824)	(15,000)	-
Total Other Financing Sources (Uses)	(6,643,654)	(840,330)	-	(56,253)	531,196	(2,071,287)	(4,037,824)	(15,000)	-
Net Change in Fund Balances	(2,722,261)	-	3,100	-	73,821	18,347	(2,383,151)	55,592	252
Fund Balance, Beginning of Year, Restated	815,148	-	172,013	-	299,498	40,128	2,321,035	39,097	4,796
Fund Balance, End of Year	\$ (1,907,113)	\$ -	\$ 175,113	\$ -	\$ 373,319	\$ 58,475	\$ (62,116)	\$ 94,689	\$ 5,048

Continued

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Special Revenue Funds (Continued)
 For Year Ended June 30, 2007

	Storm Drainage	RDA Low Income Housing	PEG Media	Asset Forfeiture	Open Space	Measure C	Facility Fee Administration	Parks and Trails	Agriculture Administration
REVENUES									
Taxes	\$ -	\$ 1,477,295	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	8,336	107,249	21,782	1,956	8,514	-	44,475	241,916	58,795
Intergovernmental	-	-	-	-	-	461,249	-	-	-
Fees and Other Revenues	-	-	-	20,788	-	-	241,627	1,129,599	203,963
Total Revenues	8,336	1,584,544	21,782	22,744	8,514	461,249	286,102	1,371,515	262,758
EXPENDITURES									
Current:									
General Government	2,011	1,590,208	-	10,815	2,500	4,504	248,187	-	252,539
Public Safety	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	257,400	-
Community Services	-	-	-	-	-	-	-	-	-
Debt Service:									
Interest and Fiscal Charges	-	-	-	-	-	-	88,085	-	-
Total Expenditures	2,011	1,590,208	-	10,815	2,500	4,504	336,272	257,400	252,539
REVENUES OVER (UNDER) EXPENDITURES	6,325	(5,664)	21,782	11,929	6,014	456,745	(50,170)	1,114,115	10,219
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	(200,000)	-	-	(169,790)	(372,996)	-	(148,212)	-
Total Other Financing Sources (Uses)	-	(200,000)	-	-	(169,790)	(372,996)	-	(148,212)	-
Net Change in Fund Balances	6,325	(205,664)	21,782	11,929	(163,776)	83,749	(50,170)	965,903	10,219
Fund Balance, Beginning of Year, Restated	3,336	2,853,050	415,291	39,941	163,776	139,382	(813,260)	241,038	1,170,311
Fund Balance, End of Year	\$ 9,661	\$ 2,647,386	\$ 437,073	\$ 51,870	\$ -	\$ 223,131	\$ (863,430)	\$ 1,206,941	\$ 1,180,530

Continued

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Special Revenue Funds (Continued)
 For Year Ended June 30, 2007

	Public Art Administration	Public Art Acquisition	Arts Commission	Agricultural Park and History Center	Fire Fees	Agriculture Land	Parking In Lieu	Lighting and Landscape Districts	Totals
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,853,270
Uses of Money and Property	813	21,099	3,996	-	44,129	450,934	1,143	106,620	2,012,199
Intergovernmental	-	-	-	-	-	-	-	-	702,343
Fees and Other Revenues	67,171	179,817	53,764	232,000	250,089	815,857	-	3,259,625	13,775,924
Total Revenues	67,984	200,916	57,760	232,000	294,218	1,266,791	1,143	3,366,245	20,343,736
EXPENDITURES									
Current:									
General Government	-	-	61,292	-	-	305,000	-	-	2,884,549
Public Safety	-	-	-	-	-	-	-	-	180,680
Parks and Recreation	-	-	-	-	-	-	-	-	2,298,314
Community Services	-	-	-	-	-	-	-	2,943,433	2,964,629
Debt Service:									
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	88,085
Total Expenditures	-	-	61,292	-	-	305,000	-	2,943,433	8,416,257
REVENUES OVER (UNDER) EXPENDITURES	67,984	200,916	(3,532)	232,000	294,218	961,791	1,143	422,812	11,927,479
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	11,136	542,332
Transfers Out	(57,904)	-	-	-	(1,397)	(1,090,000)	-	-	(15,704,647)
Total Other Financing Sources (Uses)	(57,904)	-	-	-	(1,397)	(1,090,000)	-	11,136	(15,162,315)
Net Change in Fund Balances	10,080	200,916	(3,532)	232,000	292,821	(128,209)	1,143	433,948	(3,234,836)
Fund Balance, Beginning of Year, Restated	31,713	317,975	82,012	-	843,583	8,902,880	21,789	1,832,529	19,937,061
Fund Balance, End of Year	\$ 41,793	\$ 518,891	\$ 78,480	\$ 232,000	\$ 1,136,404	\$ 8,774,671	\$ 22,932	\$ 2,266,477	\$ 16,702,225



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Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds
For Year Ended June 30, 2007

	Thoroughfares			Gas Tax			Police Grants		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ 950,000	\$ 840,330	\$ (109,670)	\$ -	\$ -	\$ -
Uses of Money and Property	20,000	580,847	560,847	-	-	-	10,490	10,490	-
Intergovernmental	-	-	-	-	-	-	172,745	172,745	-
Fees and Other Revenues	11,900,000	3,728,802	(8,171,198)	-	-	-	-	-	-
Total Revenues	<u>11,920,000</u>	<u>4,309,649</u>	<u>(7,610,351)</u>	<u>950,000</u>	<u>840,330</u>	<u>(109,670)</u>	<u>183,235</u>	<u>183,235</u>	<u>-</u>
EXPENDITURES									
Current:									
General Government	450,360	388,256	62,104	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	180,135	180,135	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Debt Service:									
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>450,360</u>	<u>388,256</u>	<u>62,104</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>180,135</u>	<u>180,135</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>11,469,640</u>	<u>3,921,393</u>	<u>(7,548,247)</u>	<u>950,000</u>	<u>840,330</u>	<u>(109,670)</u>	<u>3,100</u>	<u>3,100</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)									
Refunding Bonds Issued	-	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	(10,828,749)	(6,643,654)	4,185,095	(950,000)	(840,330)	109,670	-	-	-
Total Other Financing Sources (Uses)	<u>(10,828,749)</u>	<u>(6,643,654)</u>	<u>4,185,095</u>	<u>(950,000)</u>	<u>(840,330)</u>	<u>109,670</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 640,891</u>	<u>(2,722,261)</u>	<u>\$ (3,363,152)</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 3,100</u>	<u>3,100</u>	<u>\$ -</u>
Fund Balance, Beginning of Year, Restated		<u>815,148</u>			<u>-</u>			<u>172,013</u>	
Fund Balance, End of Year		<u>\$ (1,907,113)</u>			<u>\$ -</u>			<u>\$ 175,113</u>	

Continued

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds (Continued)
 For Year Ended June 30, 2007

	Other Grants			Citywide Parks Districts			Community Facilities Districts		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ 1,656,876	\$ 1,535,645	\$ (121,231)	\$ -	\$ -	\$ -
Uses of Money and Property	-	-	-	750	20,285	19,535	-	31,078	31,078
Intergovernmental	68,349	68,349	-	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	1,000	27,609	26,609	2,092,486	2,079,752	(12,734)
Total Revenues	68,349	68,349	-	1,658,626	1,583,539	(75,087)	2,092,486	2,110,830	18,344
EXPENDITURES									
Current:									
General Government	12,096	12,096	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	2,181,366	2,040,914	140,452	-	-	-
Community Services	-	-	-	-	-	-	21,196	21,196	-
Debt Service:									
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Total Expenditures	12,096	12,096	-	2,181,366	2,040,914	140,452	21,196	21,196	-
REVENUES OVER (UNDER) EXPENDITURES	56,253	56,253	-	(522,740)	(457,375)	65,365	2,071,290	2,089,634	18,344
OTHER FINANCING SOURCES (USES)									
Refunding Bonds Issued	-	-	-	-	-	-	-	-	-
Transfers In	-	-	-	531,196	531,196	-	-	-	-
Transfers Out	(56,253)	(56,253)	-	-	-	-	(2,071,290)	(2,071,287)	3
Total Other Financing Sources (Uses)	(56,253)	(56,253)	-	531,196	531,196	-	(2,071,290)	(2,071,287)	3
Net Change in Fund Balances	\$ -	\$ -	\$ -	\$ 8,456	73,821	\$ 65,365	\$ -	18,347	\$ 18,347
Fund Balance, Beginning of Year, Restated					299,498			40,128	
Fund Balance, End of Year		\$ -			\$ 373,319			\$ 58,475	

Continued

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds (Continued)
For Year Ended June 30, 2007

	Community Facilities			Vehicle Abatement			Economic Development		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	244,233	244,233	-	200	3,257	3,057	-	252	252
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	1,405,233	1,417,581	12,348	10,000	67,880	57,880	-	-	-
Total Revenues	1,649,466	1,661,814	12,348	10,200	71,137	60,937	-	252	252
EXPENDITURES									
Current:									
General Government	7,141	7,141	-	-	-	-	-	-	-
Public Safety	-	-	-	1,000	545	455	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Debt Service:									
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Total Expenditures	7,141	7,141	-	1,000	545	455	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	1,642,325	1,654,673	12,348	9,200	70,592	61,392	-	252	252
OTHER FINANCING SOURCES (USES)									
Refunding Bonds Issued	7,500,000	-	(7,500,000)	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	(6,609,590)	(4,037,824)	2,571,766	(15,000)	(15,000)	-	-	-	-
Total Other Financing Sources (Uses)	890,410	(4,037,824)	(4,928,234)	(15,000)	(15,000)	-	-	-	-
Net Change in Fund Balances	\$ 2,532,735	(2,383,151)	\$ (4,915,886)	\$ (5,800)	55,592	\$ 61,392	\$ -	252	\$ 252
Fund Balance, Beginning of Year, Restated		2,321,035			39,097			4,796	
Fund Balance, End of Year		\$ (62,116)			\$ 94,689			\$ 5,048	

Continued

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds (Continued)
For Year Ended June 30, 2007**

	Storm Drainage			RDA Low Income Housing			PEG Media		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ 965,000	\$ 1,477,295	\$ 512,295	\$ -	\$ -	\$ -
Uses of Money and Property	1,000	8,336	7,336	2,500	107,249	104,749	-	21,782	21,782
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	-	-	-	200,000	-	(200,000)
Total Revenues	1,000	8,336	7,336	967,500	1,584,544	617,044	200,000	21,782	(178,218)
EXPENDITURES									
Current:									
General Government	2,011	2,011	-	2,265,096	1,590,208	674,888	100,000	-	100,000
Public Safety	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Debt Service:									
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Total Expenditures	2,011	2,011	-	2,265,096	1,590,208	674,888	100,000	-	100,000
REVENUES OVER (UNDER) EXPENDITURES	(1,011)	6,325	7,336	(1,297,596)	(5,664)	1,291,932	100,000	21,782	(78,218)
OTHER FINANCING SOURCES (USES)									
Refunding Bonds Issued	-	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	(187,989)	-	187,989	(200,000)	(200,000)	-	-	-	-
Total Other Financing Sources (Uses)	(187,989)	-	187,989	(200,000)	(200,000)	-	-	-	-
Net Change in Fund Balances	\$ (189,000)	6,325	\$ 195,325	\$ (1,497,596)	(205,664)	\$ 1,291,932	\$ 100,000	21,782	\$ (78,218)
Fund Balance, Beginning of Year, Restated		3,336			2,853,050			415,291	
Fund Balance, End of Year		\$ 9,661			\$ 2,647,386			\$ 437,073	

Continued

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds (Continued)
For Year Ended June 30, 2007**

	Asset Forfeiture			Open Space			Measure C		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	200	1,956	1,756	2,500	8,514	6,014	-	-	-
Intergovernmental	-	-	-	-	-	-	400,000	461,249	61,249
Fees and Other Revenues	2,500	20,788	18,288	-	-	-	-	-	-
Total Revenues	2,700	22,744	20,044	2,500	8,514	6,014	400,000	461,249	61,249
EXPENDITURES									
Current:									
General Government	20,000	10,815	9,185	2,500	2,500	-	4,504	4,504	-
Public Safety	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Debt Service:									
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Total Expenditures	20,000	10,815	9,185	2,500	2,500	-	4,504	4,504	-
REVENUES OVER (UNDER) EXPENDITURES	(17,300)	11,929	29,229	-	6,014	6,014	395,496	456,745	61,249
OTHER FINANCING SOURCES (USES)									
Refunding Bonds Issued	-	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	(50,000)	(169,790)	(119,790)	(372,996)	(372,996)	-
Total Other Financing Sources (Uses)	-	-	-	(50,000)	(169,790)	(119,790)	(372,996)	(372,996)	-
Net Change in Fund Balances	\$ (17,300)	11,929	\$ 29,229	\$ (50,000)	(163,776)	\$ (113,776)	\$ 22,500	83,749	\$ 61,249
Fund Balance, Beginning of Year, Restated		39,941			163,776			139,382	
Fund Balance, End of Year		\$ 51,870			\$ -			\$ 223,131	

Continued

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds (Continued)
For Year Ended June 30, 2007**

	Facility Fee Administration			Parks and Trails			Agriculture Administration		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	30,000	44,475	14,475	25,000	241,916	216,916	20,000	58,795	38,795
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	1,160,000	241,627	(918,373)	4,370,000	1,129,599	(3,240,401)	-	203,963	203,963
Total Revenues	<u>1,190,000</u>	<u>286,102</u>	<u>(903,898)</u>	<u>4,395,000</u>	<u>1,371,515</u>	<u>(3,023,485)</u>	<u>20,000</u>	<u>262,758</u>	<u>242,758</u>
EXPENDITURES									
Current:									
General Government	404,798	248,187	156,611	-	-	-	435,786	252,539	183,247
Public Safety	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	271,453	257,400	14,053	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Debt Service:									
Interest and Fiscal Charges	88,085	88,085	-	-	-	-	-	-	-
Total Expenditures	<u>492,883</u>	<u>336,272</u>	<u>156,611</u>	<u>271,453</u>	<u>257,400</u>	<u>14,053</u>	<u>435,786</u>	<u>252,539</u>	<u>183,247</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>697,117</u>	<u>(50,170)</u>	<u>(747,287)</u>	<u>4,123,547</u>	<u>1,114,115</u>	<u>(3,009,432)</u>	<u>(415,786)</u>	<u>10,219</u>	<u>426,005</u>
OTHER FINANCING SOURCES (USES)									
Refunding Bonds Issued	-	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	(5,960,476)	(148,212)	5,812,264	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,960,476)</u>	<u>(148,212)</u>	<u>5,812,264</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 697,117</u>	<u>(50,170)</u>	<u>\$ (747,287)</u>	<u>\$ (1,836,929)</u>	<u>965,903</u>	<u>\$ 2,802,832</u>	<u>\$ (415,786)</u>	<u>10,219</u>	<u>\$ 426,005</u>
Fund Balance, Beginning of Year, Restated		<u>(813,260)</u>			<u>241,038</u>			<u>1,170,311</u>	
Fund Balance, End of Year		<u>\$ (863,430)</u>			<u>\$ 1,206,941</u>			<u>\$ 1,180,530</u>	

Continued

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds (Continued)
For Year Ended June 30, 2007**

	Public Art Administration			Public Art Acquisition			Arts Commission		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	-	813	813	-	21,099	21,099	-	3,996	3,996
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	23,278	67,171	43,893	398,716	179,817	(218,899)	78,910	53,764	(25,146)
Total Revenues	<u>23,278</u>	<u>67,984</u>	<u>44,706</u>	<u>398,716</u>	<u>200,916</u>	<u>(197,800)</u>	<u>78,910</u>	<u>57,760</u>	<u>(21,150)</u>
EXPENDITURES									
Current:									
General Government	-	-	-	100,000	-	100,000	77,524	61,292	16,232
Public Safety	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Debt Service:									
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>77,524</u>	<u>61,292</u>	<u>16,232</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>23,278</u>	<u>67,984</u>	<u>44,706</u>	<u>298,716</u>	<u>200,916</u>	<u>(97,800)</u>	<u>1,386</u>	<u>(3,532)</u>	<u>(4,918)</u>
OTHER FINANCING SOURCES (USES)									
Refunding Bonds Issued	-	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	(95,882)	(57,904)	37,978	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(95,882)</u>	<u>(57,904)</u>	<u>37,978</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (72,604)</u>	<u>10,080</u>	<u>\$ 82,684</u>	<u>\$ 298,716</u>	<u>200,916</u>	<u>\$ (97,800)</u>	<u>\$ 1,386</u>	<u>(3,532)</u>	<u>\$ (4,918)</u>
Fund Balance, Beginning of Year, Restated		<u>31,713</u>			<u>317,975</u>			<u>82,012</u>	
Fund Balance, End of Year		<u>\$ 41,793</u>			<u>\$ 518,891</u>			<u>\$ 78,480</u>	

Continued

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds (Continued)
 For Year Ended June 30, 2007

	Agricultural Park and History Center			Fire Fees			Agriculture Land		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	-	-	-	-	44,129	44,129	100,000	450,934	350,934
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	232,000	232,000	-	250,089	250,089	-	815,857	815,857
Total Revenues	-	232,000	232,000	-	294,218	294,218	100,000	1,266,791	1,166,791
EXPENDITURES									
Current:									
General Government	-	-	-	-	-	-	305,000	305,000	-
Public Safety	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Debt Service:									
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	305,000	305,000	-
REVENUES OVER (UNDER) EXPENDITURES	-	232,000	232,000	-	294,218	294,218	(205,000)	961,791	1,166,791
OTHER FINANCING SOURCES (USES)									
Refunding Bonds Issued	-	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	(1,013,605)	(1,397)	1,012,208	(1,090,000)	(1,090,000)	-
Total Other Financing Sources (Uses)	-	-	-	(1,013,605)	(1,397)	1,012,208	(1,090,000)	(1,090,000)	-
Net Change in Fund Balances	\$ -	232,000	\$ 232,000	\$ (1,013,605)	292,821	\$ 1,306,426	\$ (1,295,000)	(128,209)	\$ 1,166,791
Fund Balance, Beginning of Year, Restated		-			843,583			8,902,880	
Fund Balance, End of Year		\$ 232,000			\$ 1,136,404			\$ 8,774,671	

Continued

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds (Continued)
 For Year Ended June 30, 2007

	Parking In Lieu			Lighting and Landscape Districts			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,571,876	\$ 3,853,270	\$ 281,394
Uses of Money and Property	-	1,143	1,143	-	106,620	106,620	456,873	2,012,199	1,555,326
Intergovernmental	-	-	-	-	-	-	641,094	702,343	61,249
Fees and Other Revenues	27,100	-	(27,100)	3,257,732	3,259,625	1,893	24,926,955	13,775,924	(11,151,031)
Total Revenues	<u>27,100</u>	<u>1,143</u>	<u>(25,957)</u>	<u>3,257,732</u>	<u>3,366,245</u>	<u>108,513</u>	<u>29,596,798</u>	<u>20,343,736</u>	<u>(9,253,062)</u>
EXPENDITURES									
Current:									
General Government	-	-	-	-	-	-	4,186,816	2,884,549	1,302,267
Public Safety	-	-	-	-	-	-	181,135	180,680	455
Parks and Recreation	-	-	-	-	-	-	2,452,819	2,298,314	154,505
Community Services	-	-	-	3,101,149	2,943,433	157,716	3,122,345	2,964,629	157,716
Debt Service:									
Interest and Fiscal Charges	-	-	-	-	-	-	88,085	88,085	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,101,149</u>	<u>2,943,433</u>	<u>157,716</u>	<u>10,031,200</u>	<u>8,416,257</u>	<u>1,614,943</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>27,100</u>	<u>1,143</u>	<u>(25,957)</u>	<u>156,583</u>	<u>422,812</u>	<u>266,229</u>	<u>19,565,598</u>	<u>11,927,479</u>	<u>(7,638,119)</u>
OTHER FINANCING SOURCES (USES)									
Refunding Bonds Issued	-	-	-	-	-	-	7,500,000	-	(7,500,000)
Transfers In	-	-	-	-	11,136	11,136	531,196	542,332	11,136
Transfers Out	(5,000)	-	5,000	(479,715)	-	479,715	(29,986,545)	(15,704,647)	14,281,898
Total Other Financing Sources (Uses)	<u>(5,000)</u>	<u>-</u>	<u>5,000</u>	<u>(479,715)</u>	<u>11,136</u>	<u>490,851</u>	<u>(21,955,349)</u>	<u>(15,162,315)</u>	<u>6,793,034</u>
Net Change in Fund Balances	<u>\$ 22,100</u>	<u>1,143</u>	<u>\$ (20,957)</u>	<u>\$ (323,132)</u>	<u>433,948</u>	<u>\$ 757,080</u>	<u>\$ (2,389,751)</u>	<u>(3,234,836)</u>	<u>\$ (845,085)</u>
Fund Balance, Beginning of Year, Restated		<u>21,789</u>			<u>1,832,529</u>			<u>19,937,061</u>	
Fund Balance, End of Year		<u>\$ 22,932</u>			<u>\$ 2,266,477</u>			<u>\$ 16,702,225</u>	



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Combining Balance Sheet
All Debt Service Funds
 June 30, 2007

	Redevelopment Debt	Capital Improvement Program 2001	2002 General Obligation Bond	Capital Lease Program	TOTALS
ASSETS					
Current Assets:					
Cash and Investments	\$ 6,986,517	\$ 111,881	\$ 104,383	\$ -	\$ 7,202,781
Restricted Cash and Investments	-	2,109,750	-	-	2,109,750
Receivables	20,133	197	386	96	20,812
Total Assets	<u>\$ 7,006,650</u>	<u>\$ 2,221,828</u>	<u>\$ 104,769</u>	<u>\$ 96</u>	<u>\$ 9,333,343</u>
LIABILITIES AND FUND BALANCES					
Current Liabilities:					
Accounts Payable and Accrued Liabilities	\$ 1,439,011	\$ 229,658	\$ -	\$ -	\$ 1,668,669
Due to Other Funds	-	-	-	96	96
Total Liabilities	<u>1,439,011</u>	<u>229,658</u>	<u>-</u>	<u>96</u>	<u>1,668,765</u>
Fund Balances:					
Reserved for:					
Debt Service	5,567,639	1,992,170	104,769	-	7,664,578
Total Fund Balances	<u>5,567,639</u>	<u>1,992,170</u>	<u>104,769</u>	<u>-</u>	<u>7,664,578</u>
Total Liabilities and Fund Balances	<u>\$ 7,006,650</u>	<u>\$ 2,221,828</u>	<u>\$ 104,769</u>	<u>\$ 96</u>	<u>\$ 9,333,343</u>

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Debt Service Funds
For Year Ended June 30, 2007

	Redevelopment Debt	Capital Improvement Program 2001	2002 General Obligation Bond	Capital Lease Program	TOTALS
REVENUES					
Taxes	\$ 5,909,179	\$ -	\$ 318,990	\$ -	\$ 6,228,169
Uses of Money and Property	528,477	42,653	7,479	873	579,482
Total Revenues	6,437,656	42,653	326,469	873	6,807,651
EXPENDITURES					
Current:					
Community Development	1,627,183	12,200	6,162	-	1,645,545
Debt Service:					
Principal	420,000	255,000	140,000	17,754	832,754
Interest and Fiscal Charges	949,807	459,046	148,256	1,928	1,559,037
Total Expenditures	2,996,990	726,246	294,418	19,682	4,037,336
REVENUES OVER (UNDER) EXPENDITURES	3,440,666	(683,593)	32,051	(18,809)	2,770,315
OTHER FINANCING SOURCES (USES)					
Transfers In	-	678,795	-	18,809	697,604
Transfers Out	(1,288,689)	-	-	-	(1,288,689)
Total Other Financing Sources (Uses)	(1,288,689)	678,795	-	18,809	(591,085)
Net Change in Fund Balances	2,151,977	(4,798)	32,051	-	2,179,230
Fund Balance, Beginning of Year	3,415,662	1,996,968	72,718	-	5,485,348
Fund Balance, End of Year	\$ 5,567,639	\$ 1,992,170	\$ 104,769	\$ -	\$ 7,664,578

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Certain Debt Service Funds
For Year Ended June 30, 2007**

	Redevelopment Debt			Capital Improvement Program 2001			Capital Lease Program			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES												
Taxes	\$ 4,721,000	\$ 5,909,179	\$ 1,188,179	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,721,000	\$ 5,909,179	\$ 1,188,179
Uses of Money and Property	40,000	528,477	488,477	50,000	42,653	(7,347)	-	873	873	90,000	572,003	482,003
Total Revenues	<u>4,761,000</u>	<u>6,437,656</u>	<u>1,676,656</u>	<u>50,000</u>	<u>42,653</u>	<u>(7,347)</u>	<u>-</u>	<u>873</u>	<u>873</u>	<u>4,811,000</u>	<u>6,481,182</u>	<u>1,670,182</u>
EXPENDITURES												
Current:												
Community Development	1,627,183	1,627,183	-	13,000	12,200	800	-	-	-	1,640,183	1,639,383	800
Debt Service:												
Principal	420,000	420,000	-	255,000	255,000	-	71,106	17,754	53,352	746,106	692,754	53,352
Interest and Fiscal Charges	949,807	949,807	-	462,920	459,046	3,874	2,219	1,928	291	1,414,946	1,410,781	4,165
Total Expenditures	<u>2,996,990</u>	<u>2,996,990</u>	<u>-</u>	<u>730,920</u>	<u>726,246</u>	<u>4,674</u>	<u>73,325</u>	<u>19,682</u>	<u>53,643</u>	<u>3,801,235</u>	<u>3,742,918</u>	<u>58,317</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,764,010</u>	<u>3,440,666</u>	<u>1,676,656</u>	<u>(680,920)</u>	<u>(683,593)</u>	<u>(2,673)</u>	<u>(73,325)</u>	<u>(18,809)</u>	<u>54,516</u>	<u>1,009,765</u>	<u>2,738,264</u>	<u>1,728,499</u>
OTHER FINANCING SOURCES (USES)												
Transfers In	-	-	-	717,900	678,795	(39,105)	73,325	18,809	(54,516)	791,225	697,604	(93,621)
Transfers Out	(1,739,176)	(1,288,689)	450,487	-	-	-	-	-	-	(1,739,176)	(1,288,689)	450,487
Total Other Financing Sources (Uses)	<u>(1,739,176)</u>	<u>(1,288,689)</u>	<u>450,487</u>	<u>717,900</u>	<u>678,795</u>	<u>(39,105)</u>	<u>73,325</u>	<u>18,809</u>	<u>(54,516)</u>	<u>(947,951)</u>	<u>(591,085)</u>	<u>356,866</u>
Net Change in Fund Balances	<u>\$ 24,834</u>	<u>2,151,977</u>	<u>\$ 2,127,143</u>	<u>\$ 36,980</u>	<u>(4,798)</u>	<u>\$ (41,778)</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 61,814</u>	<u>2,147,179</u>	<u>\$ 2,085,365</u>
Fund Balance, Beginning of Year		<u>3,415,662</u>			<u>1,996,968</u>			<u>-</u>			<u>5,412,630</u>	
Fund Balance, End of Year		<u>\$ 5,567,639</u>			<u>\$ 1,992,170</u>			<u>\$ -</u>			<u>\$ 7,559,809</u>	



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Combining Balance Sheet
All Capital Project Funds
 June 30, 2007

	Capital Improvement Financing Program 94-1 (2004 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 (2006 A&B Refi)	Capital Improvement Financing Program 2004-1 (2006 A&B Refi)	Capital Improvement Financing Program 2005-1	Capital Improvement Financing Program 2006-1	2002 Series A & B	2006 Series A & B
ASSETS									
Current Assets:									
Cash and Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Cash and Investments	275,538	639,922	1,170,923	-	-	19,510,034	4,513,142	382,794	107,842
Receivables	889,715	-	41,518	-	-	-	-	-	179,419
Prepays	-	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-	-
Total Assets	\$ 1,165,253	\$ 639,922	\$ 1,212,441	\$ -	\$ -	\$ 19,510,034	\$ 4,513,142	\$ 382,794	\$ 287,261
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	1,165,253	639,922	1,212,441	-	-	19,510,034	4,513,142	382,794	287,261
Unreserved, Reported in:									
Capital Projects	-	-	-	-	-	-	-	-	-
Total Fund Balances	1,165,253	639,922	1,212,441	-	-	19,510,034	4,513,142	382,794	287,261
Total Liabilities and Fund Balances	\$ 1,165,253	\$ 639,922	\$ 1,212,441	\$ -	\$ -	\$ 19,510,034	\$ 4,513,142	\$ 382,794	\$ 287,261

Continued

Combining Balance Sheet
All Capital Project Funds (Continued)
 June 30, 2007

	Capital Improvement 2001	Randy Way District Improvements	City Capital Improvement Financing Program	Capital Project Administration	Community Facilities Improvement Projects	Park Improvement Projects	Drainage Improvement Projects	Street Improvement Projects	Vineyards Projects	Redevelopment Projects	TOTALS
ASSETS											
Current Assets:											
Cash and Investments	\$ 13,674	\$ 62,690	\$ 1,451,614	\$ -	\$ 12,541,965	\$ 3,041,327	\$ 160,515	\$ 11,900,753	\$ 1,640,883	\$ 5,134,936	\$ 35,948,357
Restricted Cash and Investments	-	-	-	-	-	-	-	371,942	-	3,799,286	30,771,423
Receivables	24	74	2,562	90	25,807	-	286	23,254	2,897	57,224	1,222,870
Prepays	-	-	-	2,899	-	-	-	-	-	432	3,331
Due from Other Funds	-	-	-	-	2,223,048	-	-	-	-	-	2,223,048
Land Held for Resale	-	-	-	-	-	-	-	-	-	699,108	699,108
Total Assets	\$ 13,698	\$ 62,764	\$ 1,454,176	\$ 2,989	\$ 14,790,820	\$ 3,041,327	\$ 160,801	\$ 12,295,949	\$ 1,643,780	\$ 9,690,986	\$ 70,868,137
LIABILITIES AND FUND BALANCES											
Current Liabilities:											
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ 1,068	\$ 35,957	\$ 420,597	\$ 645,441	\$ 802	\$ 1,482,626	\$ 1,880	\$ 33,512	\$ 2,621,883
Other Liabilities	-	-	-	-	-	-	-	371,942	-	-	371,942
Total Liabilities	-	-	1,068	35,957	420,597	645,441	802	1,854,568	1,880	33,512	2,993,825
Fund Balances:											
Reserved for:											
Prepays	-	-	-	2,899	-	-	-	-	-	432	3,331
Land Held for Resale	-	-	-	-	-	-	-	-	-	699,108	699,108
Specific Projects and Programs	13,698	62,764	1,453,108	-	14,370,223	2,395,886	159,999	10,441,381	1,641,900	8,957,934	67,207,740
Unreserved, Reported in:											
Capital Projects	-	-	-	(35,867)	-	-	-	-	-	-	(35,867)
Total Fund Balances	13,698	62,764	1,453,108	(32,968)	14,370,223	2,395,886	159,999	10,441,381	1,641,900	9,657,474	67,874,312
Total Liabilities and Fund Balances	\$ 13,698	\$ 62,764	\$ 1,454,176	\$ 2,989	\$ 14,790,820	\$ 3,041,327	\$ 160,801	\$ 12,295,949	\$ 1,643,780	\$ 9,690,986	\$ 70,868,137

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Capital Project Funds
For Year Ended June 30, 2007

	Capital Improvement Financing Program 94-1 (2004 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 (2006 A&B Refi)	Capital Improvement Financing Program 2004-1 (2006 A&B Refi)	Capital Improvement Financing Program 2005-1	Capital Improvement Financing Program 2006-1	2002 Series A & B	2006 Series A & B
REVENUES									
Uses of Money and Property	\$ 54,182	\$ 29,737	\$ 54,936	\$ 67,501	\$ 2,824	\$ 1,135,497	\$ 163,832	\$ 17,344	\$ 11,206
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	-	-	-	4,349,310	-	26,272
Total Revenues	54,182	29,737	54,936	67,501	2,824	1,135,497	4,513,142	17,344	37,478
EXPENDITURES									
Current:									
General Government	4,294	1,106	-	-	-	9,002,200	-	-	1,861,110
Capital Outlay	-	-	-	-	-	-	-	-	-
Debt Service:									
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Total Expenditures	4,294	1,106	-	-	-	9,002,200	-	-	1,861,110
REVENUES OVER (UNDER) EXPENDITURES	49,888	28,631	54,936	67,501	2,824	(7,866,703)	4,513,142	17,344	(1,823,632)
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	2,110,893
Transfers Out	-	-	-	(2,026,133)	(84,760)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	(2,026,133)	(84,760)	-	-	-	2,110,893
Net Change in Fund Balances	49,888	28,631	54,936	(1,958,632)	(81,936)	(7,866,703)	4,513,142	17,344	287,261
Fund Balance, Beginning of Year	1,115,365	611,291	1,157,505	1,958,632	81,936	27,376,737	-	365,450	-
Fund Balance, End of Year	\$ 1,165,253	\$ 639,922	\$ 1,212,441	\$ -	\$ -	\$ 19,510,034	\$ 4,513,142	\$ 382,794	\$ 287,261

Continued

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Capital Project Funds (Continued)
 For Year Ended June 30, 2007

	Capital Improvement 2001	Randy Way District Improvements	City Capital Improvement Financing Program	Capital Project Administration	Community Facilities Improvement Projects	Park Improvement Projects	Drainage Improvement Projects	Street Improvement Projects	Vineyards Projects	Redevelopment Projects	TOTALS
REVENUES											
Uses of Money and Property	\$ 680	\$ 673	\$ 62,844	\$ 815	\$ 668,509	\$ -	\$ -	\$ -	\$ 83,333	\$ 1,556,336	\$ 3,910,249
Intergovernmental	-	-	-	-	-	-	-	42,737	-	-	42,737
Fees and Other Revenues	-	62,091	679,527	183,611	1,355,334	10,000	-	211,935	-	-	6,878,080
Total Revenues	680	62,764	742,371	184,426	2,023,843	10,000	-	254,672	83,333	1,556,336	10,831,066
EXPENDITURES											
Current:											
General Government	-	-	2,118	2,555,330	177,449	-	-	2,761,782	52,658	786,464	17,204,511
Capital Outlay	-	-	-	-	2,233,179	2,353,423	803	6,780,350	-	-	11,367,755
Debt Service:											
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	-	-	2,118	2,555,330	2,410,628	2,353,423	803	9,542,132	52,658	786,464	28,572,266
REVENUES OVER (UNDER) EXPENDITURES	680	62,764	740,253	(2,370,904)	(386,785)	(2,343,423)	(803)	(9,287,460)	30,675	769,872	(17,741,200)
OTHER FINANCING SOURCES (USES)											
Transfers In	-	-	-	2,336,703	4,634,503	951,010	10,000	10,228,327	-	1,288,689	21,560,125
Transfers Out	-	-	-	-	(704,242)	-	-	-	-	(2,322,621)	(5,137,756)
Total Other Financing Sources (Uses)	-	-	-	2,336,703	3,930,261	951,010	10,000	10,228,327	-	(1,033,932)	16,422,369
Net Change in Fund Balances	680	62,764	740,253	(34,201)	3,543,476	(1,392,413)	9,197	940,867	30,675	(264,060)	(1,318,831)
Fund Balance, Beginning of Year	13,018	-	712,855	1,233	10,826,747	3,788,299	150,802	9,500,514	1,611,225	9,921,534	69,193,143
Fund Balance, End of Year	\$ 13,698	\$ 62,764	\$ 1,453,108	\$ (32,968)	\$ 14,370,223	\$ 2,395,886	\$ 159,999	\$ 10,441,381	\$ 1,641,900	\$ 9,657,474	\$ 67,874,312

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Certain Capital Project Funds
For Year Ended June 30, 2007**

	City Capital Improvement Financing Program			Capital Project Administration			Community Facilities Improvement Projects		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Uses of Money and Property	\$ 1,500	\$ 62,844	\$ 61,344	\$ -	\$ 815	\$ 815	\$ 668,509	\$ 668,509	\$ -
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	650,000	679,527	29,527	130,000	183,611	53,611	1,355,334	1,355,334	-
Total Revenues	<u>651,500</u>	<u>742,371</u>	<u>90,871</u>	<u>130,000</u>	<u>184,426</u>	<u>54,426</u>	<u>2,023,843</u>	<u>2,023,843</u>	<u>-</u>
EXPENDITURES									
Current:									
General Government	100,000	2,118	97,882	3,643,589	2,555,330	1,088,259	177,449	177,449	-
Capital Outlay	-	-	-	-	-	-	2,233,179	2,233,179	-
Total Expenditures	<u>100,000</u>	<u>2,118</u>	<u>97,882</u>	<u>3,643,589</u>	<u>2,555,330</u>	<u>1,088,259</u>	<u>2,410,628</u>	<u>2,410,628</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>551,500</u>	<u>740,253</u>	<u>188,753</u>	<u>(3,513,589)</u>	<u>(2,370,904)</u>	<u>1,142,685</u>	<u>(386,785)</u>	<u>(386,785)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	3,469,323	2,336,703	(1,132,620)	3,930,261	4,634,503	704,242
Transfers Out	-	-	-	-	-	-	-	(704,242)	(704,242)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,469,323</u>	<u>2,336,703</u>	<u>(1,132,620)</u>	<u>3,930,261</u>	<u>3,930,261</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 551,500</u>	<u>740,253</u>	<u>\$ 188,753</u>	<u>\$ (44,266)</u>	<u>(34,201)</u>	<u>\$ 10,065</u>	<u>\$ 3,543,476</u>	<u>3,543,476</u>	<u>\$ -</u>
Fund Balance, Beginning of Year		<u>712,855</u>			<u>1,233</u>			<u>10,826,747</u>	
Fund Balance, End of Year		<u>\$ 1,453,108</u>			<u>\$ (32,968)</u>			<u>\$ 14,370,223</u>	

Continued

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Certain Capital Projects Fund (Continued)
For Year Ended June 30, 2007**

	Park Improvement Projects			Drainage Improvement Projects			Street Improvement Projects		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Uses of Money and Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	42,737	42,737	-
Fees and Other Revenues	10,000	10,000	-	-	-	-	211,935	211,935	-
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>254,672</u>	<u>254,672</u>	<u>-</u>
EXPENDITURES									
Current:									
General Government	-	-	-	-	-	-	2,761,782	2,761,782	-
Capital Outlay	2,353,423	2,353,423	-	803	803	-	6,780,350	6,780,350	-
Total Expenditures	<u>2,353,423</u>	<u>2,353,423</u>	<u>-</u>	<u>803</u>	<u>803</u>	<u>-</u>	<u>9,542,132</u>	<u>9,542,132</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(2,343,423)</u>	<u>(2,343,423)</u>	<u>-</u>	<u>(803)</u>	<u>(803)</u>	<u>-</u>	<u>(9,287,460)</u>	<u>(9,287,460)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	951,010	951,010	-	10,000	10,000	-	10,228,327	10,228,327	-
Transfers Out	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>951,010</u>	<u>951,010</u>	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,228,327</u>	<u>10,228,327</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (1,392,413)</u>	<u>(1,392,413)</u>	<u>\$ -</u>	<u>\$ 9,197</u>	<u>9,197</u>	<u>\$ -</u>	<u>\$ 940,867</u>	<u>940,867</u>	<u>\$ -</u>
Fund Balance, Beginning of Year		<u>3,788,299</u>			<u>150,802</u>			<u>9,500,514</u>	
Fund Balance, End of Year		<u>\$ 2,395,886</u>			<u>\$ 159,999</u>			<u>\$ 10,441,381</u>	

Continued

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Certain Capital Projects Fund (Continued)
For Year Ended June 30, 2007**

	Vineyards Projects			Redevelopment Projects			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Uses of Money and Property	\$ 83,333	\$ 83,333	\$ -	\$ 938,018	\$ 1,556,336	\$ 618,318	\$ 1,691,360	\$ 2,371,837	\$ 680,477
Intergovernmental	-	-	-	-	-	-	42,737	42,737	-
Fees and Other Revenues	-	-	-	35,000	-	(35,000)	2,392,269	2,440,407	48,138
Total Revenues	<u>83,333</u>	<u>83,333</u>	<u>-</u>	<u>973,018</u>	<u>1,556,336</u>	<u>583,318</u>	<u>4,126,366</u>	<u>4,854,981</u>	<u>728,615</u>
EXPENDITURES									
Current:									
General Government	52,658	52,658	-	2,707,482	786,464	1,921,018	9,442,960	6,335,801	3,107,159
Capital Outlay	-	-	-	-	-	-	11,367,755	11,367,755	-
Total Expenditures	<u>52,658</u>	<u>52,658</u>	<u>-</u>	<u>2,707,482</u>	<u>786,464</u>	<u>1,921,018</u>	<u>20,810,715</u>	<u>17,703,556</u>	<u>3,107,159</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>30,675</u>	<u>30,675</u>	<u>-</u>	<u>(1,734,464)</u>	<u>769,872</u>	<u>2,504,336</u>	<u>(16,684,349)</u>	<u>(12,848,575)</u>	<u>(2,378,544)</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	2,266,160	1,288,689	(977,471)	20,855,081	19,449,232	(1,405,849)
Transfers Out	-	-	-	(3,445,331)	(2,322,621)	1,122,710	(3,445,331)	(3,026,863)	418,468
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,179,171)</u>	<u>(1,033,932)</u>	<u>145,239</u>	<u>17,409,750</u>	<u>16,422,369</u>	<u>(987,381)</u>
Net Change in Fund Balances	<u>\$ 30,675</u>	<u>30,675</u>	<u>\$ -</u>	<u>\$ (2,913,635)</u>	<u>(264,060)</u>	<u>\$ 2,649,575</u>	<u>\$ 725,401</u>	<u>\$ 3,573,794</u>	<u>\$ (3,365,925)</u>
Fund Balance, Beginning of Year		<u>1,611,225</u>			<u>9,921,534</u>			<u>36,513,209</u>	
Fund Balance, End of Year		<u>\$ 1,641,900</u>			<u>\$ 9,657,474</u>			<u>\$ 40,087,003</u>	



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Statistical Section Contents

Financial Trends

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

Pages

S-1 to S-4

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.

Pages

S-5 to S-11

Debt Capacity

These schedules contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Pages

S-12 to S-16

Demographic and Economic Information

These schedules contain demographic and economic information to help the reader understand the environment within which the City's financial activities take place.

Pages

S-17 to S-18

Operating Information

These schedules contain operational and resource information to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

Pages

S-19 to S-22

Sources: Unless otherwise noted, the information in these schedules is derived from the City's relevant Comprehensive Annual Financial Reports. Schedules containing government-wide information report data beginning in FY 2001/02, the year the City implemented GASB Statement No. 34.



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City of Brentwood

NET ASSETS BY COMPONENT LAST SIX FISCAL YEARS

(Accrual Basis of Accounting)

(Unaudited)

	2002	2003	2004	2005	2006	2007
Governmental Activities						
Invested in Capital Assets, Net of Related Debt	\$ 107,356,555	\$ 144,428,668	\$ 197,015,674	\$ 215,720,615	\$ 294,803,288	\$ 342,332,679
Restricted	47,295,121	43,163,510	48,177,025	34,678,623	81,395,898	79,105,723
Unrestricted	28,983,536	37,800,917	27,120,013	53,776,481	53,977,292	59,130,425
Total Governmental Activities Net Assets	\$ 183,635,212	\$ 225,393,095	\$ 272,312,712	\$ 304,175,719	\$ 430,176,478	\$ 480,568,827
Business-Type Activities						
Invested in Capital Assets, Net of Related Debt	\$ 68,499,556	\$ 98,061,398	\$ 134,896,047	\$ 144,514,270	\$ 104,790,118	\$ 124,783,446
Restricted	27,949,628	34,664,252	12,359,754	27,021,249	30,182,173	31,204,635
Unrestricted	512,510	5,787,062	(5,426,178)	14,373,836	14,140,500	22,052,908
Total Business-Type Activities Net Assets	\$ 96,961,694	\$ 138,512,712	\$ 141,829,623	\$ 185,909,355	\$ 149,112,791	\$ 178,040,989
Primary Government						
Invested in Capital Assets, Net of Related Debt	\$ 185,070,098	\$ 242,490,066	\$ 331,911,721	\$ 360,234,885	\$ 399,593,406	\$ 467,116,125
Restricted	75,244,749	77,827,762	60,536,779	61,699,872	111,578,071	110,310,358
Unrestricted	29,496,046	43,587,979	21,693,835	68,150,317	68,117,792	81,183,333
Total Primary Government Net Assets	\$ 289,810,893	\$ 363,905,807	\$ 414,142,335	\$ 490,085,074	\$ 579,289,269	\$ 658,609,816

Note: The City began to report accrual information in fiscal year 2002 when it implemented GASB Statement 34.

City of Brentwood

CHANGES IN NET ASSETS - GOVERNMENTAL ACTIVITIES
LAST SIX FISCAL YEARS
 (Accrual Basis of Accounting)
 (Unaudited)

	2002	2003	2004	2005	2006	2007
Governmental Activities:						
Expenses						
General Government	\$ 5,331,756	\$ 18,329,899	\$ 19,799,793	\$ 22,019,514	\$ 17,927,800	\$ 26,103,080
Public Safety	5,681,464	6,750,947	9,970,436	9,563,065	10,952,967	12,768,274
Community Development	2,944,722	2,886,102	4,804,009	5,103,462	3,960,793	5,704,796
Engineering	1,577,558	1,618,876	2,469,775	3,821,479	4,063,792	2,332,730
Public Works	2,783,123	2,942,088	3,491,159	1,796,006	1,815,288	4,967,567
Parks and Recreation	744,725	806,336	1,613,411	2,442,686	6,965,572	8,129,353
Community Services	581,152	314,293	226,732	237,458	2,059,834	3,402,377
Other	2,805,061	1,158,986	512,952	1,008,158	2,918,908	-
Interest on Long-Term Debt	2,789,903	2,018,870	1,883,951	1,949,670	1,766,038	1,839,058
Total Expenses	25,239,464	36,826,397	44,772,218	47,941,498	52,430,992	65,247,235
Program Revenues						
Charges for Services	12,131,112	13,862,506	16,218,168	17,530,001	16,189,709	14,225,400
Operating Grants and Contributions	698,207	226,570	165,107	114,791	200,915	6,443,633
Capital Grants and Contributions	163,450	132,575	128,384	166,951	212,611	50,529,249
Total Program Revenues	12,992,769	14,221,651	16,511,659	17,811,743	16,603,235	71,198,282
Total Governmental Activities Net Expense	(12,246,695)	(22,604,746)	(28,260,559)	(30,129,755)	(35,827,757)	5,951,047
General Revenues and Other Changes in Net Assets						
Taxes:						
Property Taxes	5,423,132	6,933,900	7,990,595	9,932,342	14,887,469	19,676,078
Sales Tax	2,661,107	2,998,922	3,644,368	4,442,764	5,411,724	4,661,529
Franchise Fees	498,202	668,657	738,525	851,237	1,021,258	1,230,265
Public Service Taxes	391,088	589,266	743,890	914,426	1,000,573	527,766
Measure C, TOT	449,654	448,498	457,883	480,838	532,035	598,358
Motor Vehicle Taxes	1,423,128	1,702,280	1,508,664	2,198,750	3,502,237	3,597,495
Other Taxes	-	-	-	-	188,636	260,577
Investment Earnings	3,122,319	2,777,909	3,312,556	3,185,671	3,639,789	8,960,696
Contributions - Impact Fees and Credits	10,729,361	21,965,625	28,218,482	29,584,350	31,600,393	-
Capital Contributions	20,450,758	9,572,626	(931,403)	3,592,176	33,424,231	-
Capital Assets Contributed to/from Other Funds	1,971,847	2,885,000	12,868,344	126,356	-	-
Intergovernmental	-	-	-	862,624	1,151,837	42,737
Interfund Services	-	-	-	3,570,121	4,627,478	48,484
Miscellaneous	-	6,470,739	12,817,467	4,098,758	3,328,605	2,726,006
Transfers	(870,776)	7,349,207	3,810,805	(1,847,651)	57,512,251	2,111,311
Total General Revenues and Other Changes in Net Assets	46,249,820	64,362,629	75,180,176	61,992,762	161,828,516	44,441,302
Total Governmental Activities Change in Net Assets	\$ 34,003,125	\$ 41,757,883	\$ 46,919,617	\$ 31,863,007	\$ 126,000,759	\$ 50,392,349

Note: The City began to report accrual information in fiscal year 2002 when it implemented GASB Statement 34.

City of Brentwood

CHANGES IN NET ASSETS - BUSINESS-TYPE ACTIVITIES
LAST SIX FISCAL YEARS
 (Accrual Basis of Accounting)
 (Unaudited)

	2002	2003	2004	2005	2006	2007
Business-Type Activities:						
Expenses						
Wastewater	\$ 2,813,091	\$ 3,405,073	\$ 8,461,336	\$ 5,713,763	\$ 5,995,237	\$ 6,264,947
Solid Waste	2,703,827	3,060,101	3,833,171	4,266,665	6,018,649	6,259,740
Water	6,394,410	6,779,073	7,395,878	8,594,319	12,073,423	11,181,295
Parks and Recreation	2,749,011	2,891,809	3,647,580	3,854,606	-	-
City Rentals	396,025	429,833	436,287	434,243	728,604	729,754
Housing	-	-	7,504	1,022,306	1,215,548	1,481,274
Total Expenses	15,056,364	16,565,889	23,781,756	23,885,902	26,031,461	25,917,010
Program Revenues						
Charges for Services:						
Wastewater	2,764,158	3,618,959	4,214,471	4,549,961	5,979,653	6,441,711
Solid Waste	3,725,346	4,243,126	5,102,561	6,236,643	8,025,919	8,826,499
Water	5,414,427	6,528,611	9,406,429	10,231,960	12,264,649	15,348,469
Parks and Recreation	626,179	668,503	776,465	1,443,029	-	-
City Rentals	216,841	660,367	740,110	778,437	767,270	717,539
Housing	-	-	-	1,000	30,290	117,601
Capital Grants and Contributions	-	-	-	-	6,287,482	22,969,310
Total Program Revenues	12,746,951	15,719,566	20,240,036	23,241,030	33,355,263	54,421,129
Total Business-Type Activities Net Expense	(2,309,413)	(846,323)	(3,541,720)	(644,872)	7,323,802	28,504,119
General Revenues and Other Changes in Net Assets						
Taxes:						
Property Taxes	532,571	680,375	868,369	1,073,421	-	-
Connection Fees Paid	-	-	(11,305,768)	-	-	-
Grants and Contributions Not Restricted to Specific Programs	-	-	-	177,600	-	-
Investment Earnings	1,247,935	1,710,954	1,284,161	534,586	1,199,763	2,535,390
Contributions - Impact Fees and Credits	11,453,897	20,286,877	20,104,810	17,844,231	11,381,912	-
Capital Contributions	8,876,407	17,848,980	(432,136)	21,325,932	-	-
Capital Assets Contributed to/from Other Funds	-	-	-	(126,356)	-	-
Miscellaneous	3,788	5,375	150,000	-	-	-
Transfers	870,776	(7,349,207)	(3,810,805)	1,847,651	(57,512,251)	(2,111,311)
Total General Revenues and Other Changes in Net Assets	22,985,374	33,183,354	6,858,631	42,677,065	(44,930,576)	424,079
Total Business-Type Activities Change in Net Assets	20,675,961	32,337,031	3,316,911	42,032,193	(37,606,774)	28,928,198
Total Primary Government Change in Net Assets	\$ 54,679,086	\$ 74,094,914	\$ 50,236,528	\$ 73,895,200	\$ 88,393,985	\$ 79,320,547

Note: The City began to report accrual information in fiscal year 2002 when it implemented GASB Statement 34

City of Brentwood

FUND BALANCES - GOVERNMENTAL FUNDS**LAST SIX FISCAL YEARS**

(Modified Accrual Basis of Accounting)

(Unaudited)

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
General Fund						
Reserved	\$ 4,343,805	\$ 454,599	\$ 728,885	\$ 122,935	\$ 204,076	\$ 124,588
Unreserved	4,616,741	18,847,893	22,101,506	19,377,628	22,310,261	25,274,977
Total General Fund	\$ 8,960,546	\$ 19,302,492	\$ 22,830,391	\$ 19,500,563	\$ 22,514,337	\$ 25,399,565
All Other Governmental Funds						
Reserved	\$ 42,951,316	\$ 42,708,911	\$ 47,445,393	\$ 46,924,689	\$ 93,318,376	\$ 94,569,236
Unreserved, Reported In:						
Special Revenue Funds	19,920,393	8,429,955	(1,872,055)	5,640,986	3,657,471	(2,292,254)
Capital Project Funds	-	-	-	-	-	(35,867)
Total All Other Governmental Funds	\$ 62,871,709	\$ 51,138,866	\$ 45,573,338	\$ 52,565,675	\$ 96,975,847	\$ 92,241,115

City of Brentwood

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST SIX FISCAL YEARS

(Modified Accrual Basis of Accounting)

(Unaudited)

	2002	2003	2004	2005	2006	2007
REVENUES						
Taxes	\$ 8,587,358	\$ 10,640,420	\$ 12,489,155	\$ 15,405,971	\$ 21,606,946	\$ 25,842,811
Licenses	66,810	124,823	325,143	405,246	471,668	509,618
Permits and Fines	7,041,625	9,354,198	10,184,552	11,361,424	9,647,761	6,130,221
Uses of Money and Property	3,091,109	2,561,745	3,022,093	4,156,725	3,381,068	8,263,044
Intergovernmental	2,629,058	2,396,451	4,339,487	3,727,774	5,537,709	5,022,850
Franchises	338,692	428,731	584,868	672,172	808,389	965,066
Charges for Other Services	825,618	531,791	570,455	546,251	1,580,198	776,584
Charges to Other Funds	4,203,653	3,922,881	5,073,565	5,161,708	5,506,136	5,590,646
Fees and Other Revenues	11,542,069	26,343,210	26,807,306	27,280,529	52,281,640	21,786,740
Total Revenues	38,325,992	56,304,250	63,396,624	68,717,800	100,821,515	74,887,580
EXPENDITURES						
Current:						
General Government	4,083,505	14,826,709	16,407,013	18,411,773	12,505,987	26,029,125
Public Safety	6,110,676	7,536,431	10,781,506	10,697,057	12,774,097	14,129,475
Community Development	3,131,617	3,644,373	5,074,939	5,418,378	4,415,273	6,092,241
Engineering	1,687,754	1,767,688	2,656,493	2,166,280	2,476,437	2,532,147
Public Works	1,398,012	1,305,993	1,821,818	2,208,201	2,292,826	2,486,963
Parks and Recreation	773,284	839,368	1,658,400	1,838,817	7,634,708	7,924,624
Community Services	581,152	314,293	226,732	237,458	2,073,780	3,414,448
Other	2,916,275	1,158,986	512,952	1,008,158	2,918,908	-
Capital Outlay	25,341,961	31,860,143	29,822,905	17,688,834	9,166,838	11,367,755
Debt Service:						
Principal	294,847	808,325	1,933,865	1,655,889	1,817,780	832,754
Interest and Fiscal Charges	2,776,146	1,810,808	1,715,358	1,684,978	1,671,308	1,647,122
Total Expenditures	49,095,229	65,873,117	72,611,981	63,015,823	59,747,942	76,456,654
REVENUES OVER (UNDER) EXPENDITURES	(10,769,237)	(9,568,867)	(9,215,357)	5,701,977	41,073,573	(1,569,074)
OTHER FINANCING SOURCES (USES)						
Loan and Bond Proceeds	38,079,976	-	4,245,101	-	-	-
Refunding Bonds Issued	(8,560,000)	-	-	-	-	-
Capital Contributions	2,856,369	4,657,010	-	-	-	-
Transfers In	54,392,877	56,598,410	31,537,600	22,122,072	30,346,807	27,208,242
Transfers Out	(57,213,652)	(53,077,450)	(28,604,973)	(24,161,540)	(23,996,434)	(25,128,377)
Total Other Financing Sources (Uses)	29,555,570	8,177,970	7,177,728	(2,039,468)	6,350,373	2,079,865
Net Change in Fund Balances	\$ 18,786,333	\$ (1,390,897)	\$ (2,037,629)	\$ 3,662,509	\$ 47,423,946	\$ 510,791
Debt Service as a Percentage of Noncapital Expenditures	12.93%	7.70%	8.53%	7.37%	6.90%	3.81%

City of Brentwood

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

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2007	\$ 6,113,626,591	\$ 470,049,609	\$ 59,128,465	\$ 626,092,781	\$ 96,882,748	7,172,014,698	1.0038%
2006	4,154,730,562	349,720,006	36,479,015	1,151,608,684	93,209,265	5,599,329,002	1.0040%
2005	3,515,069,389	287,458,470	40,651,651	736,390,251	82,710,234	4,496,859,527	1.0051%
2004	3,042,749,265	186,451,612	36,523,807	386,365,328	80,350,496	3,571,739,516	1.0063%
2003	2,287,079,944	165,902,523	44,072,038	412,113,848	62,211,396	2,846,956,957	1.0095%
2002	1,721,900,377	132,608,274	41,585,860	349,876,930	51,909,880	2,194,061,561	1.0000%
2001	1,361,028,726	117,609,349	35,002,177	226,329,345	46,002,573	1,693,967,024	1.0000%
2000	1,072,608,391	113,576,481	31,239,976	191,936,390	41,315,799	1,368,045,439	1.0000%
1999	868,717,126	85,488,688	27,426,398	141,915,028	38,914,584	1,084,632,656	1.0000%
1998	742,148,730	72,720,708	17,628,784	138,861,060	36,790,332	934,568,950	1.0000%

Source: Contra Costa County Auditor / Controller

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

City of Brentwood

DIRECT AND OVERLAPPING PROPERTY TAXES**LAST TEN TAX YEARS**

(Rate Per \$1,000 of Assessed Value)

(Unaudited)

Fiscal Year	City Direct Rates			Overlapping Rates ⁽¹⁾		
	Basic Rate	General Obligation Debt Service	Total Direct Tax Rate	Liberty Union High School District	Brentwood Union School District	Other Districts
2007	1.00%	0.0038%	1.0038%	0.0331%	0.0444%	0.0178%
2006	1.00%	0.0040%	1.0040%	0.0379%	0.0519%	0.0202%
2005	1.00%	0.0051%	1.0051%	0.0489%	0.0517%	0.0156%
2004	1.00%	0.0063%	1.0063%	0.0405%	0.0405%	0.0563%
2003	1.00%	0.0095%	1.0095%	0.0510%	0.0465%	0.0642%
2002	1.00%	0.0000%	1.0000%	0.0478%	0.0577%	0.0150%
2001	1.00%	0.0000%	1.0000%	0.0575%	0.0522%	0.0151%
2000	1.00%	0.0000%	1.0000%	0.0621%	0.0415%	0.0180%
1999	1.00%	0.0000%	1.0000%	0.0656%	0.0478%	0.0358%
1998	1.00%	0.0000%	1.0000%	0.0726%	0.0500%	0.0404%

Source: Contra Costa County Auditor / Controller

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

(1) Overlapping rates are those of local and county governments that apply to property owners within the City of Brentwood.

Not all overlapping rates apply to all Brentwood property owners.

City of Brentwood

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

(Unaudited)

Taxpayer	Fiscal Year 2007			Fiscal Year 1998		
	Taxable Assessed Value	Rank	Percent of District's Total Taxable Value(1)	Taxable Assessed Value	Rank	Percent of District's Total Taxable Value (1)
Sand Creek Crossing LLC	\$ 56,707,614	1	0.79%	\$ -		0.00%
David E. & Janet S. Meyers	55,071,943	2	0.77%	-		0.00%
DS Lone Tree Plaza LLC	54,079,519	3	0.75%	-		0.00%
Western Pacific Housing Inc.	48,826,895	4	0.68%	-		0.00%
John Muir/Mt. Diablo Health	45,075,875	5	0.63%	-		0.00%
Brentwood Union School District	36,584,208	6	0.51%	16,351,181	1	1.75%
Richmond American Homes of California	36,088,113	7	0.50%	-		0.00%
Prestige Homes Limited Partnership	28,110,490	8	0.39%	-		0.00%
Brentwood Arbor Ridge Limited Partnership	27,068,080	9	0.38%	-		0.00%
City of Brentwood	25,110,894	10	0.35%	6,048,394	9	0.65%
Liberty Union High School District	-		0.00%	11,575,153	2	1.24%
HPH Properties	-		0.00%	11,558,936	3	1.24%
Blackhawk-Nunn Active Partners	-		0.00%	9,709,190	4	1.04%
Signature Properties Inc.	-		0.00%	8,483,051	5	0.91%
A. G. Spanos Construction Inc.	-		0.00%	7,911,061	6	0.85%
Blackhawk-Nunn Active Adult	-		0.00%	7,062,634	7	0.76%
Safeway Stores Inc.	-		0.00%	6,952,991	8	0.74%
First American Title Guaranty	-		0.00%	5,655,380	10	0.61%
Total	\$ 412,723,631		5.75%	\$ 91,307,971		9.77%

Source: HdL Coren & Cone, Contra Costa County Assessor

City of Brentwood

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN TAX YEARS

(Unaudited)

Fiscal Year Ended June 30,	Taxes Levied For The Fiscal Year ⁽¹⁾	Collected Within the Fiscal Year of the Levy ⁽²⁾	
		Amount	Percentage of Levy
2007	\$ 19,676,078	\$ 19,676,078	100.00%
2006	14,887,469	14,887,469	100.00%
2005	9,932,342	9,932,342	100.00%
2004	7,990,595	7,990,595	100.00%
2003	6,933,900	6,933,900	100.00%
2002	5,423,132	5,423,132	100.00%
2001	4,576,990	4,576,990	100.00%
2000	3,687,940	3,687,940	100.00%
1999	3,174,930	3,174,930	100.00%
1998	2,715,841	2,715,841	100.00%

Source: Contra Costa County Auditor / Controller

(1) General property taxes are calculated at 1% of total assessed value less local exemptions. The City's portion is determined by the individual tax rate areas in the City.

(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.

City of Brentwood

TAXABLE SALES BY CATEGORY**LAST TEN CALENDAR YEARS**

(In Thousands of Dollars)

(Unaudited)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Apparel Stores	\$ 495	\$ 657	\$ 898	\$ 1,015	\$ 948	\$ 4,230	\$ 13,172	\$ 21,115	\$ 30,128	\$ 32,262
General Merchandise	175	134	112	87	107	113	136	244	291	813
Food Stores	12,837	13,359	15,172	18,697	21,802	23,865	27,619	33,473	36,478	39,343
Eating & Drinking Establishments	12,891	13,637	16,175	18,299	20,509	22,477	25,885	28,886	38,833	43,699
Building Materials	8,513	10,741	15,579	18,331	21,534	19,074	19,551	57,734	72,906	64,748
Auto Dealers and Supplies	34,650	45,411	49,063	56,419	55,192	51,598	47,515	48,336	57,100	62,057
Service Stations	16,571	20,017	25,496	28,653	31,014	33,404	40,404	51,247	62,651	73,918
Other Retail Stores	12,104	13,389	13,971	18,585	20,288	25,706	33,497	54,180	63,209	62,282
All Other Outlets	30,633	34,315	36,932	43,665	52,801	56,592	59,146	76,961	87,743	91,957
Total	\$ 128,869	\$ 151,660	\$ 173,398	\$ 203,751	\$ 224,195	\$ 237,059	\$ 266,925	\$ 372,176	\$ 449,339	\$ 471,079
City Direct Sales Tax Rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Source: State of California Board of Equalization and the HdL Companies

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

City of Brentwood

DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	City Direct Rate	Contra Costa County	State	Total
2007	1.00%	1.25%	6.00%	8.25%
2006	1.00%	1.25%	6.00%	8.25%
2005	1.00%	1.25%	6.00%	8.25%
2004	1.00%	1.25%	6.00%	8.25%
2003	1.00%	1.25%	6.00%	8.25%
2002	1.00%	1.25%	6.00%	8.25%
2001	1.00%	1.25%	5.75%	8.00%
2000	1.00%	1.25%	5.75%	8.00%
1999	1.00%	1.25%	5.75%	8.00%
1998	1.00%	1.25%	5.75%	8.00%

Source: State Board of Equalization

Note: The City's sales tax rate may be changed only with approval of the State Legislature.

City of Brentwood

TOP 25 SALES TAX PRODUCERS CURRENT YEAR AND NINE YEARS AGO

(Unaudited)

2007		1998	
Tax Remitter ⁽¹⁾	Business Category	Tax Remitter ⁽¹⁾	Business Category
Ace Hardware	Hardware Stores	1st Stop Automart	Service Stations
Arco AM PM Mini Mart	Service Stations	Ace Hardware	Hardware Stores
Big B Lumber	Lumber/Building Materials	Albertsons	Grocery Stores - Liquor
Bill Brandt Ford	New Motor Vehicle Dealers	Auto Brokers Unlimited	Used Automotive Dealers
Brentwood Dodge Chrysler Jeep	New Motor Vehicle Dealers	Big B Lumber	Lumber/Building Materials
Chevron	Service Stations	Big O Tires	Automotive Supply Stores
Dallas Shanks Services	Service Stations	Bill Brandt Ford	New Motor Vehicle Dealers
Devi Oil	Service Stations	Brentwood Auto Center	Used Automotive Dealers
Golden Gate Petroleum	Petroleum Prod/Equipment	Brentwood Auto Parts	Automotive Supply Stores
Home Depot	Lumber/Building Materials	Brentwood Dodge Chrysler Plymouth	New Motor Vehicle Dealers
Home Goods	Home Furnishings	Brooks Ranch Restaurant	Restaurants - No Alcohol
Hurtados Auto Sales	Used Automotive Dealers	Burger King	Restaurants - No Alcohol
Kohls	Family Apparel	Centro Mart	Grocery Stores - Liquor
Les Schwab Tire Center	Automotive Supply Stores	Dallas Shanks Services	Service Stations
Longs	Drug Stores	Gas & Liquor Is Cheaper	Service Stations
Michaels	Florist Shops	Golden Gate Petroleum	Petroleum Prod/Equipment
Precision Cabinets	Contractors	McDonalds	Restaurants - No Alcohol
Quik Stop Markets	Service Stations	Quick Stop Markets	Service Stations
Raleys	Grocery Stores - Liquor	Rite Aid	Drug Stores
Ross	Family Apparel	Safeway	Grocery Stores - Liquor
Safeway	Grocery Stores - Liquor	Savers Fuel Mart	Service Stations
Savers Fuel Mart	Service Stations	T & C Roofing	Contractors
TJ Maxx	Family Apparel	Taco Bell	Restaurants - No Alcohol
Tower Mart	Service Stations	Ultramart	Service Stations
Winco Foods	Grocery Stores - Liquor	Wright Medical Services	Specialty Stores
Percent of Fiscal Year Total Paid by Top 25 Accounts = 59.70%		Percent of Fiscal Year Total Paid by Top 25 Accounts = 73.61%	

Source: HdL Coren & Cone

(1) Firms listed alphabetically because taxable sales figures for individual businesses are confidential and cannot legally be disclosed.

City of Brentwood

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

(Unaudited)

Governmental Activities										
Fiscal Year	General Obligation Bonds ⁽¹⁾	2001 CIP Revenue Bonds	Roadway Bonds	COP Bonds	TAB Bonds	Notes Payable	Capital Leases (Internal Service)	Capital Leases (Governmental)		
2007	\$ 6,436,238	\$ 29,065,000	\$ -	\$ -	\$ -	\$ 1,738,860	\$ -	\$ -		
2006	6,384,302	29,740,000	-	-	-	1,867,208	-	-	17,754	
2005	6,411,571	30,390,000	-	-	-	2,355,868	35,500	-	140,061	
2004	6,255,771	31,025,000	-	-	-	-	69,108	-	206,930	
2003	6,198,082	31,635,000	-	305,000	-	-	100,703	-	271,775	
2002	5,999,976	32,080,000	-	595,000	-	-	178,104	-	-	
2001	-	-	5,320,000	865,000	3,240,000	-	251,447	-	-	
2000	-	-	5,420,000	1,120,000	3,525,000	-	186,757	-	-	
1999	-	-	5,515,000	1,360,000	3,790,000	-	224,166	-	-	
1998	-	-	5,605,000	1,590,000	4,040,000	-	-	-	-	

Business-Type Activities										
Fiscal Year	Water Revenue Bonds	1994 Water Revenue Bonds	Wastewater Revenue Bonds	Capital Leases	State Water Resources Loan (Wastewater)	Notes Payable	Total Primary Government	Percentage of Personal Income ⁽²⁾	Per Capita ⁽²⁾	
2007	\$ 7,911,248	\$ -	\$ 2,033,752	\$ -	\$ 31,458,362	\$ 9,082,956	\$ 87,726,416	5.83%	\$ 1,794	
2006	8,145,920	-	2,094,080	190,955	32,931,790	9,799,478	91,171,487	6.43%	1,983	
2005	8,372,637	-	2,152,363	423,675	34,574,866	10,711,564	95,568,105	7.28%	2,273	
2004	8,587,423	-	2,207,578	642,764	36,188,841	16,611,959	101,795,374	5.58%	2,733	
2003	8,794,253	965,000	2,260,748	848,688	37,713,566	12,506,962	101,599,777	6.78%	3,077	
2002	8,989,150	1,030,000	2,310,850	1,042,984	33,439,743	13,337,845	99,003,652	7.98%	3,344	
2001	9,176,093	1,090,000	2,358,908	1,280,543	12,428,954	14,163,928	50,174,873	4.73%	1,981	
2000	9,359,058	1,150,000	2,405,943	1,554,735	-	14,985,484	39,706,977	4.31%	1,720	
1999	9,534,068	1,205,000	2,450,933	1,899,780	-	369,555	26,348,502	3.43%	1,302	
1998	9,701,123	1,255,000	2,493,878	1,867,221	-	467,223	27,019,445	4.37%	1,579	

Note: Details regarding the City's outstanding debt can be found in Note #6, found on pages 55 - 62 of this report.

(1) The City issued \$6 million of debt for the Police Station project on February 22, 2002.

(2) See Schedule 17 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

City of Brentwood

RATIOS OF GENERAL BONDED DEBT OUTSTANDING LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year	General Obligation Bonds	Total	Percentage of Actual Taxable Value of Property	Per Capita
2007	\$ 6,436,238	\$ 6,436,238	0.09%	\$ 132
2006	6,384,302	6,384,302	0.11%	139
2005	6,411,571	6,411,571	0.14%	152
2004	6,255,771	6,255,771	0.18%	168
2003	6,198,082	6,198,082	0.22%	188
2002	5,999,976	5,999,976	0.27%	203
2001	-	-	0.00%	-
2000	-	-	0.00%	-
1999	-	-	0.00%	-
1998	-	-	0.00%	-

Note: Details regarding the City's outstanding debt can be found in Note #6, found on pages 55 - 62 of this report.

Source: City of Brentwood Finance Department

City of Brentwood

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of June 30, 2007

(Unaudited)

	Total Debt 6/30/07	Percentage Applicable	City's Share of Debt 6/30/07
DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:			
Bay Area Rapid Transit	\$ 87,185,000	1.660%	\$ 1,447,271
Contra Costa Community College District	112,900,000	5.151%	5,815,479
Liberty Union High School District	63,342,658	51.404%	32,560,660
Brentwood Union School District	62,300,472	92.410%	57,571,866
Oakley Union School District	25,210,000	0.002%	504
City of Brentwood	6,436,238 ⁽¹⁾	100.000%	6,436,238
City of Brentwood 1915 Act Bonds	182,429,000	100.000%	182,429,000
California Statewide Communities Development Authority Assessment District No. 04-1& 05-1	2,417,598	100.000%	2,417,598
East Bay Regional Park District	166,295,000	2.413%	4,012,698
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT	\$ 708,515,966		\$ 292,691,315
DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:			
Contra Costa County General Fund Obligations	\$ 381,735,000	5.139%	\$ 19,617,362
Contra Costa County Pension Obligations	515,710,000	5.139%	26,502,337
Contra Costa County Board of Education Certificates of Participation	900,000	5.139%	46,251
Contra Costa Community College District Certificates of Participation	1,165,000	5.139%	59,869
Liberty Union High School District Certificates of Participation	2,305,000	51.404%	1,184,862
Brentwood Union School District Certificates of Participation	4,085,000	92.410%	3,774,949
City of Brentwood General Fund Obligations	9,565,000	100.000%	9,565,000
TOTAL DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT	915,465,000		60,750,630
COMBINED TOTAL DEBT	\$ 1,623,980,966 ⁽²⁾		\$ 353,441,944

Source: California Municipal Statistics, Inc.

(1) Includes \$906,261 accreted value.

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

City of Brentwood

**LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)**

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Debt Limit	\$ 35,046,336	\$ 40,673,725	\$ 51,301,704	\$ 63,523,763	\$ 82,277,309	\$ 106,760,886	\$ 133,940,232	\$ 168,632,232	\$ 209,974,838	\$ 268,950,551
Total Net Debt Applicable to Limit	-	-	-	-	5,999,976	6,198,082	6,255,771	6,411,571	6,384,302	6,436,238
Legal Debt Margin	<u>\$ 35,046,336</u>	<u>\$ 40,673,725</u>	<u>\$ 51,301,704</u>	<u>\$ 63,523,763</u>	<u>\$ 76,277,333</u>	<u>\$ 100,562,804</u>	<u>\$ 127,684,461</u>	<u>\$ 162,220,661</u>	<u>\$ 203,590,536</u>	<u>\$ 262,514,313</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	7.29%	5.81%	4.67%	3.80%	3.04%	2.39%

Legal Debt Margin Calculation for Fiscal Year 2007

Assessed Value ¹	\$ 7,172,014,698
Debt Limit (3.75% of Assessed Value) ²	268,950,551
Debt Applicable to Limit:	
General Obligation Bonds	6,436,238
Less: Amount set aside for repayment of general obligation debt	-
Total Net Debt Applicable to Limit	<u>6,436,238</u>
Legal Debt Margin	<u>\$ 262,514,313</u>

Source: Contra Costa County Assessor

(1) Contra Costa County Auditor / Controller

(2) State of California Government Code 25 and 43605

City of Brentwood

PLEGGED REVENUE COVERAGE**LAST TEN FISCAL YEARS**

(Unaudited)

Fiscal Year	Water & Wastewater Revenue Bonds						Coverage
	Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest		
2007	\$ 30,190,839	\$ 13,574,249	\$ 16,616,590	\$ 295,000	\$ 564,656	19.33%	
2006	28,309,406	13,059,845	15,249,561	285,000	578,621	17.66%	
2005	23,995,940	11,126,313	12,869,627	270,000	591,446	14.94%	
2004	25,463,724	9,563,623	15,900,101	1,225,000	643,808	8.51%	
2003	26,729,502	8,601,235	18,128,267	310,000	687,981	18.16%	
2002	18,055,924	8,059,593	9,996,331	295,000	703,786	10.01%	
2001	16,481,774	7,928,562	8,553,212	290,000	715,306	8.51%	
2000	11,359,259	5,775,804	5,583,455	275,000	727,681	5.57%	
1999	8,024,591	3,449,889	4,574,702	260,000	738,236	4.58%	
1998	6,315,493	2,736,368	3,579,125	50,000	741,100	4.52%	

Source: City of Brentwood Finance Department

Note: Details regarding the City's outstanding debt can be found in Note #6, found on pages 55 - 62 of this report. Operating expenses do not include interest, depreciation or amortization expenses.

City of Brentwood

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS
(Unaudited)

Calendar Year	Population (1)	Personal Income (In Thousands)	Per Capita Personal Income (2)	Median Age (3)	School Enrollment (4)	Unemployment Rate (5)
2007	48,907	\$ 1,503,988	\$ 30,752	32.8	14,982	4.0%
2006	45,974	1,418,574	30,856	32.7	14,003	3.8%
2005*	42,050	1,312,801	31,220	31.1	11,949	4.3%
2004	37,246	1,825,166	49,003	37.4	10,645	4.8%
2003	33,021	1,498,262	45,373	37.0	10,510	5.6%
2002	29,608	1,240,250	41,889	36.8	8,984	5.0%
2001	25,325	1,060,839	41,889	36.4	4,390	3.4%
2000	23,090	921,152	39,894	36.8	3,886	3.2%
1999	20,235	768,809	37,994	36.4	3,549	3.0%
1998	17,108	618,933	36,178	36.0	3,211	3.6%

* 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.

Sources:

- (1) California Department of Finance, data is as of January 1 of each year
- (2) Department of Finance Economic Research Unit; 2005 - Claritas, Inc.
- (3) US Census Bureau; 2005 - Claritas, Inc.
- (4) Brentwood Union School District (1994 - 2001); Liberty Union High School and Brentwood Union School Districts (2002) to present
- (5) Employment Development Department

City of Brentwood

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

(Unaudited)

Employer	2007			1998		
	Employees	Rank	Percent of Total City Employment	Employees	Rank	Percent of Total City Employment
Brentwood Union School District	600-1,000	1	11.59%	300-400	1	7.61%
Liberty Union High School District	400-500	2	6.52%	300-400	2	7.61%
City of Brentwood	300-400	3	5.07%	100-200	5	3.26%
Precision Cabinets	200-300	4	3.62%	-		
The Home Depot	100-200	5	2.17%	-		
Winco Foods, Inc.	100-200	6	2.17%	-		
Town & Country Roofing	100-200	7	2.17%	-		
Raleys Super Markets	100-200	8	2.17%	-		
Safeway Stores, Inc.	100-200	9	2.17%	100-200	3	3.26%
Kohls	100-200	10	2.17%	-		
Ellison Construction	-			100-200	4	3.26%
HPH Homebuilders 2000, L.P.	-			100-200	6	3.26%
Town & Country Roofing	-			50-100	7	1.63%
Dainty Center	-			50-100	8	1.63%
Lucky Stores, Inc.	-			25-50	9	0.71%
Brentwood Dodge Chrysler Plymouth	-			25-50	10	0.71%
Total	2,100-3,400		39.82%	1,150-1,900		32.94%

Source: City of Brentwood Economic Development Division

City of Brentwood

**AUTHORIZED FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

(Unaudited)

Function/Program	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Government	13	18	21	22	23	27	29	33	35	38
Public Safety	38	41	39	47	48	66	71	78	77	77
Community Development	13	18	18	24	25	30	34	37	38	38
Engineering	17	21	25	30	33	34	37	35	32	32
Public Works	7	7	7	10	12	14	15	19	19	19
Parks and Recreation	2	3	13	20	24	26	26	32	32	34
Wastewater	6	7	8	9	10	14	14	15	16	16
Solid Waste	8	9	12	13	12	14	18	20	20	22
Water	8	11	13	14	15	17	17	21	21	22
City Rentals	-	-	-	-	1	2	2	2	2	2
Housing	-	-	-	-	-	-	-	3	3	3
	112	135	156	189	203	244	263	295	295	303

Source: City of Brentwood Finance Department

City of Brentwood

OPERATING INDICATORS BY FUNCTION / PROGRAM**LAST SIX FISCAL YEARS**

(Unaudited)

Function / Program	2002	2003	2004	2005	2006	2007
General Government						
Building Permits Issued	1,157	1,400	1,421	1,452	978	404
Accounts Payable Invoices Processed	14,872	15,224	15,855	15,357	15,686	15,255
Purchase Orders Issued	476	413	487	581	526	509
Public Works						
Street Miles Swept	N/A	6,313	18,481	22,488	21,715	20,869
Debris Collected (tons)	N/A	608	1,987	2,265	2,215	2,215
Streetlights Maintenance Requests	N/A	235	656	576	438	570
Police						
Physical Arrests (est.)	1,100	1,086	1,202	1,339	1,314	1,500
Calls for Service (est.)	16,386	19,197	21,190	22,491	23,553	26,000
Case Files Taken (est.)	4,480	5,032	5,367	5,449	5,571	6,000
Parks and Recreation						
Total Programs Offered (est.)	699	972	1,214	1,464	1,975	2,123
Total Participants and Spectators at Events	N/A	334,177	539,276	640,137	980,300	1,071,658
Refuse Collection						
Refuse Collected (tons per day)	40	45	52	64	71	82
Yard Waste (tons per day)	10	12	14	17	18	23
Recyclables Collected (tons per day)	11	13	15	18	19	21
Residential Services	9,310	10,807	12,303	13,540	14,489	15,183
Commercial Services	425	525	624	541	546	475
Water						
New Connections	1,421	1,531	1,800	961	900	536
Average Daily Consumption (millions of gallons)	5	5	5	8	9	11
Peak Daily Consumption (millions of gallons)	10	10	14	15	15	17
Wastewater						
New Connections	1,400	1,500	1,916	886	830	1,049
Average Daily Sewage Treatment (millions of gallons)	2	3	3	3	3	4

Source: Various City Departments

City of Brentwood

CAPITAL ASSET STATISTICS BY FUNCTION / PROGRAM
LAST SIX FISCAL YEARS
(Unaudited)

Function / Program	2002	2003	2004	2005	2006	2007
Police						
Stations	1	1	1	1	1	1
Patrol Vehicles	27	29	33	36	40	52
Parks and Recreation						
Neighborhood Park Acreage	76	95	148	171	194	228
Play Areas	20	22	25	32	40	40
Multi-Use Trails (miles)	N/A	N/A	13	15	15	15
Multi-Use Ball and Soccer Fields	14	14	17	20	23	23
Picnic Areas ⁽¹⁾	23	23	23	25	214	253
Refuse Collection						
Collection Trucks	8	9	12	12	13	14
Water						
Water Mains (miles)	100	120	149	164	173	173
Fire Hydrants	1,323	1,323	1,397	1,521	1,628	1,628
Number of Wells	7	8	8	9	10	10
Number of Reservoirs	4	4	4	5	5	6
Storage Capacity (millions of gallons)	11	11	11	15	15	19
Wastewater						
Sanitary Sewers (miles)	67	67	92	101	138	150
Lift Stations	4	4	3	3	3	2
Other Public Works						
Streets (miles)	119	119	145	161	168	168
Street Lights	2,858	2,858	3,614	3,873	3,882	4,255

Source: Various City Departments

(1) Beginning with FY 2006, the number shown is for picnic tables, not picnic areas.

City of Brentwood

General Information

(Unaudited)

Date of Incorporation:	January 19, 1948
Forms of Government:	General Law Council-Manager
Fiscal Year Begins:	July 1
Area of City:	14.83 Sq Miles
Population as of January 2007:	48,907

<u>Miles of Streets</u>	
Miles of Streets	168.00
Miles of Sanitary Sewers	150.00
Miles of Water Mains	173.00
Number of Street Lights	4,255

<u>Parks and Recreation</u>	
Neighborhood Parks	228 acres
Aquatic Complex	7.5 Acres
Skate Park	.50 acres
Play Areas	40
Sunset Park Athletic Complex	38 acres

<u>Number of Full-time Equivalent Positions</u>	<u>Year End</u>
303.75	2007
294.75	2006
294.75	2005
263.45	2004
244.14	2003
202.80	2002
189.45	2001
155.50	2000
134.50	1999
106.85	1998

<u>Municipal Wastewater System</u>	
Number of lift stations	2
Sanitary	3
Storm	1
Number of connections	14,879
Average daily flow	3.5 MGD

<u>Parks Facilities</u>	
Multi-Use Trails	14.5 miles
Multi-Use Ball and Soccer Fields	23
Tennis Courts	2
Basketball Courts	12
Bocce ball Courts	2
Volleyball Courts	3
Horseshoe Courts	2
Gazebos	3
Picnic Areas	253
BBQ Areas	17
Restrooms (Permanent)	7

<u>Municipal Water System</u>	
Number of wells	10
Number of reservoirs	6
Storage capacity (gallons)	18.7 MG
Average daily consumption	11 MGD
Peak daily consumption	17 MGD
Number of fire hydrants	1,628
Number of connections	15,784

<u>Police Protection</u>	
Sworn Officers	62
Non-Sworn	16
Reserves	1
Vehicles	52
Motorcycles	7

<u>Public Schools</u>	
Elementary	7
Intermediate	3
High School	2
Alternative High Schools	2

<u>Municipal Solid Waste</u>	
Number of Residential Services	15,183
Number of Commercial Services	475

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

Source: Various City Departments



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