

City of BRENTWOOD



HERITAGE ■ VISION ■ OPPORTUNITY



*708 Third Street
Brentwood, CA 94513*

COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 2008

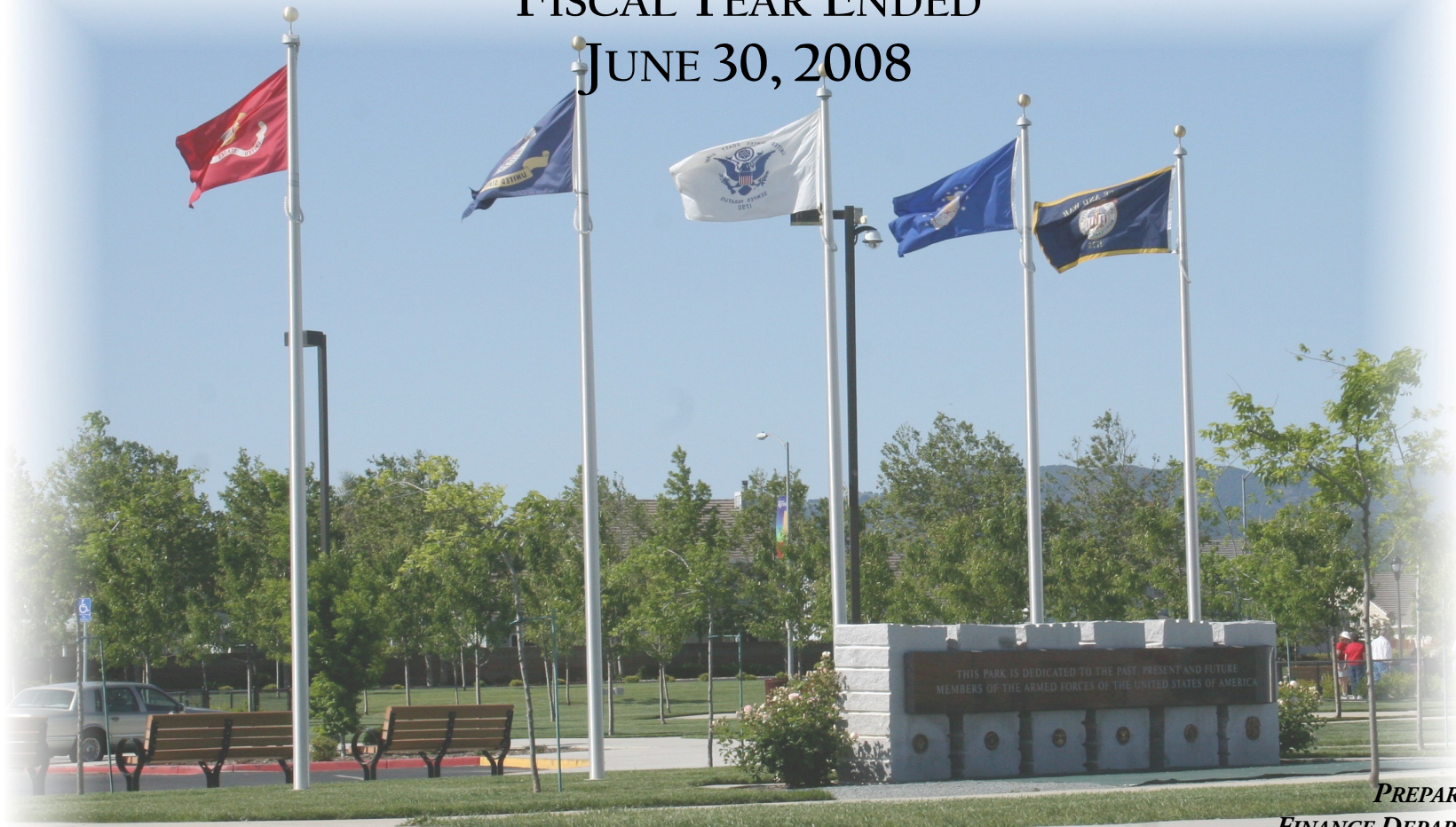


Every year the City selects a theme for the covers of its major financial documents - the Capital Improvement Program Budget (CIP), the Operating Budget, the Cost Allocation Plan, the Fiscal Model and the Comprehensive Annual Financial Report (CAFR). This year each of the covers will portray an aspect of the new Civic Center, which is currently in the planning stages.

COVER: This year's CAFR cover shows a 3-D rendering of the proposed Civic Center Plaza. Surrounding the plaza will be the Council Chambers and City Hall. In the background is the proposed Community Center. All of these buildings surround City Park which is scheduled to be redesigned as part of the Civic Center project. The entire Civic Center complex is scheduled for completion in 2011.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED
JUNE 30, 2008



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



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City of Brentwood
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Fiscal Year Ended June 30, 2008

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Letter of Transmittal



December, 2008

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, 2008. This is the eighth year the City's Finance Department has prepared this report and the seventh 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. Generally accepted accounting principles require that management provide a narrative introduction overview and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to compliment the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

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

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Letter of Transmittal

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 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 ninth consecutive "Unqualified" Audit issued in 2008.

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, 2008 the City had a population of 50,614 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 either established by the related bond documentation, other legal agreements or are multi-year projects whose budget cycle exceeds one fiscal year: Capital Improvement Financing Programs; 2002 Series A&B; 2006 Series A&B; Capital Improvement 2001; Randy Way Assessment District Improvements; the 2002 General Obligation Bond; Community Facilities Improvement Projects; Park Improvement Projects; Drainage Improvement Projects and Street Improvement projects. See Note #2-A on page 43, for additional information.

ECONOMIC OUTLOOK

The City, like much of the rest of the nation, is in the midst of the worst housing market contraction since the Great Depression. Rapid declines in property values are projected to cause a decrease of nearly 9% in the City's property tax revenue for next fiscal year. The City's rate of population growth has slowed as well. While the City grew at an average annual rate of over 12% over the past decade, current forecasts show the City's

Letter of Transmittal

growth slowing to 1-2% for the next several years. Partially offsetting these reductions is an increase in sales taxes derived from the newly opened Streets of Brentwood lifestyle center.



Brentwood has added approximately 1,000,000 square feet of new retail, office and industrial space in the past several years. Most notably is the recent completion and opening of the Streets of Brentwood, a large lifestyle center project featuring specialty shops and restaurants, along with a large multi-plex theater. The Streets of Brentwood, along with our key retail centers and anchor tenants such as Best Buy, and Home Depot, generate the majority of the City’s sales tax revenue. This revenue provides a significant financial benefit to the City’s General Fund.

The City implemented a series of General Fund budget reductions over the past twelve months in response to the dramatic slowdown in development and declining revenues. These reductions have included reduced contractual services, travel, and capital outlay; as well as personnel reductions in the Community Development, Finance, Parks, and Public Works Departments. These reductions have allowed the City to continue to operate in a fiscally responsible manner, where revenues exceed operating expenditures. In addition, the City has continued to maintain

General Fund undesignated reserves of 30% of appropriations, in accordance with the City’s Budget and Fiscal Policy. The City will continue to carefully monitor the economic environment and will take all requisite actions needed to ensure a strong financial future.

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, 2008, are classified in the category of lowest credit risk as defined by the Governmental Accounting Standards Board.

Letter of Transmittal

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 a Playful City USA. Playful City USA is a national recognition program honoring cities and towns across the nation committed to taking action for play. Communities become Playful City USA communities by meeting five commitments: 1) create a local play commission, 2) design an annual action plan for play, 3) conduct a playspace audit of all publicly accessible play areas, 4) identify current spending on capital projects and maintenance of play spaces and 5) proclaim and celebrate an annual “Play Day”.

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; expansion of Los Medanos College to facilitate the development of a permanent center in Brentwood and the planning and development of the Vineyards Project.

Letter of Transmittal

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. The City is also nearing completion of a new water treatment plant. The facility, with a total budget of \$56 million, is the largest project the City has ever undertaken. The water treatment plant initially has the capacity to treat 12 to 15 million gallons per day, and is expandable to 30 million gallons per day to meet the ultimate demands of the City at build-out.

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. Recent activities of the Neighborhood Improvement Committee include the adoption of a Nuisance Ordinance and implementation of the City's Rental Inspection Program.

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) improving communication with the community and 5) 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. Segment I, which runs south from the existing Highway 4 to Lone Tree Way was opened in February 2008, and Segment III, which runs south from Balfour Road to Vasco Road was opened in October 2008. 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 in the near future.

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.

Letter of Transmittal

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 recently implemented a five-year Technology Strategic Plan which will assist the City in meeting 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, 2007. 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.

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, 2007

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.



Oliver S. Cox

President

Jeffrey R. Emery

Executive Director

Letter of Transmittal

LIST OF PRINCIPAL OFFICIALS

(As of June 30, 2008)

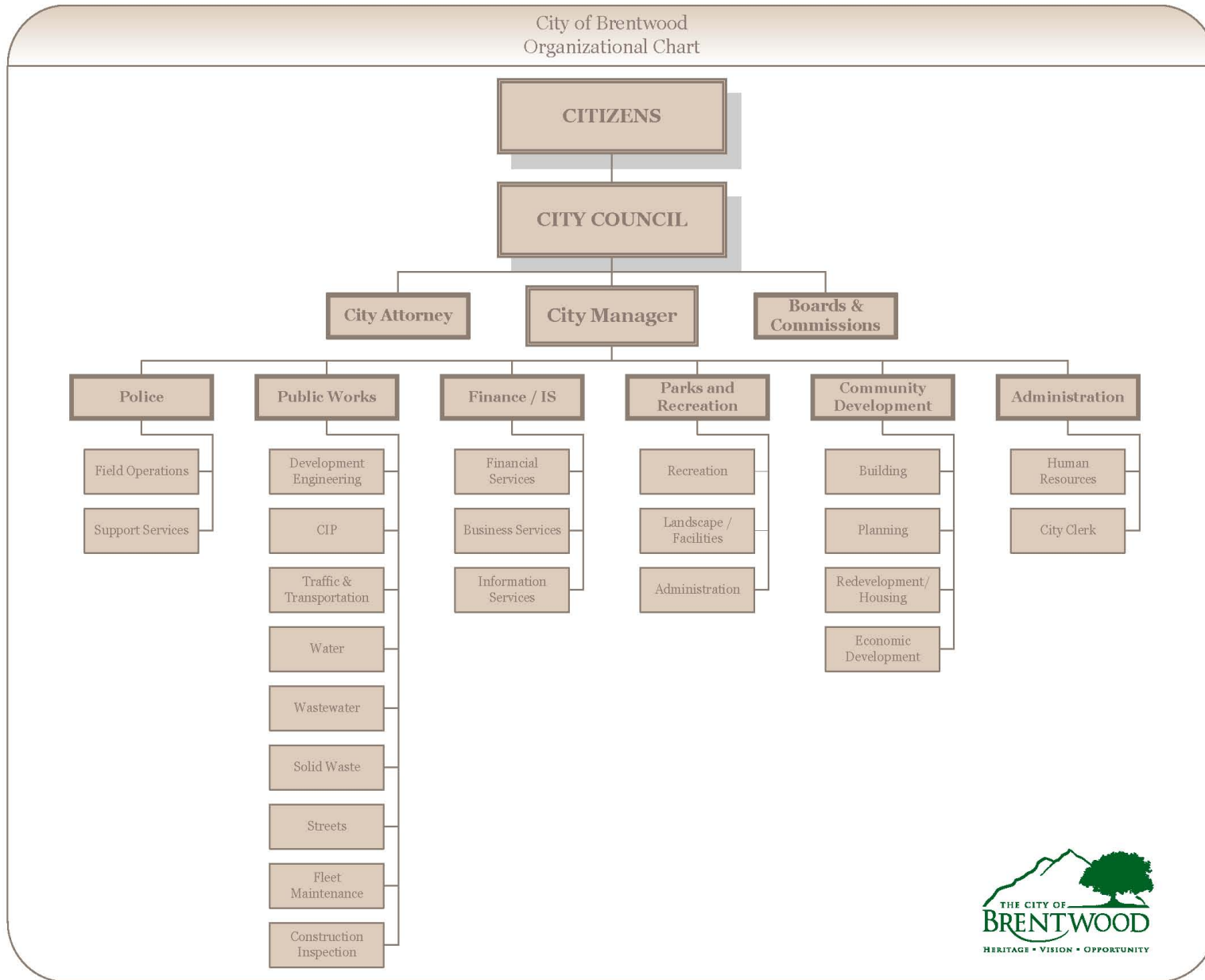
City Officials

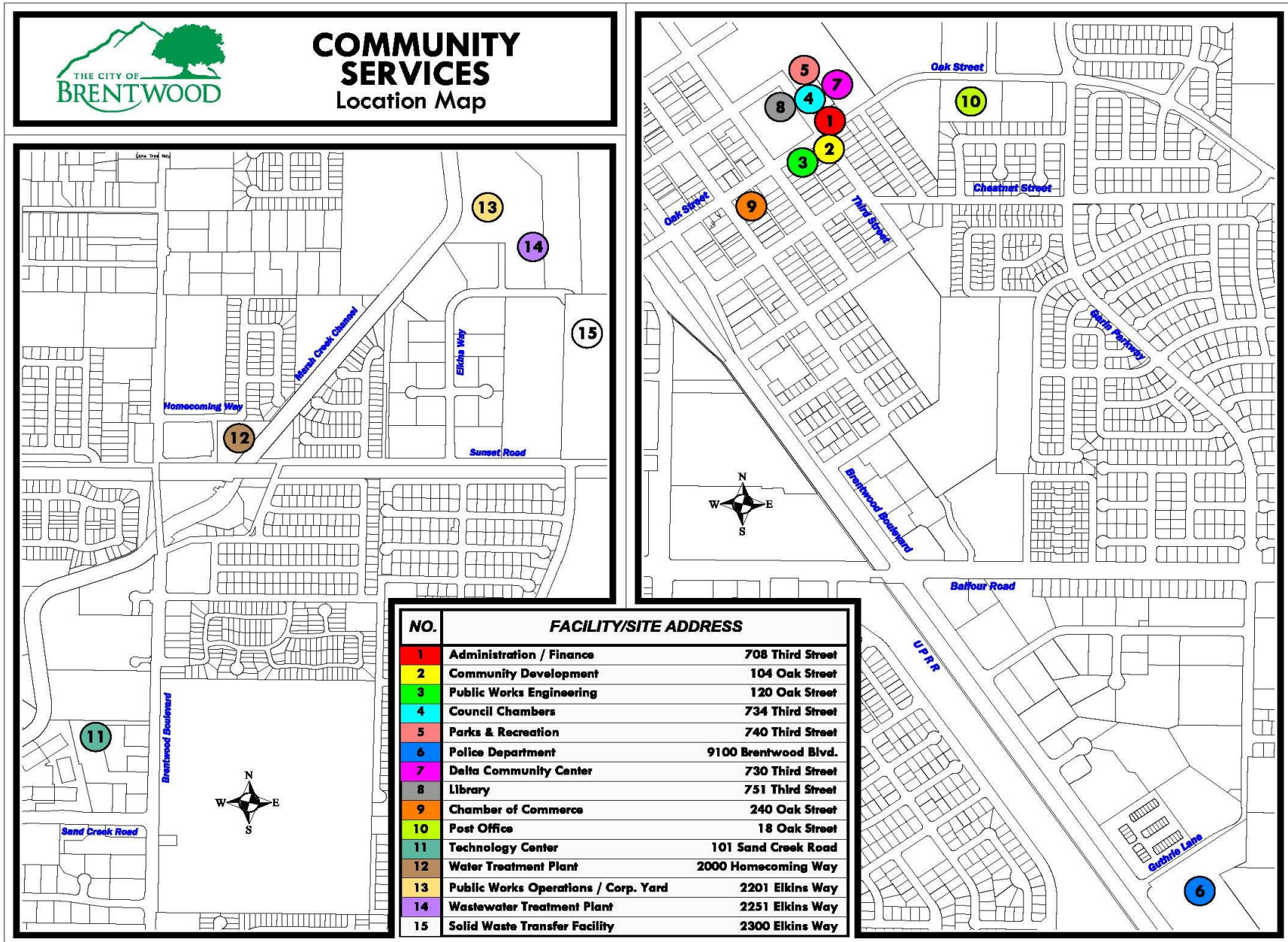
Robert Taylor Mayor
Robert Brockman Vice-Mayor
Chris Becnel Council Member
Brandon Richey Council Member
Erick Stonebarger Council Member

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
Casey McCann 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 AUDITORS' REPORT

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, 2008, 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.

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, 2008, 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.

As described in Note 6, the City implemented the provisions of GASB Statement No. 48, Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2008 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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. 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.

A handwritten signature in black ink that reads "Mage & Associates". The signature is written in a cursive, flowing style. The word "Mage" is written in a larger, more prominent script, followed by "& Associates" in a slightly smaller, similar script. The signature is set against a light gray, textured background.

November 19, 2008

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, 2008. 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 \$707.5 million. Of this amount, \$87.7 million may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased \$51.2 million due primarily to contributed assets.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$111.6 million, a decrease of \$6.2 million in comparison to the prior year. This is primarily due to developer reimbursements in the Capital Improvement Financing Program 2005-1 Fund.
- The City's total long-term debt decreased by \$3.5 million.
- Internal Service Funds have net assets of \$28.2 million at year end, which is an increase of \$2.2 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 – 71 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 73 – 75 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 77 – 124 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 7.8% from \$656.3 million at June 30, 2007 to \$707.5 million at June 30, 2008. This increase of \$51.2 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 \$46.0 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 cannot 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 \$109.2 million as of June 30, 2008. The remaining balance of unrestricted net assets, \$87.7 million as of June 30, 2008, may be used to meet the City's ongoing obligations to citizens and creditors.

	Governmental Activities		Business-Type Activities		Totals	
	2008	2007	2008	2007	2008	2007
Current and Other Assets	\$ 148,579,984	\$ 154,936,543	\$ 64,368,319	\$ 57,381,055	\$ 212,948,303	\$ 212,317,598
Capital Assets	408,966,378	377,097,550	186,466,134	174,573,049	595,432,512	551,670,599
Total Assets	<u>557,546,362</u>	<u>532,034,093</u>	<u>250,834,453</u>	<u>231,954,104</u>	<u>808,380,815</u>	<u>763,988,197</u>
Current Liabilities	\$ 13,667,472	\$ 17,030,668	\$ 6,139,402	\$ 6,107,518	\$ 19,806,874	\$ 23,138,186
Long-Term Liabilities Outstanding	35,966,396	36,781,822	45,099,015	47,805,597	81,065,411	84,587,419
Total Liabilities	<u>49,633,868</u>	<u>53,812,490</u>	<u>51,238,417</u>	<u>53,913,115</u>	<u>100,872,285</u>	<u>107,725,605</u>
Net Assets:						
Invested in Capital Assets, Net of Related Debt	\$ 372,951,683	\$ 339,857,455	\$ 137,697,679	\$ 124,783,446	\$ 510,649,362	\$ 464,640,901
Restricted	80,452,738	79,233,723	28,721,075	31,204,635	109,173,813	110,438,358
Unrestricted	54,508,073	59,130,425	33,177,282	22,052,908	87,685,355	81,183,333
Total Net Assets - Restated	<u>\$ 507,912,494</u>	<u>\$ 478,221,603</u>	<u>\$ 199,596,036</u>	<u>\$ 178,040,989</u>	<u>\$ 707,508,530</u>	<u>\$ 656,262,592</u>

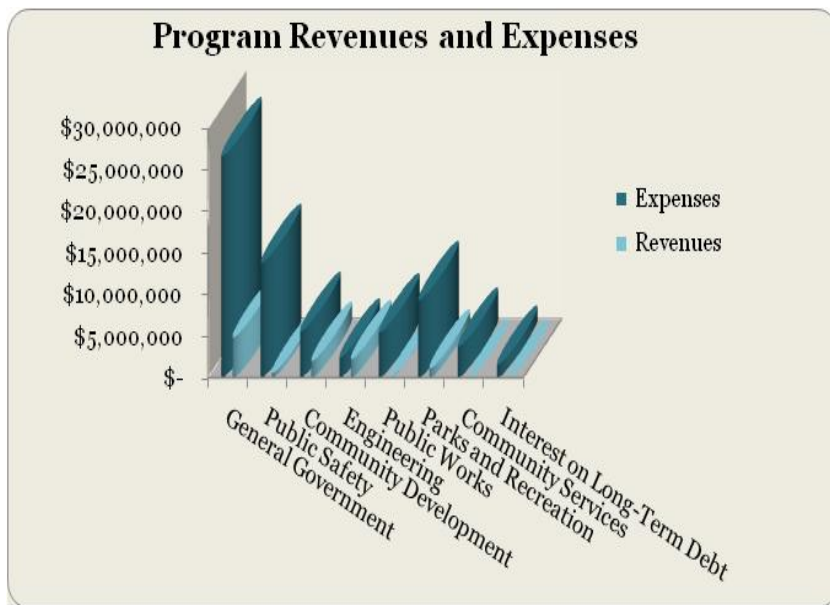
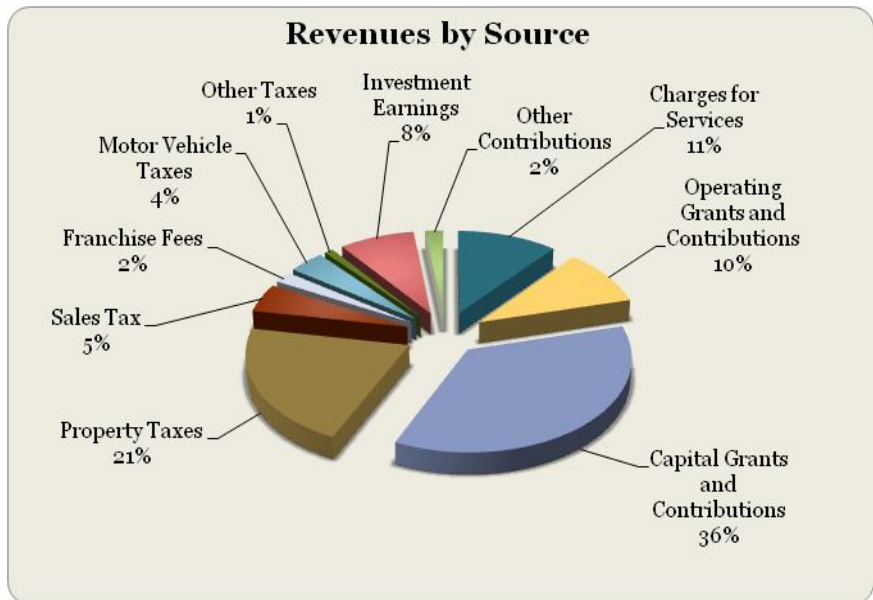
Governmental Activities – The City’s net assets from governmental activities increased 6.2% from \$478.2 million to \$507.9 million. This increase represents 58.0% of the City’s total growth in net assets. The majority of this increase was due to an increase in capital assets through contributions.

Business-Type Activities – The City’s net assets from Business-Type activities increased 12.1% from \$178.0 million to \$199.6 million. Investment in capital assets, net of related debt, increased \$12.9 million due to capital asset contributions from development. Overall, the unrestricted net assets increased by \$11.1 million.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program Revenues:						
Charges for Services	\$ 10,899,250	\$ 14,225,400	\$ 33,171,384	\$ 31,451,819	\$ 44,070,634	\$ 45,677,219
Operating Grants and Revenues	9,868,672	6,443,633	-	-	9,868,672	6,443,633
Capital Grants and Contributions	35,633,756	50,529,249	11,971,155	22,969,310	47,604,911	73,498,559
General Revenues:						
Taxes:						
Property Taxes	20,802,069	19,676,078	-	-	20,802,069	19,676,078
Sales Tax	4,827,706	4,661,529	-	-	4,827,706	4,661,529
Franchise Fees	1,018,540	1,230,265	-	-	1,018,540	1,230,265
Public Service Taxes	342,627	527,766	-	-	342,627	527,766
Measure C, TOT	635,411	598,358	-	-	635,411	598,358
Motor Vehicle Taxes	3,942,089	3,597,495	-	-	3,942,089	3,597,495
Other Taxes	-	260,577	-	-	-	260,577
Investment Earnings	8,191,379	8,960,696	3,663,930	2,535,390	11,855,309	11,496,086
Intergovernmental	-	42,737	-	-	-	42,737
Interfund Services	-	48,484	-	-	-	48,484
Miscellaneous	1,765,659	2,726,006	-	-	1,765,659	2,726,006
Total Revenues	97,927,158	113,528,273	48,806,469	56,956,519	146,733,627	170,484,792
Expenses:						
General Government	26,566,890	28,578,304	-	-	26,566,890	28,578,304
Public Safety	13,770,801	12,768,274	-	-	13,770,801	12,768,274
Community Development	5,581,469	5,576,796	-	-	5,581,469	5,576,796
Engineering	2,420,953	2,332,730	-	-	2,420,953	2,332,730
Public Works	5,441,455	4,967,567	-	-	5,441,455	4,967,567
Parks and Recreation	9,312,868	8,129,353	-	-	9,312,868	8,129,353
Community Services	3,728,537	3,402,377	-	-	3,728,537	3,402,377
Interest on Long-Term Debt	1,557,776	1,839,058	-	-	1,557,776	1,839,058
Wastewater	-	-	6,734,960	6,264,947	6,734,960	6,264,947
Solid Waste	-	-	6,620,638	6,259,740	6,620,638	6,259,740
Water	-	-	12,304,859	11,181,295	12,304,859	11,181,295
City Rentals	-	-	654,428	729,754	654,428	729,754
Housing	-	-	792,055	1,481,274	792,055	1,481,274
Total Expenses	68,380,749	67,594,459	27,106,940	25,917,010	95,487,689	93,511,469
Increase in Net Assets Before Transfers	29,546,409	45,933,814	21,699,529	31,039,509	51,245,938	76,973,323
Transfers	144,482	2,111,311	(144,482)	(2,111,311)	-	-
Increase in Net Assets	29,690,891	48,045,125	21,555,047	28,928,198	51,245,938	76,973,323
Net Assets 7/1, Restated	478,221,603	430,176,478	178,040,989	149,112,791	656,262,592	579,289,269
Net Assets 6/30	\$ 507,912,494	\$ 478,221,603	\$ 199,596,036	\$ 178,040,989	\$ 707,508,530	\$ 656,262,592

Governmental Activities – The cost of all Governmental activities this year was \$68.4 million. Net expenses, as shown in the Statement of Activities, were \$12.0 million. A portion of the cost for these activities was paid either by those who directly benefited from the programs (\$10.9 million), by other governments and organizations that subsidized certain programs with operating grants and contributions (\$9.9 million), or capital grants and contributions (\$35.6 million). Public Works finished the year with net revenues of \$26.4 million as a result of significant dedicated infrastructure. Overall, the City's governmental program revenues were \$56.4 million.

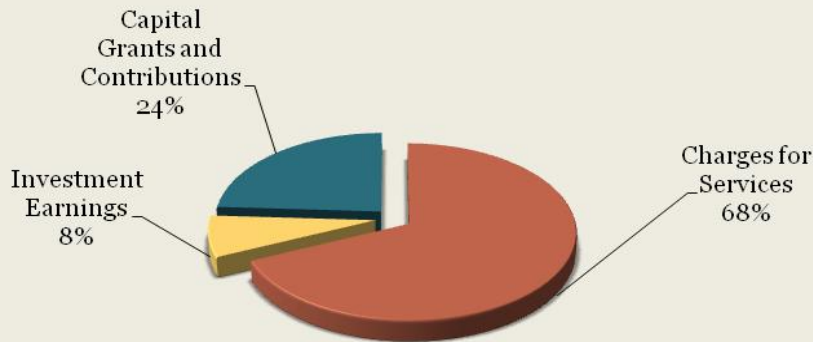
Total resources available during the year to finance governmental operations were \$576.3 million consisting of net assets at July 1, 2007 of \$478.2 million, program revenues of \$56.4 million and general revenues and transfers of \$41.7 million. Total Governmental activities during the year were \$68.4 million, thus net assets were increased by \$29.7 million to \$507.9 million.



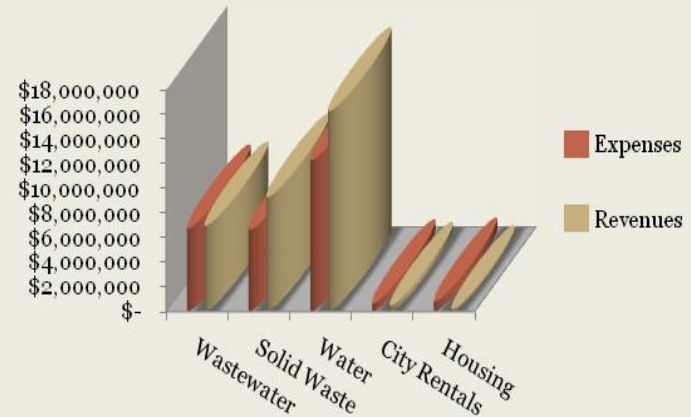
Business-Type Activities – The cost of all Business-Type activities this year was \$27.1 million. As shown in the Statement of Activities and Changes in Net Assets, the amounts paid by users of the systems were \$33.2 million. Capital Grants and Contributions totaled \$12.0 million and Investment earnings were \$3.7 million.

Total resources available during the year to finance Business-Type activities were \$226.7 million consisting of net assets at July 1, 2007 of \$178.0 million, charges for services of \$33.2 million, capital contributions of \$12.0 million and general revenues and net transfers of \$3.5 million. Total Business-Type activities during the year were \$27.1 million, thus net assets increased by \$21.6 million to \$199.6 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 \$24,011,019. This is a decrease of \$1,388,546 compared to last year. The decrease is attributable to significant funding of capital improvement projects during the year. In addition, the downturn in the housing market has led to a substantial decline in the City's development revenues.

Thoroughfares, which is reported as a Special Revenue fund, had an increase in fund balance of \$7,341,869 due primarily to the transfer back of excess funds which were contributed for capital improvement projects. Thoroughfares also continued to receive development fees and did not need to provide any significant funding for projects during the year.

Parks and Trails, which is reported as a Special Revenue fund, had a decrease in fund balance of \$1,923,211. This is due to the transfer of funds to a parks capital project.

Redevelopment Debt, which is reported as a Debt Service fund, had an increase in fund balance of \$2,732,273 as tax increment revenues currently exceed the fund's 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 \$9,742,425. 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.

Park Improvement Projects, which is reported as a Capital Projects fund, had a decrease in fund balance of \$2,136,517. The City had set aside these funds in previous years for the construction of capital assets which occurred this fiscal year.

Equipment Replacement, which is reported as an Internal Service fund, has an increase of \$1,460,506. This was due to an unexpected increase in investment income as well as the City's continued full funding of the fund while deferring purchases wherever possible.

GENERAL FUND BUDGETARY HIGHLIGHTS

Comparing the fiscal year 2007/08 original budget (or adopted) General Fund expenditures and transfers out in the amount of \$44,214,932, to the final budget amount of \$41,856,677 shows a net decrease of \$2,358,255.

<u>Beginning Balance</u>	-	<u>Supplemental Changes</u>	=	<u>Final Budget</u>
\$44,214,932		\$2,358,255		\$41,856,677

During the fiscal year, the total revenues and transfers in for the General Fund were \$38,483,397. This was \$930,806 less than budgeted. The total expenses and transfers out for the General Fund were \$39,871,943. This was \$1,984,734 less than budgeted. The City Council approved significant revenue and expense reductions to the City’s General Fund budget in January 2008 in response to the tremendous slowdown in development. These reductions were made in order to allow for the General Fund to avoid having operating expenditures exceed revenues and to maintain the General Fund’s undesignated reserves at a minimum of 30% of expenditures.

After these budget reductions, the housing market and residential development activity continued to decline precipitously, and the City was forced to institute two rounds of employee layoffs. As a result of these measures, and a concerted effort on the part of all City Departments to conserve and reduce expenditures wherever possible, the City finished the year \$1,984,734 under budget in our expenses and transfers out. Of these savings, \$1,916,177 was achieved through savings in our supplies and services and an additional \$537,789 was saved through reduced employee costs. These savings helped offset internal services and transfers, which finished slightly over budget.

The City’s revenue shortfall of \$930,806 was primarily due to a \$439,733 shortfall in sales tax and Parks Planning development revenue shortfall of \$289,530.

Supplemental changes to the FY 2007/08 General Fund budget were:

- Decrease of \$1,991,770 for personnel changes during the year
- Decrease of \$1,557,555 for supplies and services
- Decrease of \$638,788 for internal service
- Decrease of \$69,822 for capital outlay
- Increase of \$1,899,680 for transfers out

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, 2008, capital assets net of accumulated amortization and depreciation of the Governmental activities totaled \$409,427,233, excluding intangible assets. Capital assets net of accumulated amortization and depreciation of the Business-Type activities totaled \$184,743,674, excluding intangible assets. Amortization and depreciation on capital assets is recognized in the Government-Wide financial statements. Refer to Note #5, found on pages 54 – 56 of this report, for detailed information regarding capital assets. The City has elected to use the amortization and depreciation method as allowed by GASB Statement No. 34 for infrastructure reporting.

	Original Cost	Accumulated Depreciation	Book Value
Capital Assets – Governmental:			
Land	\$ 31,664,076	\$ -	\$ 31,664,076
Land Improvements	26,193,688	784,896	25,408,792
Buildings	15,134,628	2,807,001	12,327,627
Infrastructure	319,843,104	43,710,798	276,132,306
Machinery and Equipment	3,377,226	1,642,263	1,734,963
Vehicles	6,790,877	3,492,251	3,298,626
Intangible Assets	4,245,000	208,231	4,036,769
Work in Progress – CIP & Infrastructure	54,824,074	-	54,824,074
Total Capital Assets – Governmental	<u>\$ 462,072,673</u>	<u>\$ 52,645,440</u>	<u>\$ 409,427,233</u>
Capital Assets – Business-Type:			
Land	\$ 1,968,198	\$ -	\$ 1,968,198
Land Improvements	1,230,303	740,830	489,473
Buildings	10,256,670	2,518,482	7,738,188
Infrastructure	158,142,393	17,074,630	141,067,763
Machinery and Equipment	1,060,005	662,060	397,945
Intangible Assets	10,597,532	1,074,306	9,523,226
Work in Progress – CIP & Infrastructure	23,558,881	-	23,558,881
Total Capital Assets – Business-Type	<u>\$ 206,813,982</u>	<u>\$ 22,070,308</u>	<u>\$ 184,743,674</u>

Debt Administration – Debt, considered a liability of Governmental Activities, decreased in fiscal year 2007/08 by \$801,716. Per capita debt outstanding decreased from \$787 to \$745 per capita compared to the prior fiscal year. Detailed information regarding long-term debt activity can be found in Note #6 on pages 56 – 63 in this report.

Debt of the Business-Type activities decreased by \$2,615,827 in fiscal year 2007/08 due primarily to regularly scheduled principal payments.

	Balance June 30, 2007	Incurred or Issued	Satisfied or Matured	Balance June 30, 2008
Governmental Activities				
Notes Payable	1,738,860	-	112,369	1,626,491
Bonds Payable	35,501,238	202,821	855,000	34,849,059
Accumulated Compensated Absences	1,272,732	1,449,984	1,487,152	1,235,564
Total Governmental Activities	<u>\$ 38,512,830</u>	<u>\$ 1,652,805</u>	<u>\$ 2,454,521</u>	<u>\$ 37,711,114</u>
Business-Type Activities				
Notes Payable	40,541,318	126,192	2,480,868	38,186,642
Bonds Payable	9,945,000	-	310,000	9,635,000
Accumulated Compensated Absences	249,077	401,410	352,561	297,926
Total Business-Type Activities	<u>\$ 50,735,395</u>	<u>\$ 527,602</u>	<u>\$ 3,143,429</u>	<u>\$ 48,119,568</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The key assumptions in the General Fund revenue forecast for fiscal year 2008/09 were:

1. Approximately 35 new housing units will be constructed, down from a peak of 1,400 units a few years ago.
2. Sales Tax revenues are expected to increase by 9% due to the opening of the Streets of Brentwood, a 460,000 square foot lifestyle center.
3. Lowered interest rates will cause a decline in investment income.

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 11% during the past decade, is expected to increase by less than 3% per year over the next several years. Key budgetary impacts addressed in the 2008/09 budget were:

- Building revenues will decline about \$800,000 from the already depressed levels of 2007/08. This represents a decline of 91% from our peak revenue year for building revenue which occurred during the 2004/05 fiscal year.
- Property taxes, which grew 13% during the 2007/08 fiscal year, are projected to decrease by 9% in 2008/09.
- Property Transfer Taxes are expected to increase from 2007/08 due to increased sales activity, although they will remain significantly below the amounts received in the early to mid 2000's.
- In 2005/06, the City implemented a plan to minimize its dependence on development impact fees. As part of this plan staff members funded through CIP are having their funding allocations changed from development impact fees to General Fund. The City will complete this transition in the 2008/09 fiscal year.

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, 2008

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Investments	\$ 123,877,396	\$ 57,798,245	\$ 181,675,641
Restricted Cash and Investments	18,238,648	959,863	19,198,511
Receivables	3,583,270	5,526,556	9,109,826
Prepays	75,002	25,155	100,157
Land Held for Resale	2,805,668	-	2,805,668
Notes Receivable	-	58,500	58,500
Total Current Assets	<u>148,579,984</u>	<u>64,368,319</u>	<u>212,948,303</u>
Non-Current Assets:			
Deferred Charges	-	427,085	427,085
Long-Term Notes Receivable	250,000	584,520	834,520
Internal Balances	(710,855)	710,855	-
Capital Assets, Net of Accumulated Depreciation & Amortization:			
Intangible Assets	4,036,769	9,523,226	13,559,995
Land	31,664,076	1,968,198	33,632,274
Land Improvements	25,408,792	489,473	25,898,265
Buildings	12,327,627	7,738,188	20,065,815
Infrastructure	276,132,306	141,067,763	417,200,069
Machinery and Equipment	1,734,963	397,945	2,132,908
Vehicles	3,298,626	-	3,298,626
Work in Progress	54,824,074	23,558,881	78,382,955
Total Non-Current Assets	<u>408,966,378</u>	<u>186,466,134</u>	<u>595,432,512</u>
Total Assets	<u>557,546,362</u>	<u>250,834,453</u>	<u>808,380,815</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	6,562,221	2,651,183	9,213,404
Other Liabilities	-	36,886	36,886
Unearned Revenue	214,424	308,442	522,866
Deposits Held	5,146,109	122,337	5,268,446
Long-Term Liabilities Due Within One Year	1,744,718	3,020,553	4,765,271
Total Current Liabilities	<u>13,667,472</u>	<u>6,139,401</u>	<u>19,806,873</u>
Non-Current Liabilities Due in More Than One Year:			
Bonds Payable	33,944,059	9,305,000	43,249,059
Notes Payable	1,528,112	35,674,845	37,202,957
Compensated Absences Payable	494,225	119,170	613,395
Total Non-Current Liabilities	<u>35,966,396</u>	<u>45,099,015</u>	<u>81,065,411</u>
Total Liabilities	<u>49,633,868</u>	<u>51,238,416</u>	<u>100,872,284</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	372,951,683	137,697,679	510,649,362
Restricted for:			
Debt Service	12,402,086	-	12,402,086
Specific Projects and Programs	68,050,652	28,721,075	96,771,727
Unrestricted	54,508,073	33,177,282	87,685,355
Total Net Assets	<u>\$ 507,912,494</u>	<u>\$ 199,596,036</u>	<u>\$ 707,508,530</u>

Statement of Activities and Changes in Net Assets
 For Year Ended June 30, 2008

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	\$ 26,566,890	\$ 4,832,281	\$ 1,207,946	\$ 3,865,605	\$ 9,905,832	\$ (16,661,058)	\$ -	\$ (16,661,058)
Public Safety	13,770,801	611,166	1,358,473	240,954	2,210,593	(11,560,208)	-	(11,560,208)
Community Development	5,581,469	2,021,118	-	38,733	2,059,851	(3,521,618)	-	(3,521,618)
Engineering	2,420,953	2,218,835	-	-	2,218,835	(202,118)	-	(202,118)
Public Works	5,441,455	87,670	3,171,515	28,593,366	31,852,551	26,411,096	-	26,411,096
Parks and Recreation	9,312,868	1,128,180	-	2,895,098	4,023,278	(5,289,590)	-	(5,289,590)
Community Services	3,728,537	-	4,130,738	-	4,130,738	402,201	-	402,201
Interest on Long-Term Debt	1,557,776	-	-	-	-	(1,557,776)	-	(1,557,776)
Total Governmental Activities	68,380,749	10,899,250	9,868,672	35,633,756	56,401,678	(11,979,071)	-	(11,979,071)
Business-Type Activities								
Wastewater	6,734,960	6,966,204	-	4,746,542	11,712,746	-	4,977,786	4,977,786
Solid Waste	6,620,638	9,284,062	-	-	9,284,062	-	2,663,424	2,663,424
Water	12,304,859	16,279,479	-	5,841,309	22,120,788	-	9,815,929	9,815,929
City Rentals	654,428	467,271	-	-	467,271	-	(187,157)	(187,157)
Housing	792,055	174,368	-	1,383,304	1,557,672	-	765,617	765,617
Total Business-Type Activities	27,106,940	33,171,384	-	11,971,155	45,142,539	-	18,035,599	18,035,599
Total Primary Government	\$ 95,487,689	\$ 44,070,634	\$ 9,868,672	\$ 47,604,911	\$ 101,544,217	\$ (11,979,071)	\$ 18,035,599	\$ 6,056,528
General Revenues:								
Taxes:								
Property Taxes						20,802,069	-	20,802,069
Sales Tax						4,827,706	-	4,827,706
Franchise Fees						1,018,540	-	1,018,540
Public Service Taxes						342,627	-	342,627
Measure C, TOT						635,411	-	635,411
Motor Vehicle Taxes						3,942,089	-	3,942,089
Investment Earnings						8,191,379	3,663,930	11,855,309
Miscellaneous						1,765,659	-	1,765,659
Transfers						144,482	(144,482)	-
Total General Revenues and Transfers						41,669,962	3,519,448	45,189,410
Change in Net Assets						29,690,891	21,555,047	51,245,938
Net Assets - Beginning of Year - Restated						478,221,603	178,040,989	656,262,592
Net Assets - End of Year						\$ 507,912,494	\$ 199,596,036	\$ 707,508,530

City of Brentwood

Balance Sheet
Governmental Funds
 June 30, 2008

	Debt Service		Capital Projects		Other Governmental Funds	Total Governmental Funds
	General Fund	Redevelopment Debt	Capital Improvement Financing Program 2005-1	Community Facilities Improvement Projects		
ASSETS						
Current Assets:						
Cash and Investments	\$ 29,600,497	\$ 9,669,560	\$ -	\$ 17,947,078	\$ 42,919,528	\$ 100,136,663
Restricted Cash and Investments	-	-	9,767,609	-	8,471,039	18,238,648
Receivables	930,215	16,291	-	84,576	4,722,959	5,754,041
Prepays	69,008	-	-	-	2,697	71,705
Due from Other Funds	-	-	-	-	1,393,656	1,393,656
Land Held for Resale	-	-	-	-	2,805,668	2,805,668
Total Assets	\$ 30,599,720	\$ 9,685,851	\$ 9,767,609	\$ 18,031,654	\$ 60,315,547	\$ 128,400,381
LIABILITIES AND FUND BALANCES						
Current Liabilities:						
Accounts Payable and Accrued Liabilities	\$ 1,228,168	\$ 1,385,939	\$ -	\$ 556,459	\$ 3,130,959	\$ 6,301,525
Due to Other Funds	-	-	-	64,000	1,130,216	1,194,216
Interfund Balances	-	-	-	-	910,295	910,295
Unearned Revenue	214,424	-	-	-	3,069,493	3,283,917
Deposits Held	5,146,109	-	-	-	-	5,146,109
Total Liabilities	6,588,701	1,385,939	-	620,459	8,240,963	16,836,062
Fund Balances:						
Reserved for:						
Prepays	69,008	-	-	-	2,697	71,705
Land Held for Resale	-	-	-	-	2,805,668	2,805,668
Debt Service	-	8,299,912	-	-	2,297,133	10,597,045
Specific Projects and Programs	-	-	9,767,609	17,411,195	40,871,848	68,050,652
Unreserved, Reported in:						
General Fund	23,942,011	-	-	-	-	23,942,011
Special Revenue	-	-	-	-	6,156,567	6,156,567
Capital Projects	-	-	-	-	(59,329)	(59,329)
Total Fund Balances	24,011,019	8,299,912	9,767,609	17,411,195	52,074,584	111,564,319
Total Liabilities and Fund Balances	\$ 30,599,720	\$ 9,685,851	\$ 9,767,609	\$ 18,031,654	\$ 60,315,547	\$ 128,400,381

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

June 30, 2008

Total Fund Balances - Total Governmental Funds	\$	111,564,319
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.		404,784,038
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.		28,152,938
The long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		1,038,771
Long-term liabilities are not due and payable in the current period; therefore, they are not reported in the Governmental Funds Balance Sheet:		
Bonds		(34,849,059)
Notes Payable		(1,626,491)
Compensated Absences		(1,152,022)
Total Long Term Liabilities		(37,627,572)
Net Assets of Governmental Activities	\$	507,912,494

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For Year Ended June 30, 2008

	Debt Service		Capital Projects		Other Governmental Funds	Total Governmental Funds
	General Fund	Redevelopment Debt	Capital Improvement Program 2005-1	Community Facilities Improvement Projects		
REVENUES						
Taxes	\$ 16,511,382	\$ 6,270,270	\$ -	\$ -	\$ 3,436,940	\$ 26,218,592
Licenses	454,678	-	-	-	-	454,678
Permits and Fines	3,311,232	-	-	-	-	3,311,232
Uses of Money and Property	2,540,498	856,411	525,055	1,117,311	2,781,540	7,820,815
Intergovernmental	4,174,292	-	-	-	3,898,151	8,072,443
Franchises	1,018,540	-	-	-	-	1,018,540
Charges for Other Services	515,471	-	-	-	-	515,471
Charges to Other Funds	5,293,754	-	-	-	-	5,293,754
Fees and Other Revenues	1,324,519	-	-	273,717	14,703,219	16,301,455
Total Revenues	35,144,366	7,126,681	525,055	1,391,028	24,819,850	69,006,980
EXPENDITURES						
Current:						
General Government	6,306,881	-	10,267,480	-	7,896,976	24,471,337
Public Safety	14,082,356	-	-	-	261,320	14,343,676
Community Development	4,095,931	1,643,431	-	-	17,050	5,756,412
Engineering	2,574,651	-	-	-	-	2,574,651
Public Works	2,676,479	-	-	-	-	2,676,479
Parks and Recreation	5,797,217	-	-	-	2,394,119	8,191,336
Community Services	225,313	-	-	-	3,514,303	3,739,616
Capital Outlay	64,014	-	-	3,352,049	8,379,210	11,795,273
Debt Service:						
Principal	112,369	435,000	-	-	420,000	967,369
Interest and Fiscal Charges	-	934,300	-	-	420,655	1,354,955
Total Expenditures	35,935,211	3,012,731	10,267,480	3,352,049	23,303,633	75,871,104
REVENUES OVER (UNDER) EXPENDITURES	(790,845)	4,113,950	(9,742,425)	(1,961,021)	1,516,217	(6,864,124)
OTHER FINANCING SOURCES (USES)						
Transfers In	3,339,031	-	-	5,001,993	11,371,793	19,712,817
Transfers Out	(3,936,732)	(1,381,677)	-	-	(13,734,645)	(19,053,054)
Total Other Financing Sources (Uses)	(597,701)	(1,381,677)	-	5,001,993	(2,362,852)	659,763
NET CHANGE IN FUND BALANCES	(1,388,546)	2,732,273	(9,742,425)	3,040,972	(846,635)	(6,204,361)
Fund Balance, Beginning of Year, Restated	25,399,565	5,567,639	19,510,034	14,370,223	52,921,219	117,768,680
Fund Balance, End of Year	\$ 24,011,019	\$ 8,299,912	\$ 9,767,609	\$ 17,411,195	\$ 52,074,584	\$ 111,564,319

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, 2008

Net Changes in Fund Balances - Total Governmental Funds	\$	(6,204,361)
<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.		11,795,273
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.		(4,815,909)
The net effect of various miscellaneous transactions involving Capital Assets (e.g. sales, trade-ins and contributions) is to increase net assets.		25,794,960
To record the net change in compensated absences in the Statement of Activities.		44,434
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.		967,369
This amount represents accretion interest.		(202,821)
Revenues in the Governmental Funds that have been previously recognized in the Statement of Activities.		141,990
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.		2,169,956
Changes in Net Assets of Governmental Activities	\$	29,690,891

Statement of Net Assets
Proprietary Funds
June 30, 2008

	Business-Type Activities - Enterprise Funds					Totals	Governmental Activities - Internal Service Funds
	Wastewater	Solid Waste	Water	City Rentals	Housing		
ASSETS							
Current Assets:							
Cash and Investments	\$ 24,893,177	\$ 7,629,536	\$ 17,752,461	\$ 145,207	\$ 7,377,864	\$ 57,798,245	\$ 23,740,733
Restricted Cash and Investments	239,890	-	719,973	-	-	959,863	-
Receivables	1,318,410	1,606,827	2,543,275	28,611	29,433	5,526,556	109,951
Prepays	6,979	8,446	8,216	920	594	25,155	3,297
Notes Receivable	-	-	58,500	-	-	58,500	-
Total Current Assets	26,458,456	9,244,809	21,082,425	174,738	7,407,891	64,368,319	23,853,981
Non-Current Assets:							
Deferred Charges	87,339	-	339,746	-	-	427,085	-
Due from Other Funds	35,331	-	45,516	-	-	80,847	-
Long-Term Notes Receivable	-	-	234,000	-	350,520	584,520	-
Interfund Balances	910,295	-	-	-	-	910,295	-
Capital Assets:							
Intangible Assets	-	-	10,597,532	-	-	10,597,532	-
Land	409,620	254,420	62,556	-	1,241,602	1,968,198	-
Buildings	2,895,399	14,000	5,780,724	-	1,566,547	10,256,670	-
Infrastructure	85,500,980	696,851	71,944,562	-	-	158,142,393	-
Machinery and Equipment	546,109	84,388	429,508	-	-	1,060,005	2,556,451
Vehicles	-	-	-	-	-	-	6,790,877
Land Improvements	58,494	1,000,000	171,809	-	-	1,230,303	-
Work in Progress	1,026,963	606,310	21,925,608	-	-	23,558,881	-
Less Accumulated Depreciation and Amortization	(8,788,188)	(656,472)	(12,576,110)	-	(49,538)	(22,070,308)	(4,704,133)
Total Capital Assets, Net of Accumulated Depreciation	81,649,377	1,999,497	98,336,189	-	2,758,611	184,743,674	4,643,195
Total Non-Current Assets	82,682,342	1,999,497	98,955,451	-	3,109,131	186,746,421	4,643,195
Total Assets	109,140,798	11,244,306	120,037,876	174,738	10,517,022	251,114,740	28,497,176
LIABILITIES AND NET ASSETS							
Current Liabilities:							
Accounts Payable and Accrued Liabilities	924,428	467,406	1,206,069	25,869	27,412	2,651,184	260,696
Due to Other Funds	-	-	-	-	280,287	280,287	-
Other Liabilities	-	-	36,886	-	-	36,886	-
Unearned Revenue	-	-	292,500	15,942	-	308,442	-
Deposits Held	-	11,518	89,750	-	21,069	122,337	-
Long-Term Debt Due Within One Year	1,811,853	-	1,029,944	-	-	2,841,797	-
Compensated Absences Payable	47,797	53,985	65,468	2,629	8,877	178,756	50,126
Total Current Liabilities	2,784,078	532,909	2,720,617	44,440	337,645	6,419,689	310,822
Non-Current Liabilities Due in More Than One Year:							
Bonds Payable	1,902,872	-	7,402,128	-	-	9,305,000	-
Notes Payable	28,000,555	-	7,674,290	-	-	35,674,845	-
Compensated Absences Payable	31,864	35,990	43,646	1,752	5,918	119,170	33,416
Total Non-Current Liabilities	29,935,291	35,990	15,120,064	1,752	5,918	45,099,015	33,416
Total Liabilities	32,719,369	568,899	17,840,681	46,192	343,563	51,518,704	344,238
Net Assets:							
Invested in Capital Assets, Net of Related Debt	50,369,998	1,999,497	82,569,573	-	2,758,611	137,697,679	4,643,195
Restricted for:							
Special Projects and Programs	17,414,749	1,438,756	2,171,914	-	7,695,656	28,721,075	-
Unrestricted	8,636,682	7,237,154	17,455,708	128,546	(280,808)	33,177,282	23,509,743
Total Net Assets	\$ 76,421,429	\$ 10,675,407	\$ 102,197,195	\$ 128,546	\$ 10,173,459	\$ 199,596,036	\$ 28,152,938

Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For Year Ended June 30, 2008

	Business-Type Activities - Enterprise Funds						Governmental
	Wastewater	Solid Waste	Water	City Rentals	Housing	Totals	Activities - Internal Service Funds
Operating Revenues:							
Charges for Services	\$ 6,816,737	\$ 9,284,062	\$ 15,849,527	\$ 465,526	\$ 170,454	\$ 32,586,306	\$ 7,251,667
Other Income	149,467	-	429,952	1,745	3,914	585,078	174,872
Total Operating Revenues	6,966,204	9,284,062	16,279,479	467,271	174,368	33,171,384	7,426,539
Operating Expenses:							
Personnel Services	1,759,138	2,333,072	2,386,183	97,170	466,323	7,041,886	1,917,009
Repairs and Maintenance	12,953	58,348	528,292	69,921	18,778	688,292	409,871
Materials, Supplies and Services	2,961,435	4,158,433	6,540,675	487,337	275,623	14,423,503	1,961,017
Depreciation and Amortization	1,336,290	70,785	1,389,695	-	31,331	2,828,101	1,116,490
Total Operating Expenses	6,069,816	6,620,638	10,844,845	654,428	792,055	24,981,782	5,404,387
Operating Income (Loss)	896,388	2,663,424	5,434,634	(187,157)	(617,687)	8,189,602	2,022,152
Non-Operating Revenues (Expenses):							
Interest Income	1,539,674	478,526	1,186,489	2,307	456,934	3,663,930	684,572
Interest Expense	(665,144)	-	(1,333,822)	-	-	(1,998,966)	-
Connection Fees Paid	-	-	(126,192)	-	-	(126,192)	-
Loss on Disposal of Capital Assets	-	-	-	-	-	-	(21,487)
Total Non-Operating Revenues (Expenses)	874,530	478,526	(273,525)	2,307	456,934	1,538,772	663,085
Income (Loss) before Contributions and Transfers	1,770,918	3,141,950	5,161,109	(184,850)	(160,753)	9,728,374	2,685,237
Contributions - Impact Fees and Credits	841,516	-	1,008,025	-	1,383,304	3,232,845	-
Capital Asset Contributions	3,905,026	-	4,833,284	-	-	8,738,310	-
Transfers In	47,316	28,175	295,310	460,430	-	831,231	304,066
Transfers Out	(292,293)	(25,193)	(371,060)	(287,167)	-	(975,713)	(819,347)
Change in Net Assets	6,272,483	3,144,932	10,926,668	(11,587)	1,222,551	21,555,047	2,169,956
Net Assets, Beginning of Year	70,148,946	7,530,475	91,270,527	140,133	8,950,908	178,040,989	25,982,982
Net Assets, End of Year	\$ 76,421,429	\$ 10,675,407	\$ 102,197,195	\$ 128,546	\$ 10,173,459	\$ 199,596,036	\$ 28,152,938

City of Brentwood

**Statement of Cash Flows
Proprietary Funds
For Year Ended June 30, 2008**

	Business-Type Activities - Enterprise Funds						Governmental
	Wastewater	Solid Waste	Water	City Rentals	Housing	Totals	Activities - Internal Service Funds
Cash Flows from Operating Activities							
Cash Received from Customers/Other Funds	\$ 6,773,985	\$ 9,138,255	\$ 15,996,694	\$ 565,395	\$ 173,435	\$ 32,647,764	\$ 195,941
Cash Received from Interfund Services	-	-	-	-	-	-	7,260,412
Cash Payments to Suppliers of Goods and Services	(2,308,986)	(3,014,038)	(6,614,827)	(278,425)	(309,649)	(12,525,925)	(2,116,051)
Cash Payments to Employees for Services	(1,759,138)	(2,333,072)	(2,386,183)	(97,170)	(466,323)	(7,041,886)	(1,917,009)
Cash Payments for Interfund Services	(427,658)	(1,020,699)	(503,274)	(329,154)	(33,786)	(2,314,571)	(357,980)
Other Receipts/Payments	(79,102)	(3,175)	(60,716)	28,377	(204,715)	(319,331)	-
Net Cash Provided By (Used for) Operating Activities	2,199,101	2,767,271	6,431,694	(110,977)	(841,038)	10,446,051	3,065,313
Cash Flows from Non-Capital Financing Activities							
Transfers Received	47,316	28,175	295,310	460,430	-	831,231	304,066
Transfers Paid	(292,293)	(25,193)	(371,060)	(287,167)	-	(975,713)	(819,347)
Due from Other Funds	(910,295)	-	1,410,295	-	-	500,000	-
Net Cash Provided By (Used for) Non-Capital Financing Activities	(1,155,272)	2,982	1,334,545	173,263	-	355,518	(515,281)
Cash Flows from Capital and Related Financing Activities							
Contributions - Impact Fees and Credits	841,516	-	1,008,025	-	1,383,304	3,232,845	-
Interest Paid on Debt	(665,144)	-	(1,333,822)	-	-	(1,998,966)	-
Principal Paid on Debt	(1,776,834)	-	(1,014,034)	-	-	(2,790,868)	-
Acquisition and Construction of Assets	(862,349)	(1,507)	(3,366,053)	-	-	(4,229,909)	(693,333)
Net Cash Provided By (Used for) Capital and Related Financing Activities	(2,462,811)	(1,507)	(4,705,884)	-	1,383,304	(5,786,898)	(693,333)
Cash Flows from Investing Activities							
Interest on Investments	1,539,674	478,526	1,186,489	2,307	456,934	3,663,930	684,572
Net Cash Provided By Investing Activities	1,539,674	478,526	1,186,489	2,307	456,934	3,663,930	684,572
Net Increase (Decrease) in Cash and Cash Equivalents	120,692	3,247,272	4,246,844	64,593	999,200	8,678,601	2,541,271
Cash and Cash Equivalents - Beginning of Year	25,012,375	4,382,264	14,225,590	80,614	6,378,664	50,079,507	21,199,462
Cash and Cash Equivalents - End of Year	\$ 25,133,067	\$ 7,629,536	\$ 18,472,434	\$ 145,207	\$ 7,377,864	\$ 58,758,108	\$ 23,740,733
Reconciliation of Operating Income to Net Cash Provided By (Used for) Operating Activities:							
Operating Income (Loss)	\$ 896,388	\$ 2,663,424	\$ 5,434,634	\$ (187,157)	\$ (617,687)	\$ 8,189,602	\$ 2,022,152
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used for) Operating Activities :							
Depreciation and Amortization	1,336,290	70,785	1,389,695	-	31,331	2,828,101	1,116,490
Receivables, Net	(250,922)	(147,866)	(148,170)	99,303	(205,971)	(653,626)	29,814
Inventories	2,547	(571)	2,711	21	322	5,030	-
Accounts Payable and Other Payables	213,722	175,061	(197,978)	12,642	(49,967)	153,480	(103,143)
Accrued Expenses	1,444	-	(1,580)	139	-	3	-
Deposits	(368)	6,438	(47,618)	(35,925)	934	(76,539)	-
Net Cash Provided By (Used for) Operating Activities	\$ 2,199,101	\$ 2,767,271	\$ 6,431,694	\$ (110,977)	\$ (841,038)	\$ 10,446,051	\$ 3,065,313



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Statement of Fiduciary Net Assets
Agency Funds
June 30, 2008

ASSETS

Cash and Investments	\$	11,004,828
Restricted Cash and Investments		6,841,369
Interest Receivable		<u>32,633</u>
Total Assets	\$	<u><u>17,878,830</u></u>

LIABILITIES

Accounts Payable and Accrued Liabilities	\$	590,555
Due to Others		67,041
Due to Bondholders		<u>17,221,234</u>
Total Liabilities	\$	<u><u>17,878,830</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, Redevelopment Debt, Capital Improvement Financing Program 2005-1 and Community Facilities 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. There are no Special Revenue Funds included as major Governmental Funds. 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, and the construction, acquisition and maintenance of open spaces, flood drains and storm drains.
- *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 on 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.

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

Debt Service Funds account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs. Redevelopment Debt is the only Debt Service Fund included as a major Governmental Fund. Below are specific descriptions of the Debt Service Funds:

- *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 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 Community Facilities 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 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 (2003-1 & 2004-1 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 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 and the First Time Homebuyers program.

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.

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

Fiduciary Funds account for Agency funds which consist of:

- Assessments – Special obligations payable from, and secured by, specific revenue sources.
- 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, 2008.

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.

NOTE # 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**iv. Use of Estimates**

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

v. 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.

NOTE # 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**vii. Compensated Absences Payable**

The following totals may be accumulated by employees each year:

- A total of 11 to 28 vacation days
- Up to either 60, 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.

NOTE # 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**ix. Deferred Compensation Plan**

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

x. New GASB Pronouncements

In 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 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.

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

In July 2007, GASB issued GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. This Statement establishes accounting and financial reporting requirements for intangible assets including: easements; water rights; timber rights; patents; trademarks and computer software. The requirements of this Statement are effective for fiscal periods beginning after June 15, 2009. The City is in the process of determining what impact the implementation of this Statement will have on the Government-Wide 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 either established by the related bond documentation, other legal agreements, or are multi-year projects whose budget cycle exceeds one fiscal year.

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

Capital Project Funds

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

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, 2008, which were due to timing issues at year-end. Coverage of these funds was addressed in the fiscal year 2008/09 Operating Budget.

Special Revenue:

Facility Fee Administration	\$ 677,978
Parks and Trails	\$ 716,270

Capital Projects:

Capital Project Administration	\$ 58,039
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C. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of the “Due To / From Other Funds” balance, as of June 30, 2008, is shown below. The due from amounts for Community Facilities Improvements, Measure C and Parks and Trails 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.

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Agriculture Administration	Community Facilities Improvement Projects	\$ 64,000
Thoroughfares	Measure C	413,086
Thoroughfares	Parks and Trails	717,130
Thoroughfares	Housing Enterprise	97,069
Community Facilities	Housing Enterprise	31,150
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	<u><u>\$ 1,474,503</u></u>

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

Interfund Loan

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Wastewater Enterprise	Facility Fee Administration - Non-Major Funds	\$ 910,295
	Total	<u><u>\$ 910,295</u></u>

Interfund Transfers

Fund Description	Community Facilities		Non-Major Governmental Funds		Wastewater Enterprise	Solid Waste Enterprise	Water Enterprise	City Rentals Enterprise	Total Transfers Out
	General Fund	Improvements	Internal Service Funds	Governmental Funds					
General Fund	\$ -	\$ 1,096,461	\$ 229,112	\$ 2,150,729	\$ -	\$ -	\$ -	\$ 460,430	\$ 3,936,732
Redevelopment Debt Service	-	-	-	1,381,677	-	-	-	-	1,381,677
Non-Major Governmental Funds	3,339,031	3,448,102	32,201	6,643,985	15,116	-	256,210	-	13,734,645
Internal Service Funds	-	346,096	-	373,776	32,200	28,175	39,100	-	819,347
Wastewater Enterprise	-	40,610	14,483	237,200	-	-	-	-	292,293
Solid Waste Enterprise	-	8,333	16,860	-	-	-	-	-	25,193
Water Enterprise	-	62,391	11,410	297,259	-	-	-	-	371,060
City Rentals Enterprise	-	-	-	287,167	-	-	-	-	287,167
Total Transfers In	<u>\$ 3,339,031</u>	<u>\$ 5,001,993</u>	<u>\$ 304,066</u>	<u>\$ 11,371,793</u>	<u>\$ 47,316</u>	<u>\$ 28,175</u>	<u>\$ 295,310</u>	<u>\$ 460,430</u>	<u>\$ 20,848,114</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
City Rentals Enterprise	\$ 460,430	Provide a subsidy to cover a portion of the costs for the City Rentals Enterprise.
Capital Projects	1,205,000	Provide a subsidy to cover a portion of the costs for the Pavement Management Program.
Capital Projects	379,136	Provide a subsidy to cover a portion of the costs for the Sunset Park Master Plan and Expansion project.
General Fund	664,915	Gas Tax revenue to subsidize the Street Maintenance Division.
Capital Projects	232,000	Provide a subsidy to cover a portion of the costs for the Agricultural Park and History Center project.
Capital Projects	600,000	Provide a subsidy to cover a portion of the costs for the Summerset Park project.
Capital Projects	125,000	Provide a subsidy to cover a portion of the costs for the McClarren Park Improvement project.
Capital Projects	250,000	Provide a subsidy to cover a portion of the costs for the Brentwood Boulevard Widening - North project.
Capital Projects	210,000	Provide a subsidy to cover a portion of the costs for the City Park project.
Capital Projects	163,776	Provide a subsidy to cover a portion of the costs for the Aquatic Complex Improvements project.
Capital Projects	250,000	Provide a subsidy to cover a portion of the costs for the Development Services Software project.
Capital Projects	500,000	Provide a subsidy to cover a portion of the costs for the Interim Civic Center Facilities project.
Capital Projects	1,200,000	Provide a subsidy to cover a portion of the costs for the Civic Center Plaza project.
Capital Projects	589,644	Provide a subsidy to cover a portion of the costs for the Fire Station #53 (Shady Willow) project.
Capital Projects	150,395	Provide a subsidy to cover a portion of the costs for the American Avenue Extension project.
Capital Projects	250,000	Provide a subsidy to cover a portion of the costs for the Information Systems project.
Capital Projects	872,700	Provide a subsidy to cover a portion of the costs for the Brentwood Business park Improvements project.
Capital Projects	1,640,035	Provide a subsidy to cover a portion of the costs for the John Muir Parkway Extension / Foothill - Phase I 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 (\$388,698) at June 30, 2008. The bank balance, before reconciling items, was \$2,223,791. 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	\$ (388,698)
Petty Cash	6,730
Pooled Investments	219,102,317
Total Cash and Investments	<u>\$ 218,720,349</u>

Cash and investments appear on the financial statements as follows:

Cash and Investments	
Governmental Activities	\$ 123,877,396
Business-Type Activities	57,798,245
Fiduciary Funds	11,004,828
	<u>192,680,469</u>
Restricted Cash and Investments	
Governmental Activities	18,238,648
Business-Type Activities	959,863
Fiduciary Funds	6,841,369
	<u>26,039,880</u>
Total Cash and Investments	<u>\$ 218,720,349</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%	30%
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 84% 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, 2008, held on behalf of the City are presented below, categorized separately to give an indication of the level of risk associated with each investment.

NOTE # 3 – CASH AND INVESTMENTS (Continued)

Investments are reported at fair value.

	Fair Value	Credit Rating	% of Rated Portfolio
Medium Term Corporate Notes	\$ 1,215,512	A	1%
Medium Term Corporate Notes	1,494,091	A+	1%
Medium Term Corporate Notes	3,613,934	AA	3%
Medium Term Corporate Notes	7,077,089	AA-	5%
Medium Term Corporate Notes	3,066,845	AA+	2%
Medium Term Corporate Notes	7,458,505	AAA	5%
Commercial Paper	6,124,149	A-1+	4%
Federal Agency Bonds / Notes	115,244,967	AAA	79%
Total Rated Investments	145,295,092		
U.S. Treasury Bonds / Notes	17,983,339	Not Rated	
Local Agency Investment Fund	33,422,253	Not Rated	
Money Market Mutual Funds	20,631,395	Not Rated	
Guaranteed Investment Contracts	1,770,238	Not Rated	
Total Unrated Investments	73,807,225		
Total Investments	\$ 219,102,317		

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.	\$ 35,241,613	16.08
Federal Home Loan Bank	41,568,108	18.97
Federal National Mortgage Association	33,747,569	15.40

* Excludes LAIF, MMMF and U.S. Treasury Securities

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, 74% of the investment portfolio is concentrated in the 0 to 2 year maturity range.

Investment Maturities

	Fair Value *	0-6 mos**	6-12 mos.	1-2 years	2-3 years	% of Portfolio
U.S. Treasury Notes/Bonds	\$ 17,983,339	\$ -	\$ 1,118,130	\$ 1,028,657	\$ 15,836,552	8.20
Medium-Term Corporate Notes	23,925,976	3,252,687	5,609,299	4,560,986	10,503,052	10.90
Federal Agency Bonds/Notes**	115,244,967	7,768,343	32,501,032	46,239,862	28,735,682	52.60
Commercial Paper	6,124,149	6,124,149	-	-	-	2.80
Local Agency Investment Funds	33,422,253	33,422,253	-	-	-	15.30
Money Market Mutual Funds	20,631,395	20,631,395	-	-	-	9.40
Guaranteed Investments Contracts	1,770,238	-	-	-	1,770,238	0.80
Totals	\$ 219,102,317	\$ 71,198,827	\$ 39,228,461	\$ 51,829,505	\$ 56,845,524	
% of Portfolio		32.50	17.90	23.66	25.94	100.00

*Fair Value includes accrued interest

**Callable Securities are reported at either 0-6 months or the earliest call date

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, 2008, the amortized cost of the pool was \$70,027,950,242. The fair value was \$70,024,464,181. 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 \$33,422,253 whose pro-rata share of fair value was estimated by the State Treasurer to be \$33,420,590. 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 – NOTES AND LOANS RECEIVABLE

Accounts receivables at June 30, 2008 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	\$ 168,568	\$ 718,616	\$ -	\$ 43,031	\$ -	\$ -	\$ 930,215
Internal Services	-	96,624	-	13,327	-	-	109,951
Special Revenue	219,642	609,078	524,980	45,096	-	2,280,722	3,679,518
Debt Service	-	-	-	16,659	-	-	16,659
Capital Projects	-	434,300	652,909	40,440	-	-	1,127,649
Total Governmental Activities	<u>\$ 388,210</u>	<u>\$ 1,858,618</u>	<u>\$ 1,177,889</u>	<u>\$ 158,553</u>	<u>\$ -</u>	<u>\$ 2,280,722</u>	<u>\$ 5,863,992</u>
Business - Type Activities:							
Wastewater	\$ -	\$ 85,301	\$ -	\$ 25,338	\$ 1,207,771	\$ -	\$ 1,318,410
Solid Waste	-	15,440	-	9,755	1,581,632	-	1,606,827
Water	-	395,280	-	20,168	2,127,827	292,500	2,835,775
City Rentals	-	28,611	-	-	-	-	28,611
Housing	-	21,069	-	8,364	-	350,520	379,953
Total Business-Type Activities	<u>\$ -</u>	<u>\$ 545,701</u>	<u>\$ -</u>	<u>\$ 63,625</u>	<u>\$ 4,917,230</u>	<u>\$ 643,020</u>	<u>\$ 6,169,576</u>

Loans Receivable at June 30, 2008 were comprised of the following:

Government - Type Activities:

PEG Media	\$ 250,000
Loans Under Redevelopment Agency Programs	2,030,722
Subtotal Governmental Funds	2,280,722
Less: Reservation for Loans Expected to be Forgiven	2,030,722
Net Notes Receivable	<u>\$ 250,000</u>

Business - Type Activities:

Diablo Water District	\$ 292,500
Down Payment Assistance Loans	350,520
Net Notes Receivable	<u>\$ 643,020</u>

NOTE # 4 – NOTES AND LOANS RECEIVABLE (Continued)

PEG Media – On February 23, 2005, the City entered into a franchise agreement with Comcast of California IV. This agreement calls for Comcast to provide the City with \$850,000 of Public, Education, and Government (PEG) capital funding over an eight year period. The City has received \$600,000 in funding through June 30, 2008. The remaining \$250,000 is due as follows: \$150,000 in the 2009/10 fiscal year, and the final \$100,000 is due during the 2012/13 fiscal year, provided there are at least 11,000 subscribers in the City.

Loans Under Redevelopment Agency Programs – The Redevelopment Agency engages in programs designed to encourage construction of or improvements to low-to-moderate income housing or other projects. Under these programs, grants or loans are provided under favorable terms to homeowners or developers who agree to spend these funds in accordance with the City's terms. Although these loans and notes are expected to be repaid in full, their balance has been offset by deferred revenue as they are not expected to be repaid during the next fiscal year. A total of \$2,030,722 is owed to the Redevelopment Agency under these programs.

Reservation for Loans Expected to be Forgiven – The loans under Redevelopment Agency programs provide for the eventual forgiveness of the loan balances if the borrower complies with all the terms of the loan over its full term. The Agency accounts for these loans as conditional grants in the entity-wide financial statements and provides a reserve against their eventual forgiveness. The balance of this reserve was \$2,030,722 at June 30, 2008.

Diablo Water District Receivable – On October 25, 2000, the City entered into an agreement with Diablo Water District for reimbursement of the construction of facilities. The agreement calls for Diablo Water District to reimburse the City a total of \$351,000, with annual payments of \$58,500 beginning in 2007/08 with the final payment due during the 2012/13 fiscal year. The remaining balance owed to the City is \$292,500, with \$58,500 due within one year.

Down Payment Assistance and GAP Loans – The City has established a first time homebuyers down payment assistance program for the benefit of first time homebuyers in the City of Brentwood that earn up to 120% of the area median income. The loans are due in 30 years or upon a change in ownership of the property. The loans may be prepaid at any time without penalty. The interest rate is dependant upon the length of time the loan exists. Loans closed in less than three years accrue interest at seven percent, loans closed in between three and ten years accrue interest at five percent, and loans held longer than ten years accrue interest at three percent. The City has also established a first time homebuyers GAP assistance program to facilitate the purchase of below market rate units from the City's Affordable Housing Program for first time homebuyers. The maximum loan amount under the GAP assistance program is \$35,000. The GAP loans are due in 30 years or upon a change in ownership of the property. The interest rate is set at three percent, simple interest. The City is currently owed \$350,020, including interest, under the Down Payment Assistance and GAP Loan programs.

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, 2008 are as follows:

	Balance July 1, 2007 (As Restated)	Increases	Decreases	Transfers	Balance June 30, 2008
Governmental Activities :					
Capital Assets, Not Being Depreciated or Amortized:					
Land	\$ 26,858,232	\$ -	\$ -	\$ 4,805,844	\$ 31,664,076
Work in Progress - CIP	84,421,674	11,731,259	(2,109,247)	(39,219,612)	54,824,074
Total Capital Assets, Not Being Depreciated or Amortized	<u>111,279,906</u>	<u>11,731,259</u>	<u>(2,109,247)</u>	<u>(34,413,768)</u>	<u>86,488,150</u>
Capital Assets, Being Depreciated and Amortized:					
Land Improvements	1,085,213	-	-	25,108,475	26,193,688
Buildings	12,324,480	-	-	2,810,148	15,134,628
Infrastructure	285,429,215	27,918,744	-	6,495,145	319,843,104
Machinery and Equipment	3,642,188	191,021	(455,983)	-	3,377,226
Vehicles	7,017,722	566,327	(793,172)	-	6,790,877
Intangible Assets	4,245,000	-	-	-	4,245,000
Total Capital Assets Being Depreciated and Amortized	<u>313,743,818</u>	<u>28,676,092</u>	<u>(1,249,155)</u>	<u>34,413,768</u>	<u>375,584,523</u>
Less Accumulated Depreciation and Amortization for:					
Land Improvements	547,629	237,267	-	-	784,896
Buildings	2,505,154	301,847	-	-	2,807,001
Infrastructure	39,546,469	4,164,329	-	-	43,710,798
Machinery and Equipment	1,726,731	351,345	(435,813)	-	1,642,263
Vehicles	3,457,267	812,303	(777,319)	-	3,492,251
Intangible Assets	142,923	65,308	-	-	208,231
Total Accumulated Depreciation and Amortization	<u>47,926,173</u>	<u>5,932,399</u>	<u>(1,213,132)</u>	<u>-</u>	<u>52,645,440</u>
Total Capital Assets, Being Depreciated and Amortized, Net	<u>265,817,645</u>	<u>22,743,693</u>	<u>(36,023)</u>	<u>34,413,768</u>	<u>322,939,083</u>
Governmental Activities Capital Assets, Net	<u>\$ 377,097,551</u>	<u>\$ 34,474,952</u>	<u>\$ (2,145,270)</u>	<u>\$ -</u>	<u>\$ 409,427,233</u>
Business-Type Activities :					
Capital Assets, Not Being Depreciated or Amortized:					
Land	\$ 1,655,954	\$ -	\$ -	\$ 312,244	\$ 1,968,198
Work in Progress - CIP	26,653,621	4,215,487	-	(7,310,227)	23,558,881
Total Capital Assets, Not Being Depreciated or Amortized	<u>28,309,575</u>	<u>4,215,487</u>	<u>-</u>	<u>(6,997,983)</u>	<u>25,527,079</u>
Capital Assets, Being Depreciated and Amortized:					
Land Improvements	1,230,303	-	-	-	1,230,303
Buildings	10,256,670	-	-	-	10,256,670
Infrastructure	142,406,099	8,738,311	-	6,997,983	158,142,393
Machinery and Equipment	1,047,548	14,422	(1,965)	-	1,060,005
Vehicles	-	-	-	-	-
Intangible Assets	10,597,532	-	-	-	10,597,532
Total Capital Assets Being Depreciated and Amortized	<u>165,538,152</u>	<u>8,752,733</u>	<u>(1,965)</u>	<u>6,997,983</u>	<u>181,286,903</u>
Less Accumulated Depreciation and Amortization for:					
Land Improvements	681,254	59,576	-	-	740,830
Buildings	2,314,418	204,064	-	-	2,518,482
Infrastructure	14,874,435	2,200,195	-	-	17,074,630
Machinery and Equipment	589,458	74,567	(1,965)	-	662,060
Vehicles	-	-	-	-	-
Intangible Assets	815,113	259,193	-	-	1,074,306
Total Accumulated Depreciation and Amortization	<u>19,274,678</u>	<u>2,797,595</u>	<u>(1,965)</u>	<u>-</u>	<u>22,070,308</u>
Total Capital Assets, Being Depreciated and Amortized, Net	<u>146,263,474</u>	<u>5,955,138</u>	<u>-</u>	<u>6,997,983</u>	<u>159,216,595</u>
Business-Type Activities Capital Assets, Net	<u>\$ 174,573,049</u>	<u>\$ 10,170,625</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 184,743,674</u>

NOTE #5 – CAPITAL ASSETS (Continued)

For the year ended June 30, 2008, depreciation expense on capital assets was charged to the governmental function as follows:

Governmental Activities:	
General Government	\$ 560,520
Public Safety	324,818
Community Development	5,232
Public Works	3,088,307
Parks and Recreation	837,032
Internal Service	1,116,490
Total Depreciation and Amortization Expense - Governmental Activities	<u><u>\$ 5,932,399</u></u>
Business-Type Activities:	
Water	\$ 1,366,800
Wastewater	1,328,679
Solid Waste	31,331
Housing	70,785
Total Depreciation and Amortization Expense - Business-Type Activities	<u><u>\$ 2,797,595</u></u>

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, 2007	Additions	Payments Adjustments	Balance June 30, 2008	Amounts Due Within One Year
Bonds					
2002 General Obligation Bonds	\$ 6,436,238	\$ 202,821 ⁽¹⁾	\$ (160,000)	\$ 6,479,059	\$ 180,000
CIP 2001 Revenue Bonds	29,065,000	-	(695,000)	28,370,000	725,000
Total Bonds	<u>35,501,238</u>	<u>202,821</u>	<u>(855,000)</u>	<u>34,849,059</u>	<u>905,000</u>
Notes Payable					
Village Community Resource Center	372,286	-	(112,369)	259,917	98,379
Heritage High Joint Use Pool	1,366,574	-	-	1,366,574	-
Total Notes Payable	<u>1,738,860</u>	<u>-</u>	<u>(112,369)</u>	<u>1,626,491</u>	<u>98,379</u>
Other					
Accumulated Compensated Absences	1,272,732	1,449,984	(1,487,152)	1,235,564	741,339
Total General Long-Term Debt	<u>\$ 38,512,830</u>	<u>\$ 1,652,805</u>	<u>\$ (2,454,521)</u>	<u>\$ 37,711,114</u>	<u>\$ 1,744,718</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
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	290,000	94,825	384,825
2014-2018	1,738,907	492,406	2,231,313
2019-2023	990,475	1,854,525	2,845,000
2024-2028	933,382	2,696,618	3,630,000
2029-2031	542,213	2,102,788	2,645,001
Sub-total	5,369,977	<u>\$ 7,730,824</u>	<u>\$ 13,100,801</u>
Accretion to date	1,109,082		
	<u>\$ 6,479,059</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.

The Agency has pledged future tax increment revenues, less amounts required to be set aside in the Low Income Housing Fund, for the repayment of a portion of the Bonds. The pledge of future tax increment revenues ends upon repayment of \$32,596,147 remaining debt service on the bonds. The repayment of the debt service is scheduled to occur in 2032. Projected tax increment revenues are expected to provide coverage over debt service of 458% over the life of the bonds. For fiscal year 2008, tax increment revenue amounted to \$6,270,270, which represented coverage of 4.58 times \$1,369,300 of debt service. The remaining portion of the Bonds is repayable from any source of available funds of the City.

Year Ending June 30	Principal	Interest	Total
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	850,000	1,234,581	2,084,581
2014-2018	4,825,000	5,555,831	10,380,831
2019-2023	6,160,000	4,186,666	10,346,666
2024-2028	7,480,000	2,426,750	9,906,750
2029-2032	5,980,000	616,000	6,596,000
Total	<u>\$ 28,370,000</u>	<u>\$ 19,284,963</u>	<u>\$ 47,654,963</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
2009	\$ 98,379
2010	86,131
2011	75,407
Total	<u>\$ 259,917</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
2009	\$ -
2010	1,366,574
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, 2008, are:

Governmental	\$ 494,225
Business-Type	\$ 119,170

B. BUSINESS-TYPE ACTIVITIES

	Balance		Payments	Balance	Amounts Due
	June 30, 2007	Additions	Adjustments	June 30, 2008	Within
					One Year
Notes Payable					
CCWD Water Connection Fee	\$ 9,082,956	\$ 126,192	\$ (767,429)	\$ 8,441,719	\$ 767,429
State Water Resources Loan (Wastewater)	31,458,362	-	(1,713,439)	29,744,923	1,744,368
Total Notes Payable	<u>40,541,318</u>	<u>126,192</u>	<u>(2,480,868)</u>	<u>38,186,642</u>	<u>2,511,797</u>
Wastewater Revenue Bonds	<u>2,033,752</u>	<u>-</u>	<u>(63,395)</u>	<u>1,970,357</u>	<u>67,485</u>
Water Revenue Bonds	<u>7,911,248</u>	<u>-</u>	<u>(246,605)</u>	<u>7,664,643</u>	<u>262,515</u>
Other					
Accumulated Compensated Absences	249,077	401,410	(352,561)	297,926	178,756
Total All Business-Type Funds	<u>\$ 50,735,395</u>	<u>\$ 527,602</u>	<u>\$ (3,143,429)</u>	<u>\$ 48,119,568</u>	<u>\$ 3,020,553</u>

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, 2008, was \$3,211 per connection, with an interest rate of zero percent per annum.

Year Ending June 30	Principal
2009	\$ 767,429
2010	767,429
2011	767,429
2012	767,429
2013	767,429
2014-2018	3,837,145
2019	767,429
Total	<u>\$ 8,441,719</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, 2008, the City's gross repayment obligation totaled \$34,219,425 and is being reported in the accompanying financial statement net of the unamortized discount of \$4,474,502. During FY 2007/08, the City repaid \$1,713,439 on the obligation and amortized \$567,856 of the discount which was reported as interest expense.

Year Ending June 30	Principal	Interest	Total
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	1,873,771	407,524	2,281,295
2014-2018	9,888,583	1,517,892	11,406,475
2019-2023	10,813,886	592,589	11,406,475
Total	<u>\$ 29,744,923</u>	<u>\$ 4,474,502</u>	<u>\$ 34,219,425</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, 2008, is \$9,635,000. Future payments for these bonds are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	405,000	458,516	863,516
2014-2018	2,375,000	1,935,232	4,310,232
2019-2023	3,110,000	1,195,258	4,305,258
2024-2026	2,320,000	265,781	2,585,781
Total	<u>\$ 9,635,000</u>	<u>\$ 5,883,776</u>	<u>\$ 15,518,776</u>
Wastewater Fund Portion	\$ 1,970,357	\$ 1,203,232	\$ 3,173,589
Water Fund Portion	7,664,643	4,680,544	12,345,187
	<u>\$ 9,635,000</u>	<u>\$ 5,883,776</u>	<u>\$ 15,518,776</u>

The City has pledged future water and wastewater customer revenues, net of specified operating expenses, through 2026 to repay the Water/Wastewater Revenue Bonds. The bond covenants require the net water and wastewater revenues to exceed 1.25 times coverage of the annual principal and interest payments on the bonds. The Water Fund's total principal and interest remaining to be paid on the bonds is \$12,345,187, and the Wastewater Fund's total principal and interest remaining to be paid on the bonds is \$3,173,589. The Water Fund's principal and interest paid for the current year was \$684,055, and the total customer net revenues paid for the current year was \$15,849,527. The Wastewater Fund's principal and interest paid for the current year was \$175,851, and the total customer net revenues paid for the current year was \$6,816,737.

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.

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NOTE # 7 – SPECIAL ASSESSMENT DISTRICTS (Continued)

Special Assessment District Bonds	Assessment District Debt
Brentwood Infrastructure Financing Authority - 1996 Reassessment Bonds, Series A and B • Dated December 20, 1996 • Annual debt service payments, including interest at 4.05 percent to 6.8 percent, range from \$707,720 to \$763,230 • Final payment due September 2017	\$ 10,960,000
Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2002 A & B (Refinancing of CIFP'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	16,984,000
Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2004 A & B (Refinancing of CIFP 94-1) • Dated February 12, 2004 • Annual debt service payments, including interest at 2.0 percent to 5.2 percent, range from \$826,735 to \$2,407,520 • Final payment due September 2029	31,707,000
Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2004 C (Refinancing of CIFP 2000-1) • Dated November 19, 2004 • Annual debt service payments, including interest at 2.0 percent to 4.375 percent, range from \$796,706 to \$818,338 • Final payment due September 2030	11,350,000
Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2005 A & B (Refinancing of CIFP 2002-1) • Dated June 16, 2005 • Annual debt service payments, including interest at 2.5 percent to 5.0 percent, range from \$1,046,784 to \$1,057,496 • Final payment due September 2032	15,360,000
Brentwood Infrastructure Financing Authority - CIFP 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	38,860,000
Brentwood Infrastructure Financing Authority - CIFP 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	16,960,000
Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2006 A&B (Refinancing of CIFP 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
City of Brentwood - Limited Obligation Improvement Bonds, Randy Way Sewer Line • Dated August 7, 2007 • Annual debt service payments, including interest at 3.95 percent to 5.20 percent, range from \$53,123 to \$58,060 • Final payment due September 2037	840,000
Total Assessment District Debt	\$ 178,771,000

NOTE # 8 – CLASSIFICATION OF NET ASSETS

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

- Invested In Capital Assets, Net of Related Debt – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce 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 2007/08 was 13.975 percent for miscellaneous employees and 28.804 percent for safety employees. The contribution requirements of the plan members are established by State Statute and the employer contribution rate is established and may be amended by CalPERS. For fiscal year 2007/08, the City of Brentwood paid both the member contribution amounts and the employer contribution amounts for all full-time, benefited, active plan members.

NOTE # 9 – DEFINED BENEFIT PENSION PLAN (Continued)**C. ANNUAL PENSION COST**

For fiscal year 2007/08, the City of Brentwood's annual pension cost was \$5,326,721. This amount equals the City's required and actual contributions. The required contribution for fiscal year 2007/08 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
6/30/2006	\$ 5,221,470	100%	\$ -
6/30/2007	\$ 5,572,961	100%	\$ -
6/30/2008	\$ 5,326,721	100%	\$ -

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 (\$19 million coverage, \$10,000 deductible); Employer's Resource Management Association (ERMA) (\$1 million, \$50,000 deductible on employment claims); Fire and Property (\$1 billion coverage, \$5,000 deductible); Flood (\$25 million, \$100,000 to \$250,000 minimum deductible per occurrence); Auto (\$250,000 coverage, Police \$3,000 deductible, all others \$2,000) and Workers Compensation (\$250 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.

NOTE # 10 – RISK MANAGEMENT (Continued)

The Authority was formed in June of 1977, under a “joint exercise of power agreement”, to provide general liability, workers' compensation, property and employee benefits insurance coverage. The Authority is governed by a Board of Directors composed of one appointed official from each City. Members at June 30, 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. 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, 54 retirees are receiving these benefits. The City pays up to \$972.24 per month for health insurance for miscellaneous retirees and up to \$996.27 per month for safety retirees. Expenditures for post-retirement health care benefits are recognized on a pay as you go method. During fiscal year 2007/08, expenditures of \$432,297 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.

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

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.

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.

The Brentwood Redevelopment Agency paid a total of \$1,385,939 in negotiated pass-through payments for the 2007/08 fiscal year.

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.

The Brentwood Redevelopment Agency paid a total of \$274,497 in statutory pass-through payments for the 2007/08 fiscal year.

NOTE # 13 – CONTINGENT LIABILITIES

A. LITIGATION

The City is subject to litigation arising in the normal course of business. In the opinion of the City Attorney there is no presently filed litigation which is likely to have a material adverse affect on the financial position of the City.

B. FEDERAL GRANTS

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

C. DEVELOPER FEE CREDITS

The City entered into several agreements with various developers and merchant builders who are developing 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, 2008 was \$24,456,616, after a total of \$2,141,624 were used as credits through fiscal year 2007/08. 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, 2008, the City had the following commitments with respect to unfinished capital projects:

<u>Project Name</u>	<u>Outstanding Commitment</u>
Aquatic Complex / Concession	\$ 314,278
Brentwood Senior Activity Center	2,384,990
Pavement Management Program	1,077,533
Surface Water Treatment Facility Phases I & II	3,745,515
	<u>\$ 7,522,316</u>

NOTE # 14 – SUBSEQUENT EVENT

On November 13, 2008, the Brentwood Infrastructure Financing Authority issued \$53,200,000 in Water Revenue Bonds with interest rates ranging from 4.50 to 5.75 percent, due July 1, 2038. The bonds provided the financing for a newly constructed water treatment plant which has the capacity to currently treat 12 to 15 million gallons per day. The plant is expandable to 30 million gallons per day to meet the demands of the City at build-out. Included in this financing was the refinancing of the water portion of the City's 1996 Water/Wastewater Bonds. The Wastewater portion of the 1996 Water/Wastewater Bond debt was retired through early pay off.

NOTE # 15 – FUND BALANCE AND NET ASSETS RESTATEMENTS

The City has determined two capital assets and a deposit for land held for resale were recorded incorrectly in previous years. The capital assets were in the Governmental Funds and had been inappropriately capitalized in a previous year on the Statement of Net Assets. They have therefore been removed from beginning net assets and from the capital asset totals.

A deposit for land held for resale had been recorded as an expense rather than as an asset in the Redevelopment Low Income Housing Fund. Therefore, an adjustment to beginning fund balance was recorded in order to establish the asset.

The effects of the restatements on the beginning balances are as follows: 1) a decrease in Governmental net assets of \$2,475,224, and 2) an increase to the Redevelopment Low Income Housing Fund of \$128,000.



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Budgetary Comparison Schedule, General Fund
For Year Ended June 30, 2008

	Budget Amounts		Actual	Variance
	Original Budget	Final Budget		
REVENUES				
Taxes	\$ 18,911,004	\$ 17,139,016	\$ 16,511,382	\$ (627,634)
Licenses	637,500	502,000	454,678	(47,322)
Permits and Fines	6,199,327	3,223,763	3,311,232	87,469
Uses of Money and Property	1,504,938	1,814,938	2,540,498	725,560
Intergovernmental	4,624,672	4,305,455	4,174,292	(131,163)
Franchises	1,047,672	1,047,672	1,018,540	(29,132)
Charges for Other Services	888,777	688,110	515,471	(172,639)
Charges to Other Funds	5,330,487	5,229,834	5,293,754	63,920
Fees and Other Revenues	1,692,517	1,842,110	1,324,519	(517,591)
Total Revenues	40,836,894	35,792,898	35,144,366	(648,532)
EXPENDITURES				
Current:				
General Government	8,416,017	7,141,527	6,306,881	834,646
Public Safety	15,569,290	14,569,724	14,082,356	487,368
Community Development	4,935,117	4,286,758	4,095,931	190,827
Engineering	3,511,881	2,784,546	2,574,651	209,895
Public Works	3,086,096	2,811,884	2,676,479	135,405
Parks and Recreation	6,642,405	6,313,814	5,909,586	404,228
Community Services	248,216	242,834	225,313	17,521
Capital Outlay	64,014	64,014	64,014	-
Total Expenditures	42,473,036	38,215,101	35,935,211	2,279,890
REVENUES OVER (UNDER) EXPENDITURES	(1,636,142)	(2,422,203)	(790,845)	1,631,358
OTHER FINANCING SOURCES (USES)				
Transfers In	3,226,483	3,621,305	3,339,031	(282,274)
Transfers Out	(1,741,896)	(3,641,576)	(3,936,732)	(295,156)
Total Other Financing Sources (Uses)	1,484,587	(20,271)	(597,701)	(577,430)
NET CHANGE IN FUND BALANCES	\$ (151,555)	\$ (2,442,474)	(1,388,546)	\$ 1,053,928
Fund Balance, Beginning of Year			25,399,565	
Fund Balance, End of Year			\$ 24,011,019	

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. CalPERS’ latest available actuarial value (which differs from market value) and funding progress for the State-wide pool is shown below:

Safety:

Valuation Date	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded Liability (Overfunded)	Funded Status	Annual Covered Payroll	Unfunded Actuarial Accrued Liability As a % of Payroll
6/30/2004	\$ 5,383,921,942	\$ 4,424,586,846	\$ 959,335,096	82.2%	\$ 575,296,434	166.8%
6/30/2005	\$ 6,367,049,264	\$ 5,295,150,375	\$ 1,071,898,889	83.2%	\$ 664,147,796	161.4%
6/30/2006	\$ 7,278,049,834	\$ 6,102,615,567	\$ 1,175,434,267	83.9%	\$ 754,730,438	155.7%

The City’s Safety Plan represents approximately 0.63%, 0.60% and 0.63% of the State-wide pool for the years ended June 30, 2006, 2005 and 2004 respectively, based on covered payroll of \$4,719,000, \$3,974,617 and \$3,642,532 for those years.



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Combining Balance Sheet
Non-Major Governmental Funds
 June 30, 2008

Special Revenue Funds

	<u>Thoroughfares</u>	<u>Gas Tax</u>	<u>Police Grants</u>	<u>Other Grants</u>	<u>Citywide Parks Districts</u>	<u>Community Facilities Districts</u>	<u>Community Facilities</u>	<u>Vehicle Abatement</u>	<u>Economic Development</u>
ASSETS									
Current Assets:									
Cash and Investments	\$ 4,290,573	\$ -	\$ 98,421	\$ 7,171	\$ 675,461	\$ 526,738	\$ 180,117	\$ 12,869	\$ 5,361
Restricted Cash and Investments	-	-	-	-	-	-	-	-	-
Receivables	548,704	219,642	35,490	3,926	957	962	39,069	11,174	6
Prepays	-	-	-	-	701	-	-	-	-
Due from Other Funds	1,227,285	-	-	-	-	-	31,150	-	-
Land Held for Resale	-	-	-	-	-	-	-	-	-
Total Assets	\$ 6,066,562	\$ 219,642	\$ 133,911	\$ 11,097	\$ 677,119	\$ 527,700	\$ 250,336	\$ 24,043	\$ 5,367
LIABILITIES AND FUND BALANCES									
Current Liabilities:									
Accounts Payable and Accrued Liabilities	\$ 1,902	\$ -	\$ 16,253	\$ -	\$ 230,141	\$ 91	\$ 3,427	\$ 11	\$ 1
Due to Other Funds	-	-	-	-	-	-	-	-	-
Internal Balances	-	-	-	-	-	-	-	-	-
Unearned Revenue	629,904	-	-	-	-	-	70,046	-	-
Total Liabilities	631,806	-	16,253	-	230,141	91	73,473	11	1
Fund Balances:									
Reserved for:									
Prepays	-	-	-	-	701	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Specific Projects and Programs	-	-	117,658	11,097	-	-	-	-	-
Unreserved, Reported in:									
Special Revenue	5,434,756	219,642	-	-	446,277	527,609	176,863	24,032	5,366
Capital Projects	-	-	-	-	-	-	-	-	-
Total Fund Balances	5,434,756	219,642	117,658	11,097	446,978	527,609	176,863	24,032	5,366
Total Liabilities and Fund Balances	\$ 6,066,562	\$ 219,642	\$ 133,911	\$ 11,097	\$ 677,119	\$ 527,700	\$ 250,336	\$ 24,043	\$ 5,367

Continued

Combining Balance Sheet
Non-Major Governmental Funds (Continued)
 June 30, 2008

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	\$ -	\$ 3,380,436	\$ 674,834	\$ 56,135	\$ -	\$ -	\$ 232,059	\$ -	\$ 1,088,719
Restricted Cash and Investments	-	-	-	-	-	-	-	-	-
Receivables	-	2,034,443	250,763	61	-	489,437	10,561	1,381	1,296
Prepays	-	121	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	4,725	66,496	64,000
Land Held for Resale	-	1,000,627	-	-	-	-	-	-	-
Total Assets	\$ -	\$ 6,415,627	\$ 925,597	\$ 56,196	\$ -	\$ 489,437	\$ 247,345	\$ 67,877	\$ 1,154,015
LIABILITIES AND FUND BALANCES									
Current Liabilities:									
Accounts Payable and Accrued Liabilities	\$ -	\$ 4,737	\$ 122	\$ 10	\$ -	\$ -	\$ 96	\$ 521	\$ 11,889
Due to Other Funds	-	-	-	-	-	413,086	-	717,130	-
Internal Balances	-	-	-	-	-	-	910,295	-	-
Unearned Revenue	-	2,030,722	250,000	-	-	-	14,932	66,496	-
Total Liabilities	-	2,035,459	250,122	10	-	413,086	925,323	784,147	11,889
Fund Balances:									
Reserved for:									
Prepays	-	121	-	-	-	-	-	-	-
Land Held for Resale	-	1,000,627	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Specific Projects and Programs	-	3,379,420	675,475	56,186	-	76,351	-	(716,270)	1,142,126
Unreserved, Reported in:									
Special Revenue	-	-	-	-	-	-	(677,978)	-	-
Capital Projects	-	-	-	-	-	-	-	-	-
Total Fund Balances	-	4,380,168	675,475	56,186	-	76,351	(677,978)	(716,270)	1,142,126
Total Liabilities and Fund Balances	\$ -	\$ 6,415,627	\$ 925,597	\$ 56,196	\$ -	\$ 489,437	\$ 247,345	\$ 67,877	\$ 1,154,015

Continued

Combining Balance Sheet
Non-Major Governmental Funds (Continued)
 June 30, 2008

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	\$ 21,599	\$ 558,627	\$ 93,899	\$ -	\$ 695,988	\$ 8,632,517	\$ 24,353	\$ 3,620,734
Restricted Cash and Investments	-	-	-	-	-	-	-	-
Receivables	24	585	109	-	8,174	9,755	28	12,971
Prepays	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-
Total Assets	\$ 21,623	\$ 559,212	\$ 94,008	\$ -	\$ 704,162	\$ 8,642,272	\$ 24,381	\$ 3,633,705
LIABILITIES AND FUND BALANCES								
Current Liabilities:								
Accounts Payable and Accrued Liabilities	\$ 4	\$ 86	\$ 232	\$ -	\$ 118	\$ 1,603	\$ 5	\$ 528,864
Due to Other Funds	-	-	-	-	-	-	-	-
Internal Balances	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	7,393	-	-	-
Total Liabilities	4	86	232	-	7,511	1,603	5	528,864
Fund Balances:								
Reserved for:								
Prepays	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
Specific Projects and Programs	21,619	559,126	93,776	-	696,651	8,640,669	24,376	3,104,841
Unreserved, Reported in:								
Special Revenue	-	-	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-	-	-
Total Fund Balances	21,619	559,126	93,776	-	696,651	8,640,669	24,376	3,104,841
Total Liabilities and Fund Balances	\$ 21,623	\$ 559,212	\$ 94,008	\$ -	\$ 704,162	\$ 8,642,272	\$ 24,381	\$ 3,633,705

Continued

Combining Balance Sheet
Non-Major Governmental Funds (Continued)
 June 30, 2008

	Debt Service Funds			Capital Project Funds					
	Capital Improvement Program 2001	2002 General Obligation Bond	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 2006-1	2002 Series A & B	2006 Series A & B	Capital Improvement 2001
ASSETS									
Current Assets:									
Cash and Investments	\$ 106,564	\$ 80,438	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Cash and Investments	2,109,809	-	-	2,948	1,295	4,358,712	395,338	-	-
Receivables	120	248	-	-	-	-	-	-	-
Prepays	-	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-	-
Total Assets	\$ 2,216,493	\$ 80,686	\$ -	\$ 2,948	\$ 1,295	\$ 4,358,712	\$ 395,338	\$ -	\$ -
LIABILITIES AND FUND BALANCES									
Current Liabilities:									
Accounts Payable and Accrued Liabilities	\$ 21	\$ 25	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-	-	-	-	-
Internal Balances	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-
Total Liabilities	21	25	-	-	-	-	-	-	-
Fund Balances:									
Reserved for:									
Prepays	-	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-	-
Debt Service	2,216,472	80,661	-	-	-	-	-	-	-
Specific Projects and Programs	-	-	-	2,948	1,295	4,358,712	395,338	-	-
Unreserved, Reported in:									
Special Revenue	-	-	-	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-	-	-	-
Total Fund Balances	2,216,472	80,661	-	2,948	1,295	4,358,712	395,338	-	-
Total Liabilities and Fund Balances	\$ 2,216,493	\$ 80,686	\$ -	\$ 2,948	\$ 1,295	\$ 4,358,712	\$ 395,338	\$ -	\$ -

Continued

Combining Balance Sheet
Non-Major Governmental Funds (Continued)
 June 30, 2008

Capital Project Funds (Continued)

	Randy Way District Improvements	City Capital Improvement Financing Program	Capital Project Administration	Park Improvement Projects	Drainage Improvement Projects	Street Improvement Projects	Vineyards Projects	Redevelopment Projects	Total Non-Major Governmental Funds
ASSETS									
Current Assets:									
Cash and Investments	\$ 4,178	\$ 330,477	\$ -	\$ 1,159,377	\$ 762,962	\$ 8,637,253	\$ 1,771,210	\$ 5,190,458	\$ 42,919,528
Restricted Cash and Investments	-	-	-	-	-	267	-	1,602,670	8,471,039
Receivables	5	373.00	88	-	-	1,023,208	2,000	17,399	4,722,959
Prepays	-	-	1,290	-	-	-	-	585	2,697
Due from Other Funds	-	-	-	-	-	-	-	-	1,393,656
Land Held for Resale	-	-	-	-	-	-	-	1,805,041	2,805,668
Total Assets	\$ 4,183	\$ 330,850	\$ 1,378	\$ 1,159,377	\$ 762,962	\$ 9,660,728	\$ 1,773,210	\$ 8,616,153	\$ 60,315,547
LIABILITIES AND FUND BALANCES									
Current Liabilities:									
Accounts Payable and Accrued Liabilities	\$ 129	25	\$ 59,417	\$ 900,008	\$ 6	\$ 596,892	\$ 321	\$ 774,002	3,130,959
Due to Other Funds	-	-	-	-	-	-	-	-	1,130,216
Internal Balances	-	-	-	-	-	-	-	-	910,295
Unearned Revenue	-	-	-	-	-	-	-	-	3,069,493
Total Liabilities	129	25	59,417	900,008	6	596,892	321	774,002	8,240,963
Fund Balances:									
Reserved for:									
Prepays	-	-	1,290	-	-	-	-	585	2,697
Land Held for Resale	-	-	-	-	-	-	-	1,805,041	2,805,668
Debt Service	-	-	-	-	-	-	-	-	2,297,133
Specific Projects and Programs	4,054	330,825	-	259,369	762,956	9,063,836	1,772,889	6,036,525	40,871,848
Unreserved, Reported in:									
Special Revenue	-	-	-	-	-	-	-	-	6,156,567
Capital Projects	-	-	(59,329)	-	-	-	-	-	(59,329)
Total Fund Balances	4,054	330,825	(58,039)	259,369	762,956	9,063,836	1,772,889	7,842,151	52,074,584
Total Liabilities and Fund Balances	\$ 4,183	\$ 330,850	\$ 1,378	\$ 1,159,377	\$ 762,962	\$ 9,660,728	\$ 1,773,210	\$ 8,616,153	\$ 60,315,547



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Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For Year Ended June 30, 2008

Special Revenue Funds

	Throughfares	Gas Tax	Police Grants	Other Grants	Citywide Parks Districts	Community Facilities Districts	Community Facilities	Vehicle Abatement	Economic Development
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,598,215	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	755,550	-	6,243	308	38,539	33,685	16,470	2,570	323
Intergovernmental	-	884,556	219,636	21,318	-	-	-	-	-
Fees and Other Revenues	4,483,007	-	-	-	38,434	2,354,969	655,600	47,449	-
Total Revenues	5,238,557	884,556	225,879	21,626	1,675,188	2,388,654	672,070	50,019	323
EXPENDITURES									
Current:									
General Government	391,286	-	-	10,529	-	-	18,072	-	-
Public Safety	-	-	260,644	-	-	-	-	676	-
Community Development	-	-	-	-	-	-	-	-	5
Parks and Recreation	-	-	-	-	2,135,493	-	-	-	-
Community Services	-	-	-	-	-	19,520	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Total Expenditures	391,286	-	260,644	10,529	2,135,493	19,520	18,072	676	5
REVENUES OVER (UNDER) EXPENDITURES	4,847,271	884,556	(34,765)	11,097	(460,305)	2,369,134	653,998	49,343	318
OTHER FINANCING SOURCES (USES)									
Transfers In	3,562,064	-	-	-	566,165	-	-	-	-
Transfers Out	(1,067,466)	(664,914)	(22,690)	-	(32,201)	(1,900,000)	(415,019)	(120,000)	-
Total Other Financing Sources (Uses)	2,494,598	(664,914)	(22,690)	-	533,964	(1,900,000)	(415,019)	(120,000)	-
Net Change in Fund Balances	7,341,869	219,642	(57,455)	11,097	73,659	469,134	238,979	(70,657)	318
Fund Balance, Beginning of Year, Restated	(1,907,113)	-	175,113	-	373,319	58,475	(62,116)	94,689	5,048
Fund Balance, End of Year	\$ 5,434,756	\$ 219,642	\$ 117,658	\$ 11,097	\$ 446,978	\$ 527,609	\$ 176,863	\$ 24,032	\$ 5,366

Continued

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
 For Year Ended June 30, 2008

	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	\$ -	\$ 1,567,568	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	5,455	293,380	38,969	3,351	-	-	25,576	130,119	75,876
Intergovernmental	-	-	-	-	-	485,682	-	-	-
Fees and Other Revenues	-	623	200,000	4,184	-	-	220,064	7,904	7,747
Total Revenues	5,455	1,861,571	238,969	7,535	-	485,682	245,640	138,023	83,623
EXPENDITURES									
Current:									
General Government	-	256,789	567	3,219	-	1,732	5,412	-	122,027
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	258,626	-
Community Services	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	54,776	-	-
Total Expenditures	-	256,789	567	3,219	-	1,732	60,188	258,626	122,027
REVENUES OVER (UNDER) EXPENDITURES	5,455	1,604,782	238,402	4,316	-	483,950	185,452	(120,603)	(38,404)
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	(15,116)	-	-	-	-	(630,730)	-	(1,802,608)	-
Total Other Financing Sources (Uses)	(15,116)	-	-	-	-	(630,730)	-	(1,802,608)	-
Net Change in Fund Balances	(9,661)	1,604,782	238,402	4,316	-	(146,780)	185,452	(1,923,211)	(38,404)
Fund Balance, Beginning of Year, Restated	9,661	2,775,386	437,073	51,870	-	223,131	(863,430)	1,206,941	1,180,530
Fund Balance, End of Year	\$ -	\$ 4,380,168	\$ 675,475	\$ 56,186	\$ -	\$ 76,351	\$ (677,978)	\$ (716,270)	\$ 1,142,126

Continued

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
 For Year Ended June 30, 2008

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	1,333	30,014	5,319	-	40,464	532,083	1,444	202,409
Intergovernmental	-	-	-	-	-	-	-	-
Fees and Other Revenues	25,953	62,921	53,290	-	110,173	30,986	-	4,130,738
Total Revenues	27,286	92,935	58,609	-	150,637	563,069	1,444	4,333,147
EXPENDITURES								
Current:								
General Government	47,460	479	43,313	-	746	697,071	-	-
Public Safety	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	3,494,783
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Total Expenditures	47,460	479	43,313	-	746	697,071	-	3,494,783
REVENUES OVER (UNDER) EXPENDITURES	(20,174)	92,456	15,296	-	149,891	(134,002)	1,444	838,364
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	(52,221)	-	(232,000)	(589,644)	-	-	-
Total Other Financing Sources (Uses)	-	(52,221)	-	(232,000)	(589,644)	-	-	-
Net Change in Fund Balances	(20,174)	40,235	15,296	(232,000)	(439,753)	(134,002)	1,444	838,364
Fund Balance, Beginning of Year, Restated	41,793	518,891	78,480	232,000	1,136,404	8,774,671	22,932	2,266,477
Fund Balance, End of Year	\$ 21,619	\$ 559,126	\$ 93,776	\$ -	\$ 696,651	\$ 8,640,669	\$ 24,376	\$ 3,104,841

Continued

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
 For Year Ended June 30, 2008

	Debt Service Funds		Capital Project Funds						
	Capital Improvement Program 2001	2002 General Obligation Bond	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 2006-1	2002 Series A & B	2006 Series A & B	Capital Improvement 2001
REVENUES									
Taxes	\$ -	\$ 271,157	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	45,112	11,645	9,794	17,410	17,762	144,342	12,544	2,809	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	-	-	-	-	-	-
Total Revenues	45,112	282,802	9,794	17,410	17,762	144,342	12,544	2,809	-
EXPENDITURES									
Current:									
General Government	-	-	3	574,237	1,095,826	-	-	26,271	-
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	12,091	4,954	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	260,000	160,000	-	-	-	-	-	-	-
Interest and Fiscal Charges	223,923	141,956	-	-	-	-	-	-	-
Total Expenditures	496,014	306,910	3	574,237	1,095,826	-	-	26,271	-
REVENUES OVER (UNDER) EXPENDITURES	(450,902)	(24,108)	9,791	(556,827)	(1,078,064)	144,342	12,544	(23,462)	-
OTHER FINANCING SOURCES (USES)									
Transfers In	675,204	-	-	-	-	-	-	-	-
Transfers Out	-	-	(1,175,044)	(80,147)	(133,082)	(298,772)	-	(263,799)	(13,698)
Total Other Financing Sources (Uses)	675,204	-	(1,175,044)	(80,147)	(133,082)	(298,772)	-	(263,799)	(13,698)
Net Change in Fund Balances	224,302	(24,108)	(1,165,253)	(636,974)	(1,211,146)	(154,430)	12,544	(287,261)	(13,698)
Fund Balance, Beginning of Year, Restated	1,992,170	104,769	1,165,253	639,922	1,212,441	4,513,142	382,794	287,261	13,698
Fund Balance, End of Year	\$ 2,216,472	\$ 80,661	\$ -	\$ 2,948	\$ 1,295	\$ 4,358,712	\$ 395,338	\$ -	\$ -

Continued

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
 For Year Ended June 30, 2008

Capital Project Funds (Continued)

	Randy Way District Improvements	City Capital Improvement Financing Program	Capital Project Administration	Park Improvement Projects	Drainage Improvement Projects	Street Improvement Projects	Vineyards Projects	Redevelopment Projects	Total Non-Major Governmental Funds
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,436,940
Uses of Money and Property	15,358	11,837	2,024	-	-	-	106,863	144,560	2,781,540
Intergovernmental	-	-	-	-	-	2,286,959	-	-	3,898,151
Fees and Other Revenues	608,543	865,880	112,964	(86,283)	-	729,916	34,935	3,222	14,703,219
Total Revenues	623,901	877,717	114,988	(86,283)	-	3,016,875	141,798	147,782	24,819,850
EXPENDITURES									
Current:									
General Government	682,611	-	1,773,510	-	-	1,015,719	10,809	1,119,288	7,896,976
Public Safety	-	-	-	-	-	-	-	-	261,320
Community Development	-	-	-	-	-	-	-	-	17,050
Parks and Recreation	-	-	-	-	-	-	-	-	2,394,119
Community Services	-	-	-	-	-	-	-	-	3,514,303
Capital Outlay	-	-	-	3,425,233	117,043	4,836,934	-	-	8,379,210
Debt Service:									
Principal	-	-	-	-	-	-	-	-	420,000
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	420,655
Total Expenditures	682,611	-	1,773,510	3,425,233	117,043	5,852,653	10,809	1,119,288	23,303,633
REVENUES OVER (UNDER) EXPENDITURES	(58,710)	877,717	(1,658,522)	(3,511,516)	(117,043)	(2,835,778)	130,989	(971,506)	1,516,217
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	1,633,451	1,374,999	720,000	1,458,233	-	1,381,677	11,371,793
Transfers Out	-	(2,000,000)	-	-	-	-	-	(2,225,494)	(13,734,645)
Total Other Financing Sources (Uses)	-	(2,000,000)	1,633,451	1,374,999	720,000	1,458,233	-	(843,817)	(2,362,852)
Net Change in Fund Balances	(58,710)	(1,122,283)	(25,071)	(2,136,517)	602,957	(1,377,545)	130,989	(1,815,323)	(846,635)
Fund Balance, Beginning of Year, Restated	62,764	1,453,108	(32,968)	2,395,886	159,999	10,441,381	1,641,900	9,657,474	52,921,219
Fund Balance, End of Year	\$ 4,054	\$ 330,825	\$ (58,039)	\$ 259,369	\$ 762,956	\$ 9,063,836	\$ 1,772,889	\$ 7,842,151	\$ 52,074,584



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Combining Statement of Net Assets
All Internal Service Funds
 June 30, 2008

	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	\$ 5,920,253	\$ 480,701	\$ 7,972,534	\$ 334,847	\$ 1,201,112	\$ 44,323	\$ 392,660	\$ 344,541	\$ 1,702,627	\$ 5,347,135	\$ 23,740,733
Receivables	-	528	13,826	18,481	74,274	52	489	335	1,966	-	109,951
Prepays	-	1,601	-	-	-	-	1,085	611	-	-	3,297
Total Current Assets	5,920,253	482,830	7,986,360	353,328	1,275,386	44,375	394,234	345,487	1,704,593	5,347,135	23,853,981
Non-Current Assets:											
Capital Assets:											
Machinery and Equipment	-	-	2,328,633	227,818	-	-	-	-	-	-	2,556,451
Vehicles	-	-	6,790,877	-	-	-	-	-	-	-	6,790,877
Less Accumulated Depreciation	-	-	(4,529,608)	(174,525)	-	-	-	-	-	-	(4,704,133)
Total Capital Assets, Net of Accumulated Depreciation	-	-	4,589,902	53,293	-	-	-	-	-	-	4,643,195
Total Non-Current Assets	-	-	4,589,902	53,293	-	-	-	-	-	-	4,643,195
Total Assets	5,920,253	482,830	12,576,262	406,621	1,275,386	44,375	394,234	345,487	1,704,593	5,347,135	28,497,176
LIABILITIES AND NET ASSETS											
Current Liabilities:											
Accounts Payable and Accrued Liabilities	195	79,937	9,193	81,774	182	135	27,081	46,584	7,393	8,222	260,696
Compensated Absences Payable	-	27,340	-	-	-	-	15,130	7,656	-	-	50,126
Total Current Liabilities	195	107,277	9,193	81,774	182	135	42,211	54,240	7,393	8,222	310,822
Non-Current Liabilities Due in More Than One Year:											
Compensated Absences Payable	-	18,227	-	-	-	-	10,086	5,103	-	-	33,416
Total Non-Current Liabilities	-	18,227	-	-	-	-	10,086	5,103	-	-	33,416
Total Liabilities	195	125,504	9,193	81,774	182	135	52,297	59,343	7,393	8,222	344,238
Net Assets:											
Invested in Capital Assets, Net of Related Debt	-	-	4,589,902	53,293	-	-	-	-	-	-	4,643,195
Unrestricted	5,920,058	357,326	7,977,167	271,554	1,275,204	44,240	341,937	286,144	1,697,200	5,338,913	23,509,743
Total Net Assets	\$ 5,920,058	\$ 357,326	\$ 12,567,069	\$ 324,847	\$ 1,275,204	\$ 44,240	\$ 341,937	\$ 286,144	\$ 1,697,200	\$ 5,338,913	\$ 28,152,938

Combining Statement of Activities and Changes in Net Assets
All Internal Service Funds
For Year Ended June 30, 2008

	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	\$ 100,550	\$ 1,798,824	\$ 1,800,335	\$ 596,846	\$ 439,725	\$ 10,263	\$ 944,047	\$ 984,581	\$ 448,985	\$ 127,511	\$ 7,251,667
Other Income	-	7,827	128,585	45	31,496	-	4,025	2,894	-	-	174,872
Total Operating Revenues	100,550	1,806,651	1,928,920	596,891	471,221	10,263	948,072	987,475	448,985	127,511	7,426,539
Operating Expenses:											
Personnel Services	-	1,011,812	-	-	-	-	541,070	364,127	-	-	1,917,009
Repairs and Maintenance	-	1,278	-	-	3,215	-	13,632	367,441	24,305	-	409,871
Materials, Supplies and Services	31,813	555,845	24,184	262,924	971	22,206	431,402	86,916	1,485	543,271	1,961,017
Depreciation and Amortization	-	-	1,070,926	45,564	-	-	-	-	-	-	1,116,490
Total Operating Expenses	31,813	1,568,935	1,095,110	308,488	4,186	22,206	986,104	818,484	25,790	543,271	5,404,387
Operating Income (Loss)	68,737	237,716	833,810	288,403	467,035	(11,943)	(38,032)	168,991	423,195	(415,760)	2,022,152
Non-Operating Revenue (Expenses):											
Interest Income	-	23,581	443,592	11,667	59,509	3,085	26,688	17,877	98,573	-	684,572
Loss on Disposal of Capital Assets	-	-	(21,487)	-	-	-	-	-	-	-	(21,487)
Total Non-Operating Revenues (Expenses)	-	23,581	422,105	11,667	59,509	3,085	26,688	17,877	98,573	-	663,085
Income (Loss) before Contributions and Transfers	68,737	261,297	1,255,915	300,070	526,544	(8,858)	(11,344)	186,868	521,768	(415,760)	2,685,237
Transfers In	-	-	304,066	-	-	-	-	-	-	-	304,066
Transfers Out	-	(100,000)	(99,475)	(160,000)	(249,872)	-	-	-	(210,000)	-	(819,347)
Change in Net Assets	68,737	161,297	1,460,506	140,070	276,672	(8,858)	(11,344)	186,868	311,768	(415,760)	2,169,956
Net Assets, Beginning 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
Net Assets, End of Year	\$ 5,920,058	\$ 357,326	\$ 12,567,069	\$ 324,847	\$ 1,275,204	\$ 44,240	\$ 341,937	\$ 286,144	\$ 1,697,200	\$ 5,338,913	\$ 28,152,938

Combining Statement of Cash Flows
All Internal Service Funds
For Year Ended June 30, 2008

	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	\$ 303	\$ 7,962	\$ 146,012	\$ 8,051	\$ 13,199	\$ 44	\$ 17,567	\$ 2,803	\$ -	\$ -	\$ 195,941
Cash Received from Interfund Services	110,550	1,798,824	1,800,335	596,846	439,725	10,263	935,287	984,583	449,616	134,383	7,260,412
Cash Payments to Suppliers of Goods and Services	(31,696)	(276,413)	(209,583)	(229,601)	(4,079)	(22,071)	(403,667)	(384,979)	(18,101)	(535,861)	(2,116,051)
Cash Payments to Employees for Services	-	(1,011,812)	-	-	-	-	(541,070)	(364,127)	-	-	(1,917,009)
Cash Payments for Interfund Services	-	(236,329)	-	-	-	-	(53,785)	(67,866)	-	-	(357,980)
Net Cash Provided By (Used for) Operating Activities	79,157	282,232	1,736,764	375,296	448,845	(11,764)	(45,668)	170,414	431,515	(401,478)	3,065,313
Cash Flows from Non-Capital Financing Activities											
Transfers Received	-	-	304,066	-	-	-	-	-	-	-	304,066
Transfers Paid	-	(100,000)	(99,475)	(160,000)	(249,872)	-	-	-	(210,000)	-	(819,347)
Net Cash Provided By (Used for) Non-Capital Financing Activities	-	(100,000)	204,591	(160,000)	(249,872)	-	-	-	(210,000)	-	(515,281)
Cash Flows from Capital and Related Financing Activities											
Acquisition and Construction of Assets	-	-	(693,333)	-	-	-	-	-	-	-	(693,333)
Net Cash Provided By (Used for) Capital and Related Financing Activities	-	-	(693,333)	-	-	-	-	-	-	-	(693,333)
Cash Flows from Investing Activities											
Interest on Investments	-	23,581	443,592	11,667	59,509	3,085	26,688	17,877	98,573	-	684,572
Net Cash Provided By Investing Activities	-	23,581	443,592	11,667	59,509	3,085	26,688	17,877	98,573	-	684,572
Net Increase (Decrease) in Cash and Cash Equivalents	79,157	205,813	1,691,614	226,963	258,482	(8,679)	(18,980)	188,291	320,088	(401,478)	2,541,271
Cash and Cash Equivalents - Beginning 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
Cash and Cash Equivalents - End of Year	\$ 5,920,253	\$ 480,701	\$ 7,972,534	\$ 334,847	\$ 1,201,112	\$ 44,323	\$ 392,660	\$ 344,541	\$ 1,702,627	\$ 5,347,135	\$ 23,740,733
Reconciliation of Operating Income to Net Cash Provided By (Used for) Operating Activities:											
Operating Income (Loss)	\$ 68,737	\$ 237,716	\$ 833,810	\$ 288,403	\$ 467,035	\$ (11,943)	\$ (38,032)	\$ 168,991	\$ 423,195	\$ (415,760)	\$ 2,022,152
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used for) Operating Activities:											
Depreciation	-	-	1,070,926	45,564	-	-	-	-	-	-	1,116,490
Change in Assets and Liabilities:											
Receivables, Net	10,303	135	17,427	8,006	(18,297)	43	4,782	(89)	632	6,872	29,814
Accounts Payable and Other Payables	117	44,381	(185,399)	33,323	107	136	(12,418)	1,512	7,688	7,410	(103,143)
Net Cash Provided By (Used for) Operating Activities	\$ 79,157	\$ 282,232	\$ 1,736,764	\$ 375,296	\$ 448,845	\$ (11,764)	\$ (45,668)	\$ 170,414	\$ 431,515	\$ (401,478)	\$ 3,065,313



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Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
 June 30, 2008

	<u>Assessments</u>	<u>Pass-Through Funds</u>	<u>Asset Seizure</u>	<u>Total</u>
ASSETS				
Cash and Investments	\$ 10,381,290	\$ 591,887	\$ 31,651	\$ 11,004,828
Restricted Cash and Investments	6,841,369	-	-	6,841,369
Interest Receivable	31,772	825	36	32,633
Total Assets	<u>\$ 17,254,431</u>	<u>\$ 592,712</u>	<u>\$ 31,687</u>	<u>\$ 17,878,830</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 33,197	\$ 557,358	\$ -	\$ 590,555
Due to Others	-	35,354	31,687	67,041
Due to Bondholders	17,221,234	-	-	17,221,234
Total Liabilities	<u>\$ 17,254,431</u>	<u>\$ 592,712</u>	<u>\$ 31,687</u>	<u>\$ 17,878,830</u>

Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
For Year Ended June 30, 2008

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
Assessments				
ASSETS				
Cash and Investments	\$ 9,029,637	\$ 19,717,009	\$ 18,365,356	\$ 10,381,290
Restricted Cash and Investments	7,294,921	1,666,196	2,119,748	6,841,369
Interest Receivable	35,673	79,544	83,445	31,772
Total Assets	<u>\$ 16,360,231</u>	<u>\$ 21,462,749</u>	<u>\$ 20,568,549</u>	<u>\$ 17,254,431</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 11,749	\$ 15,364,094	\$ 15,342,646	\$ 33,197
Due to Bondholders	16,348,482	18,506,598	17,633,846	17,221,234
Total Liabilities	<u>\$ 16,360,231</u>	<u>\$ 33,870,692</u>	<u>\$ 32,976,492</u>	<u>\$ 17,254,431</u>
Pass-Through Funds				
ASSETS				
Cash and Investments	\$ 1,769,250	\$ 2,507,449	\$ 3,684,812	\$ 591,887
Interest Receivable	3,193	825	3,193	825
Total Assets	<u>\$ 1,772,443</u>	<u>\$ 2,508,274</u>	<u>\$ 3,688,005</u>	<u>\$ 592,712</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 1,737,089	\$ 5,442,327	\$ 6,622,058	\$ 557,358
Due to Others	35,354	-	-	35,354
Total Liabilities	<u>\$ 1,772,443</u>	<u>\$ 5,442,327</u>	<u>\$ 6,622,058</u>	<u>\$ 592,712</u>
Asset Seizure				
ASSETS				
Cash and Investments	\$ 29,727	\$ 1,924	\$ -	\$ 31,651
Interest Receivable	52	36	52	36
Total Assets	<u>\$ 29,779</u>	<u>\$ 1,960</u>	<u>\$ 52</u>	<u>\$ 31,687</u>
LIABILITIES				
Due to Others	\$ 29,779	\$ 1,908	\$ -	\$ 31,687
Due to Bondholders	-	-	-	-
Total Liabilities	<u>\$ 29,779</u>	<u>\$ 1,908</u>	<u>\$ -</u>	<u>\$ 31,687</u>
Total - All Agency Funds				
ASSETS				
Cash and Investments	\$ 10,828,614	\$ 22,226,382	\$ 22,050,168	\$ 11,004,828
Restricted Cash and Investments	7,294,921	1,666,196	2,119,748	6,841,369
Interest Receivable	38,918	80,405	86,690	32,633
Total Assets	<u>\$ 18,162,453</u>	<u>\$ 23,972,983</u>	<u>\$ 24,256,606</u>	<u>\$ 17,878,830</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 1,748,838	\$ 20,806,421	\$ 21,964,704	\$ 590,555
Due to Others	65,133	1,908	-	67,041
Due to Bondholders	16,348,482	18,506,598	17,633,846	17,221,234
Total Liabilities	<u>\$ 18,162,453</u>	<u>\$ 39,314,927</u>	<u>\$ 39,598,550</u>	<u>\$ 17,878,830</u>

Balance Sheet

General Fund

June 30, 2008

		General Fund
ASSETS		
Current Assets:		
Cash and Investments	\$	29,600,497
Receivables		930,215
Prepays		69,008
Total Assets	\$	30,599,720
LIABILITIES AND FUND BALANCES		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	\$	1,228,168
Unearned Revenue		214,424
Deposits Held		5,146,109
Total Liabilities		6,588,701
Fund Balances:		
Reserved for:		
Prepays		69,008
Unreserved, Reported in:		
General Fund		23,942,011
Total Fund Balances		24,011,019
Total Liabilities and Fund Balances	\$	30,599,720

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For Year Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Taxes	\$ 17,139,016	\$ 16,511,382	\$ (627,634)
Licenses	502,000	454,678	(47,322)
Permits and Fines	3,223,763	3,311,232	87,469
Uses of Money and Property	1,814,938	2,540,498	725,560
Intergovernmental	4,305,455	4,174,292	(131,163)
Franchises	1,047,672	1,018,540	(29,132)
Charges for Other Services	688,110	515,471	(172,639)
Charges to Other Funds	5,229,834	5,293,754	63,920
Fees and Other Revenues	1,842,110	1,324,519	(517,591)
Total Revenues	<u>35,792,898</u>	<u>35,144,366</u>	<u>(648,532)</u>
EXPENDITURES			
Current:			
General Government	7,141,527	6,306,881	834,646
Public Safety	14,569,724	14,082,356	487,368
Community Development	4,286,758	4,095,931	190,827
Engineering	2,784,546	2,574,651	209,895
Public Works	2,811,884	2,676,479	135,405
Parks	6,201,445	5,797,217	404,228
Community Services	242,834	225,313	17,521
Capital Outlay	64,014	64,014	-
Debt Service:			
Principal	112,369	112,369	-
Total Expenditures	<u>38,215,101</u>	<u>35,935,211</u>	<u>2,279,890</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(2,422,203)</u>	<u>(790,845)</u>	<u>1,631,358</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	3,621,305	3,339,031	(282,274)
Transfers Out	(3,641,576)	(3,936,732)	(295,156)
Total Other Financing Sources (Uses)	<u>(20,271)</u>	<u>(597,701)</u>	<u>(577,430)</u>
NET CHANGE IN FUND BALANCES	<u>\$ (2,442,474)</u>	<u>(1,388,546)</u>	<u>\$ 1,053,928</u>
Fund Balance, Beginning of Year		<u>25,399,565</u>	
Fund Balance, End of Year		<u>\$ 24,011,019</u>	

Combining Balance Sheet
All Special Revenue Funds
 June 30, 2008

	<u>Thoroughfares</u>	<u>Gas Tax</u>	<u>Police Grants</u>	<u>Other Grants</u>	<u>Citywide Parks Districts</u>	<u>Community Facilities Districts</u>	<u>Community Facilities</u>	<u>Vehicle Abatement</u>	<u>Economic Development</u>
ASSETS									
Current Assets:									
Cash and Investments	\$ 4,290,573	\$ -	\$ 98,421	\$ 7,171	\$ 675,461	\$ 526,738	\$ 180,117	\$ 12,869	\$ 5,361
Receivables	548,704	219,642	35,490	3,926	957	962	39,069	11,174	6
Prepays	-	-	-	-	701	-	-	-	-
Due from Other Funds	1,227,285	-	-	-	-	-	31,150	-	-
Land Held for Resale	-	-	-	-	-	-	-	-	-
Total Assets	\$ 6,066,562	\$ 219,642	\$ 133,911	\$ 11,097	\$ 677,119	\$ 527,700	\$ 250,336	\$ 24,043	\$ 5,367
LIABILITIES AND FUND BALANCES									
Current Liabilities:									
Accounts Payable and Accrued Liabilities	\$ 1,902	\$ -	\$ 16,253	\$ -	\$ 230,141	\$ 91	\$ 3,427	\$ 11	\$ 1
Due to Other Funds	-	-	-	-	-	-	-	-	-
Internal Balances	-	-	-	-	-	-	-	-	-
Unearned Revenue	629,904	-	-	-	-	-	70,046	-	-
Total Liabilities	631,806	-	16,253	-	230,141	91	73,473	11	1
Fund Balances:									
Reserved for:									
Prepays	-	-	-	-	701	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-	-
Specific Projects and Programs	-	-	117,658	11,097	-	-	-	-	-
Unreserved, Reported in:									
Special Revenue	5,434,756	219,642	-	-	446,277	527,609	176,863	24,032	5,366
Total Fund Balances	5,434,756	219,642	117,658	11,097	446,978	527,609	176,863	24,032	5,366
Total Liabilities and Fund Balances	\$ 6,066,562	\$ 219,642	\$ 133,911	\$ 11,097	\$ 677,119	\$ 527,700	\$ 250,336	\$ 24,043	\$ 5,367

Continued

City of Brentwood

Combining Balance Sheet
All Special Revenue Funds (Continued)
 June 30, 2008

	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	\$ -	\$ 3,380,436	\$ 674,834	\$ 56,135	\$ -	\$ -	\$ 232,059	\$ -	\$ 1,088,719
Receivables	-	2,034,443	250,763	61	-	489,437	10,561	1,381	1,296
Prepays	-	121	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	4,725	66,496	64,000
Land Held for Resale	-	1,000,627	-	-	-	-	-	-	-
Total Assets	\$ -	\$ 6,415,627	\$ 925,597	\$ 56,196	\$ -	\$ 489,437	\$ 247,345	\$ 67,877	\$ 1,154,015
LIABILITIES AND FUND BALANCES									
Current Liabilities:									
Accounts Payable and Accrued Liabilities	\$ -	\$ 4,737	\$ 122	\$ 10	\$ -	\$ -	\$ 96	\$ 521	\$ 11,889
Due to Other Funds	-	-	-	-	-	413,086	-	717,130	-
Internal Balances	-	-	-	-	-	-	910,295	-	-
Unearned Revenue	-	2,030,722	250,000	-	-	-	14,932	66,496	-
Total Liabilities	-	2,035,459	250,122	10	-	413,086	925,323	784,147	11,889
Fund Balances:									
Reserved for:									
Prepays	-	121	-	-	-	-	-	-	-
Land Held for Resale	-	1,000,627	-	-	-	-	-	-	-
Specific Projects and Programs	-	3,379,420	675,475	56,186	-	76,351	-	(716,270)	1,142,126
Unreserved, Reported in:									
Special Revenue	-	-	-	-	-	-	(677,978)	-	-
Total Fund Balances	-	4,380,168	675,475	56,186	-	76,351	(677,978)	(716,270)	1,142,126
Total Liabilities and Fund Balances	\$ -	\$ 6,415,627	\$ 925,597	\$ 56,196	\$ -	\$ 489,437	\$ 247,345	\$ 67,877	\$ 1,154,015

Continued

Combining Balance Sheet
All Special Revenue Funds (Continued)
 June 30, 2008

	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	\$ 21,599	\$ 558,627	\$ 93,899	\$ -	\$ 695,988	\$ 8,632,517	\$ 24,353	\$ 3,620,734	\$ 24,876,611
Receivables	24	585	109	-	8,174	9,755	28	12,971	3,679,518
Prepays	-	-	-	-	-	-	-	-	822
Due from Other Funds	-	-	-	-	-	-	-	-	1,393,656
Land Held for Resale	-	-	-	-	-	-	-	-	1,000,627
Total Assets	\$ 21,623	\$ 559,212	\$ 94,008	\$ -	\$ 704,162	\$ 8,642,272	\$ 24,381	\$ 3,633,705	\$ 30,951,234
LIABILITIES AND FUND BALANCES									
Current Liabilities:									
Accounts Payable and Accrued Liabilities	\$ 4	\$ 86	\$ 232	\$ -	\$ 118	\$ 1,603	\$ 5	\$ 528,864	\$ 800,113
Due to Other Funds	-	-	-	-	-	-	-	-	1,130,216
Internal Balances	-	-	-	-	-	-	-	-	910,295
Unearned Revenue	-	-	-	-	7,393	-	-	-	3,069,493
Total Liabilities	4	86	232	-	7,511	1,603	5	528,864	5,910,117
Fund Balances:									
Reserved for:									
Prepays	-	-	-	-	-	-	-	-	822
Land Held for Resale	-	-	-	-	-	-	-	-	1,000,627
Specific Projects and Programs	21,619	559,126	93,776	-	696,651	8,640,669	24,376	3,104,841	17,883,101
Unreserved, Reported in:									
Special Revenue	-	-	-	-	-	-	-	-	6,156,567
Total Fund Balances	21,619	559,126	93,776	-	696,651	8,640,669	24,376	3,104,841	25,041,117
Total Liabilities and Fund Balances	\$ 21,623	\$ 559,212	\$ 94,008	\$ -	\$ 704,162	\$ 8,642,272	\$ 24,381	\$ 3,633,705	\$ 30,951,234



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Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Special Revenue Funds
For Year Ended June 30, 2008

	Thoroughfares	Gas Tax	Police Grants	Other Grants	Citywide Parks Districts	Community Facilities Districts	Community Facilities	Vehicle Abatement	Economic Development
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,598,215	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	755,550	-	6,243	308	38,539	33,685	16,470	2,570	323
Intergovernmental	-	884,556	219,636	21,318	-	-	-	-	-
Fees and Other Revenues	4,483,007	-	-	-	38,434	2,354,969	655,600	47,449	-
Total Revenues	5,238,557	884,556	225,879	21,626	1,675,188	2,388,654	672,070	50,019	323
EXPENDITURES									
Current:									
General Government	391,286	-	-	10,529	-	-	18,072	-	-
Public Safety	-	-	260,644	-	-	-	-	676	-
Community Development	-	-	-	-	-	-	-	-	5
Parks and Recreation	-	-	-	-	2,135,493	-	-	-	-
Community Services	-	-	-	-	-	19,520	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Debt Service:									
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Total Expenditures	391,286	-	260,644	10,529	2,135,493	19,520	18,072	676	5
REVENUES OVER (UNDER) EXPENDITURES	4,847,271	884,556	(34,765)	11,097	(460,305)	2,369,134	653,998	49,343	318
OTHER FINANCING SOURCES (USES)									
Transfers In	3,562,064	-	-	-	566,165	-	-	-	-
Transfers Out	(1,067,466)	(664,914)	(22,690)	-	(32,201)	(1,900,000)	(415,019)	(120,000)	-
Total Other Financing Sources (Uses)	2,494,598	(664,914)	(22,690)	-	533,964	(1,900,000)	(415,019)	(120,000)	-
Net Change in Fund Balances	7,341,869	219,642	(57,455)	11,097	73,659	469,134	238,979	(70,657)	318
Fund Balance, Beginning of Year, Restated	(1,907,113)	-	175,113	-	373,319	58,475	(62,116)	94,689	5,048
Fund Balance, End of Year	\$ 5,434,756	\$ 219,642	\$ 117,658	\$ 11,097	\$ 446,978	\$ 527,609	\$ 176,863	\$ 24,032	\$ 5,366

Continued

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Special Revenue Funds (Continued)
 For Year Ended June 30, 2008

	<u>Storm Drainage</u>	<u>RDA Low Income Housing</u>	<u>PEG Media</u>	<u>Asset Forfeiture</u>	<u>Open Space</u>	<u>Measure C</u>	<u>Facility Fee Administration</u>	<u>Parks and Trails</u>	<u>Agriculture Administration</u>
REVENUES									
Taxes	\$ -	\$ 1,567,568	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	5,455	293,380	38,969	3,351	-	-	25,576	130,119	75,876
Intergovernmental	-	-	-	-	-	485,682	-	-	-
Fees and Other Revenues	-	623	200,000	4,184	-	-	220,064	7,904	7,747
Total Revenues	<u>5,455</u>	<u>1,861,571</u>	<u>238,969</u>	<u>7,535</u>	<u>-</u>	<u>485,682</u>	<u>245,640</u>	<u>138,023</u>	<u>83,623</u>
EXPENDITURES									
Current:									
General Government	-	256,789	567	3,219	-	1,732	5,412	-	122,027
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	258,626	-
Community Services	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Debt Service:									
Interest and Fiscal Charges	-	-	-	-	-	-	54,776	-	-
Total Expenditures	<u>-</u>	<u>256,789</u>	<u>567</u>	<u>3,219</u>	<u>-</u>	<u>1,732</u>	<u>60,188</u>	<u>258,626</u>	<u>122,027</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>5,455</u>	<u>1,604,782</u>	<u>238,402</u>	<u>4,316</u>	<u>-</u>	<u>483,950</u>	<u>185,452</u>	<u>(120,603)</u>	<u>(38,404)</u>
OTHER FINANCING SOURCES (USES)									
Transfers Out	(15,116)	-	-	-	-	(630,730)	-	(1,802,608)	-
Total Other Financing Sources (Uses)	<u>(15,116)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(630,730)</u>	<u>-</u>	<u>(1,802,608)</u>	<u>-</u>
Net Change in Fund Balances	<u>(9,661)</u>	<u>1,604,782</u>	<u>238,402</u>	<u>4,316</u>	<u>-</u>	<u>(146,780)</u>	<u>185,452</u>	<u>(1,923,211)</u>	<u>(38,404)</u>
Fund Balance, Beginning of Year, Restated	<u>9,661</u>	<u>2,775,386</u>	<u>437,073</u>	<u>51,870</u>	<u>-</u>	<u>223,131</u>	<u>(863,430)</u>	<u>1,206,941</u>	<u>1,180,530</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 4,380,168</u>	<u>\$ 675,475</u>	<u>\$ 56,186</u>	<u>\$ -</u>	<u>\$ 76,351</u>	<u>\$ (677,978)</u>	<u>\$ (716,270)</u>	<u>\$ 1,142,126</u>

Continued

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Special Revenue Funds (Continued)
 For Year Ended June 30, 2008

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,165,783
Uses of Money and Property	1,333	30,014	5,319	-	40,464	532,083	1,444	202,409	2,239,480
Intergovernmental	-	-	-	-	-	-	-	-	1,611,192
Fees and Other Revenues	25,953	62,921	53,290	-	110,173	30,986	-	4,130,738	12,434,042
Total Revenues	27,286	92,935	58,609	-	150,637	563,069	1,444	4,333,147	19,450,497
EXPENDITURES									
Current:									
General Government	47,460	479	43,313	-	746	697,071	-	-	1,598,702
Public Safety	-	-	-	-	-	-	-	-	261,320
Community Development	-	-	-	-	-	-	-	-	5
Parks and Recreation	-	-	-	-	-	-	-	-	2,394,119
Community Services	-	-	-	-	-	-	-	3,494,783	3,514,303
Debt Service:									
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	54,776
Total Expenditures	47,460	479	43,313	-	746	697,071	-	3,494,783	7,823,225
REVENUES OVER (UNDER) EXPENDITURES	(20,174)	92,456	15,296	-	149,891	(134,002)	1,444	838,364	11,627,272
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	4,128,229
Transfers Out	-	(52,221)	-	(232,000)	(589,644)	-	-	-	(7,544,609)
Total Other Financing Sources (Uses)	-	(52,221)	-	(232,000)	(589,644)	-	-	-	(3,416,380)
Net Change in Fund Balances	(20,174)	40,235	15,296	(232,000)	(439,753)	(134,002)	1,444	838,364	8,210,892
Fund Balance, Beginning of Year, Restated	41,793	518,891	78,480	232,000	1,136,404	8,774,671	22,932	2,266,477	16,830,225
Fund Balance, End of Year	\$ 21,619	\$ 559,126	\$ 93,776	\$ -	\$ 696,651	\$ 8,640,669	\$ 24,376	\$ 3,104,841	\$ 25,041,117



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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, 2008**

	Thoroughfares			Gas Tax			Police Grants		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	124,485	755,550	631,065	-	-	-	5,100	6,243	1,143
Intergovernmental	-	-	-	929,584	884,556	(45,028)	336,366	219,636	(116,730)
Fees and Other Revenues	2,662,535	4,483,007	1,820,472	-	-	-	-	-	-
Total Revenues	2,787,020	5,238,557	2,451,537	929,584	884,556	(45,028)	341,466	225,879	(115,587)
EXPENDITURES									
Current:									
General Government	390,707	391,286	(579)	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	341,466	260,644	80,822
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Total Expenditures	390,707	391,286	(579)	-	-	-	341,466	260,644	80,822
REVENUES OVER (UNDER) EXPENDITURES	2,396,313	4,847,271	2,450,958	929,584	884,556	(45,028)	-	(34,765)	(34,765)
OTHER FINANCING SOURCES (USES)									
Transfers In	-	3,562,064	3,562,064	-	-	-	-	-	-
Transfers Out	(6,793,382)	(1,067,466)	5,725,916	(929,584)	(664,914)	264,670	(22,690)	(22,690)	-
Total Other Financing Sources (Uses)	(6,793,382)	2,494,598	9,287,980	(929,584)	(664,914)	264,670	(22,690)	(22,690)	-
Net Change in Fund Balances	\$ (4,397,069)	7,341,869	\$ 11,738,938	\$ -	219,642	\$ 219,642	\$ (22,690)	(57,455)	\$ (34,765)
Fund Balance, Beginning of Year, Restated		(1,907,113)			-			175,113	
Fund Balance, End of Year		\$ 5,434,756			\$ 219,642			\$ 117,658	

Continued

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds (Continued)
For Year Ended June 30, 2008**

	Other Grants			Citywide Parks Districts			Community Facilities Districts		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ 1,698,901	\$ 1,598,215	\$ (100,686)	\$ -	\$ -	\$ -
Uses of Money and Property	-	308	308	2,848	38,539	35,691	27,000	33,685	6,685
Intergovernmental	123,113	21,318	(101,795)	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	-	38,434	38,434	2,320,612	2,354,969	34,357
Total Revenues	<u>123,113</u>	<u>21,626</u>	<u>(101,487)</u>	<u>1,701,749</u>	<u>1,675,188</u>	<u>(26,561)</u>	<u>2,347,612</u>	<u>2,388,654</u>	<u>41,042</u>
EXPENDITURES									
Current:									
General Government	103,933	10,529	93,404	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	2,243,618	2,135,493	108,125	-	-	-
Community Services	-	-	-	-	-	-	20,700	19,520	1,180
Capital Outlay	-	-	-	26,963	-	26,963	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>103,933</u>	<u>10,529</u>	<u>93,404</u>	<u>2,270,581</u>	<u>2,135,493</u>	<u>135,088</u>	<u>20,700</u>	<u>19,520</u>	<u>1,180</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>19,180</u>	<u>11,097</u>	<u>(8,083)</u>	<u>(568,832)</u>	<u>(460,305)</u>	<u>108,527</u>	<u>2,326,912</u>	<u>2,369,134</u>	<u>42,222</u>
OTHER FINANCING SOURCES (USES)									
Loan Proceeds	-	-	-	-	-	-	-	-	-
Refunding Bonds Issued	-	-	-	-	-	-	-	-	-
Capital Contributions	-	-	-	-	-	-	-	-	-
Transfers In	-	-	-	566,165	566,165	-	-	-	-
Transfers Out	(19,180)	-	19,180	-	(32,201)	(32,201)	(1,900,000)	(1,900,000)	-
Total Other Financing Sources (Uses)	<u>(19,180)</u>	<u>-</u>	<u>19,180</u>	<u>566,165</u>	<u>533,964</u>	<u>(32,201)</u>	<u>(1,900,000)</u>	<u>(1,900,000)</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>11,097</u>	<u>\$ 11,097</u>	<u>\$ (2,667)</u>	<u>73,659</u>	<u>\$ 76,326</u>	<u>\$ 426,912</u>	<u>469,134</u>	<u>\$ 42,222</u>
Fund Balance, Beginning of Year, Restated		-			373,319			58,475	
Fund Balance, End of Year		<u>\$ 11,097</u>			<u>\$ 446,978</u>			<u>\$ 527,609</u>	

Continued

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds (Continued)
For Year Ended June 30, 2008**

	Community Facilities			Vehicle Abatement			Economic Development		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	373,655	16,470	(357,185)	1,800	2,570	770	-	323	323
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	1,957,085	655,600	(1,301,485)	60,000	47,449	(12,551)	-	-	-
Total Revenues	2,330,740	672,070	(1,658,670)	61,800	50,019	(11,781)	-	323	323
EXPENDITURES									
Current:									
General Government	15,000	18,072	(3,072)	-	-	-	-	-	-
Public Safety	-	-	-	1,000	676	324	-	-	-
Community Development	-	-	-	-	-	-	4,996	5	4,991
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Total Expenditures	15,000	18,072	(3,072)	1,000	676	324	4,996	5	4,991
REVENUES OVER (UNDER) EXPENDITURES	2,315,740	653,998	(1,661,742)	60,800	49,343	(11,457)	(4,996)	318	5,314
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	(4,742,100)	(415,019)	4,327,081	(120,000)	(120,000)	-	-	-	-
Total Other Financing Sources (Uses)	(4,742,100)	(415,019)	4,327,081	(120,000)	(120,000)	-	-	-	-
Net Change in Fund Balances	\$ (2,426,360)	238,979	\$ 2,665,339	\$ (59,200)	(70,657)	\$ (11,457)	\$ (4,996)	318	\$ 5,314
Fund Balance, Beginning of Year, Restated		(62,116)			94,689			5,048	
Fund Balance, End of Year		\$ 176,863			\$ 24,032			\$ 5,366	

Continued

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds (Continued)
For Year Ended June 30, 2008**

	Storm Drainage			RDA Low Income Housing			PEG Media		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ 1,377,789	\$ 1,567,568	\$ 189,779	\$ -	\$ -	\$ -
Uses of Money and Property	-	5,455	5,455	263,931	293,380	29,449	25,000	38,969	13,969
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	623	623	-	-	200,000	200,000
Total Revenues	-	5,455	5,455	1,642,343	1,861,571	219,228	25,000	238,969	213,969
EXPENDITURES									
Current:									
General Government	-	-	-	780,516	256,789	523,727	500	567	(67)
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	941,094	-	941,094	99,500	-	99,500
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	1,721,610	256,789	1,464,821	100,000	567	99,433
REVENUES OVER (UNDER) EXPENDITURES	-	5,455	5,455	(79,267)	1,604,782	1,684,049	(75,000)	238,402	313,402
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	(15,116)	(15,116)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	(15,116)	(15,116)	-	-	-	-	-	-
Net Change in Fund Balances	\$ -	(9,661)	\$ (9,661)	\$ (79,267)	1,604,782	\$ 1,684,049	\$ (75,000)	238,402	\$ 313,402
Fund Balance, Beginning of Year, Restated		9,661			2,775,386			437,073	
Fund Balance, End of Year		\$ -			\$ 4,380,168			\$ 675,475	

Continued

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds (Continued)
For Year Ended June 30, 2008**

	Asset Forfeiture			Open Space			Measure C		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	-	3,351	3,351	2,061	-	(2,061)	-	-	-
Intergovernmental	-	-	-	-	-	-	461,249	485,682	24,433
Fees and Other Revenues	15,000	4,184	(10,816)	-	-	-	-	-	-
Total Revenues	15,000	7,535	(7,465)	2,061	-	(2,061)	461,249	485,682	24,433
EXPENDITURES									
Current:									
General Government	28,000	3,219	24,781	2,500	-	2,500	5,400	1,732	3,668
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Total Expenditures	28,000	3,219	24,781	2,500	-	2,500	5,400	1,732	3,668
REVENUES OVER (UNDER) EXPENDITURES	(13,000)	4,316	17,316	(439)	-	439	455,849	483,950	28,101
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	(630,730)	(630,730)	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	(630,730)	(630,730)	-
Net Change in Fund Balances	\$ (13,000)	4,316	\$ 17,316	\$ (439)	-	\$ 439	\$ (174,881)	(146,780)	\$ 28,101
Fund Balance, Beginning of Year, Restated		51,870			-			223,131	
Fund Balance, End of Year		\$ 56,186			\$ -			\$ 76,351	

Continued

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds (Continued)
For Year Ended June 30, 2008**

	Facility Fee Administration			Parks and Trails			Agriculture Administration		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	13,047	25,576	12,529	54,277	130,119	75,842	40,000	75,876	35,876
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	449,633	220,064	(229,569)	617,836	7,904	(609,932)	21,000	7,747	(13,253)
Total Revenues	462,680	245,640	(217,040)	672,113	138,023	(534,090)	61,000	83,623	22,623
EXPENDITURES									
Current:									
General Government	189,249	5,412	183,837	-	-	-	310,750	122,027	188,723
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	720,559	258,626	461,933	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	500,000	-	500,000	-	-	-	-	-	-
Interest and Fiscal Charges	63,398	54,776	8,622	-	-	-	-	-	-
Total Expenditures	752,647	60,188	692,459	720,559	258,626	461,933	310,750	122,027	188,723
REVENUES OVER (UNDER) EXPENDITURES	(289,967)	185,452	475,419	(48,446)	(120,603)	(72,157)	(249,750)	(38,404)	211,346
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	(2,625,176)	(1,802,608)	822,568	-	-	-
Total Other Financing Sources (Uses)	-	-	-	(2,625,176)	(1,802,608)	822,568	-	-	-
Net Change in Fund Balances	\$ (289,967)	185,452	\$ 475,419	\$ (2,673,622)	(1,923,211)	\$ 750,411	\$ (249,750)	(38,404)	\$ 211,346
Fund Balance, Beginning of Year, Restated		(863,430)			1,206,941			1,180,530	
Fund Balance, End of Year		\$ (677,978)			\$ (716,270)			\$ 1,142,126	

Continued

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds (Continued)
For Year Ended June 30, 2008**

	Public Art Administration			Public Art Acquisition			Arts Commission		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	145	1,333	1,188	10,995	30,014	19,019	2,500	5,319	2,819
Intergovernmental	-	-	-	-	-	-	5,000	-	(5,000)
Fees and Other Revenues	110,032	25,953	(84,079)	440,000	62,921	(377,079)	31,700	53,290	21,590
Total Revenues	<u>110,177</u>	<u>27,286</u>	<u>(82,891)</u>	<u>450,995</u>	<u>92,935</u>	<u>(358,060)</u>	<u>39,200</u>	<u>58,609</u>	<u>19,409</u>
EXPENDITURES									
Current:									
General Government	100,915	47,460	53,455	500	479	21	65,740	43,313	22,427
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>100,915</u>	<u>47,460</u>	<u>53,455</u>	<u>500</u>	<u>479</u>	<u>21</u>	<u>65,740</u>	<u>43,313</u>	<u>22,427</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>9,262</u>	<u>(20,174)</u>	<u>(29,436)</u>	<u>450,495</u>	<u>92,456</u>	<u>(358,039)</u>	<u>(26,540)</u>	<u>15,296</u>	<u>41,836</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	(108,081)	(52,221)	55,860	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(108,081)</u>	<u>(52,221)</u>	<u>55,860</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 9,262</u>	<u>(20,174)</u>	<u>\$ (29,436)</u>	<u>\$ 342,414</u>	<u>40,235</u>	<u>\$ (302,179)</u>	<u>\$ (26,540)</u>	<u>15,296</u>	<u>\$ 41,836</u>
Fund Balance, Beginning of Year, Restated		<u>41,793</u>			<u>518,891</u>			<u>78,480</u>	
Fund Balance, End of Year		<u>\$ 21,619</u>			<u>\$ 559,126</u>			<u>\$ 93,776</u>	

Continued

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds (Continued)
For Year Ended June 30, 2008

	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	-	-	-	11,092	40,464	29,372	300,000	532,083	232,083
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	382,000	-	(382,000)	439,649	110,173	(329,476)	85,000	30,986	(54,014)
Total Revenues	<u>382,000</u>	<u>-</u>	<u>(382,000)</u>	<u>450,741</u>	<u>150,637</u>	<u>(300,104)</u>	<u>385,000</u>	<u>563,069</u>	<u>178,069</u>
EXPENDITURES									
Current:									
General Government	-	-	-	800	746	54	1,609,000	697,071	911,929
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>800</u>	<u>746</u>	<u>54</u>	<u>1,609,000</u>	<u>697,071</u>	<u>911,929</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>382,000</u>	<u>-</u>	<u>(382,000)</u>	<u>449,941</u>	<u>149,891</u>	<u>(300,158)</u>	<u>(1,224,000)</u>	<u>(134,002)</u>	<u>1,089,998</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	(232,000)	(232,000)	-	(934,200)	(589,644)	344,556	(6,500)	-	6,500
Total Other Financing Sources (Uses)	<u>(232,000)</u>	<u>(232,000)</u>	<u>-</u>	<u>(934,200)</u>	<u>(589,644)</u>	<u>344,556</u>	<u>(6,500)</u>	<u>-</u>	<u>6,500</u>
Net Change in Fund Balances	<u>\$ 150,000</u>	<u>(232,000)</u>	<u>\$ (382,000)</u>	<u>\$ (484,259)</u>	<u>(439,753)</u>	<u>\$ 44,398</u>	<u>\$ (1,230,500)</u>	<u>(134,002)</u>	<u>\$ 1,096,498</u>
Fund Balance, Beginning of Year, Restated		<u>232,000</u>			<u>1,136,404</u>			<u>8,774,671</u>	
Fund Balance, End of Year		<u>\$ -</u>			<u>\$ 696,651</u>			<u>\$ 8,640,669</u>	

Continued

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds (Continued)
For Year Ended June 30, 2008

	Parking In Lieu			Lighting and Landscape Districts			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,076,690	\$ 3,165,783	\$ 89,093
Uses of Money and Property	271	1,444	1,173	-	202,409	202,409	1,258,207	2,239,480	981,273
Intergovernmental	-	-	-	-	-	-	1,855,312	1,611,192	(244,120)
Fees and Other Revenues	-	-	-	4,155,602	4,130,738	(24,864)	13,748,307	12,434,042	(1,314,265)
Total Revenues	<u>271</u>	<u>1,444</u>	<u>1,173</u>	<u>4,155,602</u>	<u>4,333,147</u>	<u>177,545</u>	<u>19,938,516</u>	<u>19,450,497</u>	<u>(488,019)</u>
EXPENDITURES									
Current:									
General Government	-	-	-	-	-	-	3,603,510	1,598,702	2,004,808
Public Safety	-	-	-	-	-	-	342,466	261,320	81,146
Community Development	-	-	-	-	-	-	4,996	5	4,991
Parks and Recreation	-	-	-	-	-	-	2,964,177	2,394,119	570,058
Community Services	-	-	-	4,009,365	3,494,783	514,582	4,030,065	3,514,303	515,762
Capital Outlay	-	-	-	-	-	-	1,067,557	-	1,067,557
Debt Service:									
Principal	-	-	-	-	-	-	500,000	-	500,000
Interest and Fiscal Charges	-	-	-	-	-	-	63,398	54,776	8,622
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,009,365</u>	<u>3,494,783</u>	<u>514,582</u>	<u>12,576,169</u>	<u>7,823,225</u>	<u>4,752,944</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>271</u>	<u>1,444</u>	<u>1,173</u>	<u>146,237</u>	<u>838,364</u>	<u>692,127</u>	<u>7,362,347</u>	<u>11,627,272</u>	<u>4,264,925</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	566,165	4,128,229	3,562,064
Transfers Out	-	-	-	(250,920)	-	250,920	(19,314,543)	(7,544,609)	11,769,934
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(250,920)</u>	<u>-</u>	<u>250,920</u>	<u>(18,748,378)</u>	<u>(3,416,380)</u>	<u>15,331,998</u>
Net Change in Fund Balances	<u>\$ 271</u>	<u>1,444</u>	<u>\$ 1,173</u>	<u>\$ (104,683)</u>	<u>838,364</u>	<u>\$ 943,047</u>	<u>\$ (11,386,031)</u>	<u>8,210,892</u>	<u>\$ 19,596,923</u>
Fund Balance, Beginning of Year, Restated		<u>22,932</u>			<u>2,266,477</u>			<u>16,830,225</u>	
Fund Balance, End of Year		<u>\$ 24,376</u>			<u>\$ 3,104,841</u>			<u>\$ 25,041,117</u>	



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Combining Balance Sheet
All Debt Service Funds
June 30, 2008

	Redevelopment Debt	Capital Improvement Program 2001	2002 General Obligation Bond	TOTALS
ASSETS				
Current Assets:				
Cash and Investments	\$ 9,669,560	\$ 106,564	\$ 80,438	\$ 9,856,562
Restricted Cash and Investments	-	2,109,809	-	2,109,809
Receivables	16,291	120	248	16,659
Total Assets	\$ 9,685,851	\$ 2,216,493	\$ 80,686	\$ 11,983,030
LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 1,385,939	\$ 21	\$ 25	\$ 1,385,985
Total Liabilities	1,385,939	21	25	1,385,985
Fund Balances:				
Reserved for:				
Debt Service	8,299,912	2,216,472	80,661	10,597,045
Total Fund Balances	8,299,912	2,216,472	80,661	10,597,045
Total Liabilities and Fund Balances	\$ 9,685,851	\$ 2,216,493	\$ 80,686	\$ 11,983,030

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Debt Service Funds
For Year Ended June 30, 2008

	Redevelopment Debt	Capital Improvement Program 2001	2002 General Obligation Bond	TOTALS
REVENUES				
Taxes	\$ 6,270,270	\$ -	\$ 271,157	\$ 6,541,427
Uses of Money and Property	856,411	45,112	11,645	913,168
Total Revenues	7,126,681	45,112	282,802	7,454,595
EXPENDITURES				
Current:				
Community Development	1,643,431	12,091	4,954	1,660,476
Debt Service:				
Principal	435,000	260,000	160,000	855,000
Interest and Fiscal Charges	934,300	223,923	141,956	1,300,179
Total Expenditures	3,012,731	496,014	306,910	3,815,655
REVENUES OVER (UNDER) EXPENDITURES	4,113,950	(450,902)	(24,108)	3,638,940
OTHER FINANCING SOURCES (USES)				
Transfers In	-	675,204	-	675,204
Transfers Out	(1,381,677)	-	-	(1,381,677)
Total Other Financing Sources (Uses)	(1,381,677)	675,204	-	(706,473)
Net Change in Fund Balances	2,732,273	224,302	(24,108)	2,932,467
Fund Balance, Beginning of Year	5,567,639	1,992,170	104,769	7,664,578
Fund Balance, End of Year	\$ 8,299,912	\$ 2,216,472	\$ 80,661	\$ 10,597,045

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Certain Debt Service Funds
For Year Ended June 30, 2008**

	Redevelopment Debt			Capital Improvement Program 2001			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ 5,511,162	\$ 6,270,270	\$ 759,108	\$ -	\$ -	\$ -	\$ 5,511,162	\$ 6,270,270	\$ 759,108
Uses of Money and Property	420,000	856,411	436,411	40,000	45,112	5,112	460,000	901,523	441,523
Total Revenues	5,931,162	7,126,681	1,195,519	40,000	45,112	5,112	5,971,162	7,171,793	1,200,631
EXPENDITURES									
Current:									
Community Development	1,800,000	1,643,431	156,569	13,000	12,091	909	1,813,000	1,655,522	157,478
Debt Service:									
Principal	435,000	435,000	-	260,000	260,000	-	695,000	695,000	-
Interest and Fiscal Charges	934,300	934,300	-	453,582	223,923	229,659	1,387,882	1,158,223	229,659
Total Expenditures	3,169,300	3,012,731	156,569	726,582	496,014	230,568	3,895,882	3,508,745	387,137
REVENUES OVER (UNDER) EXPENDITURES	2,761,862	4,113,950	1,352,088	(686,582)	(450,902)	235,680	2,075,280	3,663,048	1,587,768
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	713,582	675,204	(38,378)	713,582	675,204	(38,378)
Transfers Out	(1,505,895)	(1,381,677)	124,218	-	-	-	(1,505,895)	(1,381,677)	124,218
Total Other Financing Sources (Uses)	(1,505,895)	(1,381,677)	124,218	713,582	675,204	(38,378)	(792,313)	(706,473)	85,840
Net Change in Fund Balances	\$ 1,255,967	2,732,273	\$ 1,476,306	\$ 27,000	224,302	\$ 197,302	\$ 1,282,967	2,956,575	\$ 1,673,608
Fund Balance, Beginning of Year		5,567,639			1,992,170			7,559,809	
Fund Balance, End of Year		\$ 8,299,912			\$ 2,216,472			\$ 10,516,384	



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Combining Balance Sheet
All Capital Project Funds
 June 30, 2008

	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 2005-1	Capital Improvement Financing Program 2006-1	2002 Series A & B	2006 Series A & B	Capital Improvement 2001	Randy Way District Improvements
ASSETS									
Current Assets:									
Cash and Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,178
Restricted Cash and Investments	-	2,948	1,295	9,767,609	4,358,712	395,338	-	-	-
Receivables	-	-	-	-	-	-	-	-	5
Prepays	-	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-	-
Total Assets	\$ -	\$ 2,948	\$ 1,295	\$ 9,767,609	\$ 4,358,712	\$ 395,338	\$ -	\$ -	\$ 4,183
LIABILITIES AND FUND BALANCES									
Current Liabilities:									
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 129
Due to Other Funds	-	-	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-	-	-	129
Fund Balances:									
Reserved for:									
Prepays	-	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-	-
Specific Projects and Programs	-	2,948	1,295	9,767,609	4,358,712	395,338	-	-	4,054
Unreserved, Reported in:									
Capital Projects	-	-	-	-	-	-	-	-	-
Total Fund Balances	-	2,948	1,295	9,767,609	4,358,712	395,338	-	-	4,054
Total Liabilities and Fund Balances	\$ -	\$ 2,948	\$ 1,295	\$ 9,767,609	\$ 4,358,712	\$ 395,338	\$ -	\$ -	\$ 4,183

Continued

Combining Balance Sheet
All Capital Project Funds (Continued)
 June 30, 2008

	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	\$ 330,477	\$ -	\$ 17,947,078	\$ 1,159,377	\$ 762,962	\$ 8,637,253	\$ 1,771,210	\$ 5,190,458	\$ 35,802,993
Restricted Cash and Investments	-	-	-	-	-	267	-	1,602,670	16,128,839
Receivables	373	88	84,576	-	-	1,023,208	2,000	17,399	1,127,649
Prepays	-	1,290	-	-	-	-	-	585	1,875
Land Held for Resale	-	-	-	-	-	-	-	1,805,041	1,805,041
Total Assets	\$ 330,850	\$ 1,378	\$ 18,031,654	\$ 1,159,377	\$ 762,962	\$ 9,660,728	\$ 1,773,210	\$ 8,616,153	\$ 54,866,397
LIABILITIES AND FUND BALANCES									
Current Liabilities:									
Accounts Payable and Accrued Liabilities	\$ 25	\$ 59,417	\$ 556,459	\$ 900,008	\$ 6	\$ 596,892	\$ 321	\$ 774,002	\$ 2,887,259
Due to Other Funds	-	-	64,000	-	-	-	-	-	64,000
Total Liabilities	25	59,417	620,459	900,008	6	596,892	321	774,002	2,951,259
Fund Balances:									
Reserved for:									
Prepays	-	1,290	-	-	-	-	-	585	1,875
Land Held for Resale	-	-	-	-	-	-	-	1,805,041	1,805,041
Specific Projects and Programs	330,825	-	17,411,195	259,369	762,956	9,063,836	1,772,889	6,036,525	50,167,551
Unreserved, Reported in:									
Capital Projects	-	(59,329)	-	-	-	-	-	-	(59,329)
Total Fund Balances	330,825	(58,039)	17,411,195	259,369	762,956	9,063,836	1,772,889	7,842,151	51,915,138
Total Liabilities and Fund Balances	\$ 330,850	\$ 1,378	\$ 18,031,654	\$ 1,159,377	\$ 762,962	\$ 9,660,728	\$ 1,773,210	\$ 8,616,153	\$ 54,866,397

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Capital Project Funds
For Year Ended June 30, 2008

	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 2005-1	Capital Improvement Financing Program 2006-1	2002 Series A & B	2006 Series A & B	Capital Improvement 2001	Randy Way District Improvements
REVENUES									
Uses of Money and Property	\$ 9,794	\$ 17,410	\$ 17,762	\$ 525,055	\$ 144,342	\$ 12,544	\$ 2,809	\$ -	\$ 15,358
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	-	-	-	-	-	608,543
Total Revenues	9,794	17,410	17,762	525,055	144,342	12,544	2,809	-	623,901
EXPENDITURES									
Current:									
General Government	3	574,237	1,095,826	10,267,480	-	-	26,271	-	682,611
Capital Outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	3	574,237	1,095,826	10,267,480	-	-	26,271	-	682,611
REVENUES OVER (UNDER) EXPENDITURES	9,791	(556,827)	(1,078,064)	(9,742,425)	144,342	12,544	(23,462)	-	(58,710)
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	(1,175,044)	(80,147)	(133,082)	-	(298,772)	-	(263,799)	(13,698)	-
Total Other Financing Sources (Uses)	(1,175,044)	(80,147)	(133,082)	-	(298,772)	-	(263,799)	(13,698)	-
Net Change in Fund Balances	(1,165,253)	(636,974)	(1,211,146)	(9,742,425)	(154,430)	12,544	(287,261)	(13,698)	(58,710)
Fund Balance, Beginning of Year	1,165,253	639,922	1,212,441	19,510,034	4,513,142	382,794	287,261	13,698	62,764
Fund Balance, End of Year	\$ -	\$ 2,948	\$ 1,295	\$ 9,767,609	\$ 4,358,712	\$ 395,338	\$ -	\$ -	\$ 4,054

Continued

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Capital Project Funds (Continued)
 For Year Ended June 30, 2008

	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	\$ 11,837	\$ 2,024	\$ 1,117,311	\$ -	\$ -	\$ -	\$ 106,863	\$ 144,560	\$ 2,127,669
Intergovernmental	-	-	-	-	-	2,286,959	-	-	2,286,959
Fees and Other Revenues	865,880	112,964	273,717	(86,283)	-	729,916	34,935	3,222	2,542,894
Total Revenues	877,717	114,988	1,391,028	(86,283)	-	3,016,875	141,798	147,782	6,957,522
EXPENDITURES									
Current:									
General Government	-	1,773,510	-	-	-	1,015,719	10,809	1,119,288	16,565,754
Capital Outlay	-	-	3,352,049	3,425,233	117,043	4,836,934	-	-	11,731,259
Total Expenditures	-	1,773,510	3,352,049	3,425,233	117,043	5,852,653	10,809	1,119,288	28,297,013
REVENUES OVER (UNDER) EXPENDITURES	877,717	(1,658,522)	(1,961,021)	(3,511,516)	(117,043)	(2,835,778)	130,989	(971,506)	(21,339,491)
OTHER FINANCING SOURCES (USES)									
Transfers In	-	1,633,451	5,001,993	1,374,999	720,000	1,458,233	-	1,381,677	11,570,353
Transfers Out	(2,000,000)	-	-	-	-	-	-	(2,225,494)	(6,190,036)
Total Other Financing Sources (Uses)	(2,000,000)	1,633,451	5,001,993	1,374,999	720,000	1,458,233	-	(843,817)	5,380,317
Net Change in Fund Balances	(1,122,283)	(25,071)	3,040,972	(2,136,517)	602,957	(1,377,545)	130,989	(1,815,323)	(15,959,174)
Fund Balance, Beginning of Year	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
Fund Balance, End of Year	\$ 330,825	\$ (58,039)	\$ 17,411,195	\$ 259,369	\$ 762,956	\$ 9,063,836	\$ 1,772,889	\$ 7,842,151	\$ 51,915,138

***Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Certain Capital Project Funds
For Year Ended June 30, 2008***

	City Capital Improvement Financing Program			Capital Project Administration		
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES						
Uses of Money and Property	\$ 116,300	\$ 11,837	\$ (104,463)	\$ 12,051	\$ 2,024	\$ (10,027)
Fees and Other Revenues	935,485	865,880	(69,605)	8,472	112,964	104,492
Total Revenues	<u>1,051,785</u>	<u>877,717</u>	<u>(174,068)</u>	<u>20,523</u>	<u>114,988</u>	<u>94,465</u>
EXPENDITURES						
Current:						
General Government	-	-	-	2,174,862	1,773,510	401,352
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,174,862</u>	<u>1,773,510</u>	<u>401,352</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,051,785</u>	<u>877,717</u>	<u>(174,068)</u>	<u>(2,154,339)</u>	<u>(1,658,522)</u>	<u>495,817</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	2,344,948	1,633,451	(711,497)
Transfers Out	(2,000,000)	(2,000,000)	-	-	-	-
Total Other Financing Sources (Uses)	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>-</u>	<u>2,344,948</u>	<u>1,633,451</u>	<u>(711,497)</u>
Net Change in Fund Balances	<u>\$ (948,215)</u>	<u>(1,122,283)</u>	<u>\$ (174,068)</u>	<u>\$ 190,609</u>	<u>(25,071)</u>	<u>\$ (215,680)</u>
Fund Balance, Beginning of Year		<u>1,453,108</u>			<u>(32,968)</u>	
Fund Balance, End of Year		<u>\$ 330,825</u>			<u>\$ (58,039)</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, 2008**

	Vineyards Projects			Redevelopment Projects			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Uses of Money and Property	\$ 20,164	\$ 106,863	\$ 86,699	\$ 312,410	\$ 144,560	\$ (167,850)	\$ 460,925	\$ 265,284	\$ (195,641)
Fees and Other Revenues	117,500	34,935	(82,565)	586,238	3,222	(583,016)	1,647,695	1,017,001	(630,694)
Total Revenues	<u>137,664</u>	<u>141,798</u>	<u>4,134</u>	<u>898,648</u>	<u>147,782</u>	<u>(750,866)</u>	<u>2,108,620</u>	<u>1,282,285</u>	<u>(826,335)</u>
EXPENDITURES									
Current:									
General Government	100,000	10,809	89,191	3,567,687	1,119,288	2,448,399	5,842,549	2,903,607	2,938,942
Total Expenditures	<u>100,000</u>	<u>10,809</u>	<u>89,191</u>	<u>3,567,687</u>	<u>1,119,288</u>	<u>2,448,399</u>	<u>5,842,549</u>	<u>2,903,607</u>	<u>2,938,942</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>37,664</u>	<u>130,989</u>	<u>93,325</u>	<u>(2,669,039)</u>	<u>(971,506)</u>	<u>1,697,533</u>	<u>(3,733,929)</u>	<u>(1,621,322)</u>	<u>(3,765,277)</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	1,505,895	1,381,677	(124,218)	3,850,843	3,015,128	(835,715)
Transfers Out	-	-	-	(2,676,210)	(2,225,494)	450,716	(4,676,210)	(4,225,494)	450,716
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,170,315)</u>	<u>(843,817)</u>	<u>326,498</u>	<u>(825,367)</u>	<u>(1,210,366)</u>	<u>(384,999)</u>
Net Change in Fund Balances	<u>\$ 37,664</u>	<u>130,989</u>	<u>\$ 93,325</u>	<u>\$ (3,839,354)</u>	<u>(1,815,323)</u>	<u>\$ 2,024,031</u>	<u>\$ (4,559,296)</u>	<u>\$ (2,831,688)</u>	<u>\$ (4,150,276)</u>
Fund Balance, Beginning of Year		<u>1,641,900</u>			<u>9,657,474</u>			<u>12,719,514</u>	
Fund Balance, End of Year		<u>\$ 1,772,889</u>			<u>\$ 7,842,151</u>			<u>\$ 9,887,826</u>	

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

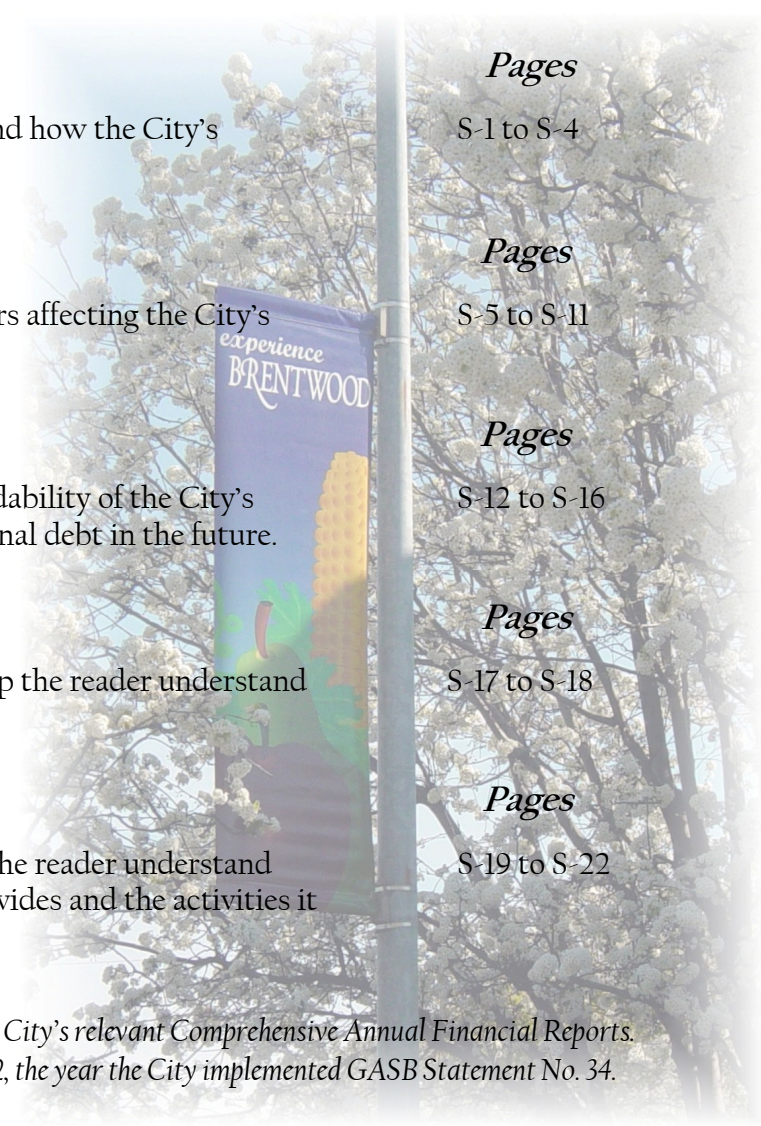
Operating Information

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 SEVEN FISCAL YEARS
 (Accrual Basis of Accounting)
 (Unaudited)

	2002	2003	2004	2005	2006	2007	2008
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	\$ 339,857,455	\$ 372,951,683
Restricted	47,295,121	43,163,510	48,177,025	34,678,623	81,395,898	79,233,723	80,452,738
Unrestricted	28,983,536	37,800,917	27,120,013	53,776,481	53,977,292	59,130,425	54,508,073
Total Governmental Activities Net Assets	\$ 183,635,212	\$ 225,393,095	\$ 272,312,712	\$ 304,175,719	\$ 430,176,478	\$ 478,221,603	\$ 507,912,494
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	\$ 137,697,679
Restricted	27,949,628	34,664,252	12,359,754	27,021,249	30,182,173	31,204,635	28,721,075
Unrestricted	512,510	5,787,062	(5,426,178)	14,373,836	14,140,500	22,052,908	33,177,282
Total Business-Type Activities Net Assets	\$ 96,961,694	\$ 138,512,712	\$ 141,829,623	\$ 185,909,355	\$ 149,112,791	\$ 178,040,989	\$ 199,596,036
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	\$ 464,640,901	\$ 510,649,362
Restricted	75,244,749	77,827,762	60,536,779	61,699,872	111,578,071	110,438,358	109,173,813
Unrestricted	29,496,046	43,587,979	21,693,835	68,150,317	68,117,792	81,183,333	87,685,355
Total Primary Government Net Assets	\$ 289,810,893	\$ 363,905,807	\$ 414,142,335	\$ 490,085,074	\$ 579,289,269	\$ 656,262,592	\$ 707,508,530

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 SEVEN FISCAL YEARS

(Accrual Basis of Accounting)

(Unaudited)

	2002	2003	2004	2005	2006	2007	2008
Governmental Activities:							
Expenses							
General Government	\$ 5,331,756	\$ 18,329,899	\$ 19,799,793	\$ 22,019,514	\$ 17,927,800	\$ 26,103,080	\$ 26,566,890
Public Safety	5,681,464	6,750,947	9,970,436	9,563,065	10,952,967	12,768,274	13,770,801
Community Development	2,944,722	2,886,102	4,804,009	5,103,462	3,960,793	5,704,796	5,581,469
Engineering	1,577,558	1,618,876	2,469,775	3,821,479	4,063,792	2,332,730	2,420,953
Public Works	2,783,123	2,942,088	3,491,159	1,796,006	1,815,288	4,967,567	5,441,455
Parks and Recreation	744,725	806,336	1,613,411	2,442,686	6,965,572	8,129,353	9,312,868
Community Services	581,152	314,293	226,732	237,458	2,059,834	3,402,377	3,728,537
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	1,557,776
Total Expenses	25,239,464	36,826,397	44,772,218	47,941,498	52,430,992	65,247,235	68,380,749
Program Revenues							
Charges for Services	12,131,112	13,862,506	16,218,168	17,530,001	16,189,709	14,225,400	10,899,250
Operating Grants and Contributions	698,207	226,570	165,107	114,791	200,915	6,443,633	9,868,672
Capital Grants and Contributions	163,450	132,575	128,384	166,951	212,611	50,529,249	35,633,756
Total Program Revenues	12,992,769	14,221,651	16,511,659	17,811,743	16,603,235	71,198,282	56,401,678
Total Governmental Activities Net Expense	(12,246,695)	(22,604,746)	(28,260,559)	(30,129,755)	(35,827,757)	5,951,047	(11,979,071)
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	20,802,069
Sales Tax	2,661,107	2,998,922	3,644,368	4,442,764	5,411,724	4,661,529	4,827,706
Franchise Fees	498,202	668,657	738,525	851,237	1,021,258	1,230,265	1,362,484
Public Service Taxes	391,088	589,266	743,890	914,426	1,000,573	527,766	342,627
Measure C, TOT	449,654	448,498	457,883	480,838	532,035	598,358	635,411
Motor Vehicle Taxes	1,423,128	1,702,280	1,508,664	2,198,750	3,502,237	3,597,495	3,942,089
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	8,191,379
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	1,421,715
Transfers	(870,776)	7,349,207	3,810,805	(1,847,651)	57,512,251	2,111,311	144,482
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	41,669,962
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	\$ 29,690,891

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 SEVEN FISCAL YEARS
 (Accrual Basis of Accounting)
 (Unaudited)

	2002	2003	2004	2005	2006	2007	2008
Business-Type Activities:							
Expenses							
Wastewater	\$ 2,813,091	\$ 3,405,073	\$ 8,461,336	\$ 5,713,763	\$ 5,995,237	\$ 6,264,947	\$ 6,734,960
Solid Waste	2,703,827	3,060,101	3,833,171	4,266,665	6,018,649	6,259,740	6,620,638
Water	6,394,410	6,779,073	7,395,878	8,594,319	12,073,423	11,181,295	12,304,859
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	654,428
Housing	-	-	7,504	1,022,306	1,215,548	1,481,274	792,055
Total Expenses	15,056,364	16,565,889	23,781,756	23,885,902	26,031,461	25,917,010	27,106,940
Program Revenues							
Charges for Services:							
Wastewater	2,764,158	3,618,959	4,214,471	4,549,961	5,979,653	6,441,711	6,966,204
Solid Waste	3,725,346	4,243,126	5,102,561	6,236,643	8,025,919	8,826,499	9,284,062
Water	5,414,427	6,528,611	9,406,429	10,231,960	12,264,649	15,348,469	16,279,479
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	467,271
Housing	-	-	-	1,000	30,290	117,601	174,368
Capital Grants and Contributions	-	-	-	-	6,287,482	22,969,310	11,971,155
Total Program Revenues	12,746,951	15,719,566	20,240,036	23,241,030	33,355,263	54,421,129	45,142,539
Total Business-Type Activities Net Expense	(2,309,413)	(846,323)	(3,541,720)	(644,872)	7,323,802	28,504,119	18,035,599
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	3,663,930
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)	(144,482)
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	3,519,448
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	21,555,047
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	\$ 51,245,938

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 SEVEN FISCAL YEARS**

(Modified Accrual Basis of Accounting)

(Unaudited)

	2002	2003	2004	2005	2006	2007	2008
General Fund							
Reserved	\$ 4,343,805	\$ 454,599	\$ 728,885	\$ 122,935	\$ 204,076	\$ 124,588	\$ 69,008
Unreserved	4,616,741	18,847,893	22,101,506	19,377,628	22,310,261	25,274,977	23,942,011
Total General Fund	\$ 8,960,546	\$ 19,302,492	\$ 22,830,391	\$ 19,500,563	\$ 22,514,337	\$ 25,399,565	\$ 24,011,019
All Other Governmental Funds							
Reserved	\$ 42,951,316	\$ 42,708,911	\$ 47,445,393	\$ 46,924,689	\$ 93,318,376	\$ 94,569,236	\$ 81,456,062
Unreserved, Reported In:							
Special Revenue Funds	19,920,393	8,429,955	(1,872,055)	5,640,986	3,657,471	(2,292,254)	6,156,567
Capital Project Funds	-	-	-	-	-	(35,867)	(59,329)
Total All Other Governmental Funds	\$ 62,871,709	\$ 51,138,866	\$ 45,573,338	\$ 52,565,675	\$ 96,975,847	\$ 92,241,115	\$ 87,553,300

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

City of Brentwood

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST SEVEN FISCAL YEARS
 (Modified Accrual Basis of Accounting)
 (Unaudited)

	2002	2003	2004	2005	2006	2007	2008
REVENUES							
Taxes	\$ 8,587,358	\$ 10,640,420	\$ 12,489,155	\$ 15,405,971	\$ 21,606,946	\$ 25,842,811	\$ 26,218,592
Licenses	66,810	124,823	325,143	405,246	471,668	509,618	454,678
Permits and Fines	7,041,625	9,354,198	10,184,552	11,361,424	9,647,761	6,130,221	3,311,232
Uses of Money and Property	3,091,109	2,561,745	3,022,093	4,156,725	3,381,068	8,263,044	7,820,815
Intergovernmental	2,629,058	2,396,451	4,339,487	3,727,774	5,537,709	5,022,850	8,072,443
Franchises	338,692	428,731	584,868	672,172	808,389	965,066	1,018,540
Charges for Other Services	825,618	531,791	570,455	546,251	1,580,198	776,584	515,471
Charges to Other Funds	4,203,653	3,922,881	5,073,565	5,161,708	5,506,136	5,590,646	5,293,754
Fees and Other Revenues	11,542,069	26,343,210	26,807,306	27,280,529	52,281,640	21,786,740	16,301,455
Total Revenues	38,325,992	56,304,250	63,396,624	68,717,800	100,821,515	74,887,580	69,006,980
EXPENDITURES							
Current:							
General Government	4,083,505	14,826,709	16,407,013	18,411,773	12,505,987	26,029,125	24,471,337
Public Safety	6,110,676	7,536,431	10,781,506	10,697,057	12,774,097	14,129,475	14,343,676
Community Development	3,131,617	3,644,373	5,074,939	5,418,378	4,415,273	6,092,241	5,756,412
Engineering	1,687,754	1,767,688	2,656,493	2,166,280	2,476,437	2,532,147	2,574,651
Public Works	1,398,012	1,305,993	1,821,818	2,208,201	2,292,826	2,486,963	2,676,479
Parks and Recreation	773,284	839,368	1,658,400	1,838,817	7,634,708	7,924,624	8,191,336
Community Services	581,152	314,293	226,732	237,458	2,073,780	3,414,448	3,739,616
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	11,795,273
Debt Service:							
Principal	294,847	808,325	1,933,865	1,655,889	1,817,780	832,754	967,369
Interest and Fiscal Charges	2,776,146	1,810,808	1,715,358	1,684,978	1,671,308	1,647,122	1,354,955
Total Expenditures	49,095,229	65,873,117	72,611,981	63,015,823	59,747,942	76,456,654	75,871,104
REVENUES OVER (UNDER) EXPENDITURES	(10,769,237)	(9,568,867)	(9,215,357)	5,701,977	41,073,573	(1,569,074)	(6,864,124)
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	19,712,817
Transfers Out	(57,213,652)	(53,077,450)	(28,604,973)	(24,161,540)	(23,996,434)	(25,128,377)	(19,053,054)
Total Other Financing Sources (Uses)	29,555,570	8,177,970	7,177,728	(2,039,468)	6,350,373	2,079,865	659,763
Net Change in Fund Balances	\$ 18,786,333	\$ (1,390,897)	\$ (2,037,629)	\$ 3,662,509	\$ 47,423,946	\$ 510,791	\$ (6,204,361)
Debt Service as a Percentage of Noncapital Expenditures	12.93%	7.70%	8.53%	7.37%	6.90%	3.81%	3.62%

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

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
2008	\$ 6,846,457,166	\$ 523,981,184	\$ 72,172,090	\$ 783,572,929	\$ 107,975,826	\$ 8,118,207,543	1.0032%
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%

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
2008	1.00%	0.0032%	1.0032%	0.0276%	0.0470%	0.0264%
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%

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 2008			Fiscal Year 1998		
	Taxable Assessed Value	Rank	Percent of City's Total Taxable Value(1)	Taxable Assessed Value	Rank	Percent of City's Total Taxable Value (1)
Barrington Estates LLC	\$ 104,081,434	1	1.28%	\$ -		0.00%
Trilogy Vineyards LLC	85,952,958	2	1.06%	-		0.00%
Sand Creek Crossing LLC	57,841,763	3	0.71%	-		0.00%
DS Lone Tree Plaza LLC	42,872,415	4	0.53%	-		0.00%
John Muir/Mt. Diablo Health	40,584,970	5	0.50%	-		0.00%
HPH Properties	39,304,620	6	0.48%	13,866,420	2	1.28%
Richmond American Home of California	32,052,615	7	0.39%	-		0.00%
Prestige Homes Limited Partnership	28,450,854	8	0.35%	-		0.00%
Brighton Station Investment Properties LLC	27,476,092	9	0.34%	-		0.00%
Washington Mutual Bank	21,528,415	10	0.27%	-		0.00%
Blackhawk Nunn Active Adult	-		0.00%	38,545,363	1	3.55%
US Print Corporation	-		0.00%	13,297,113	3	1.23%
Signature Properties	-		0.00%	10,277,829	4	0.95%
Safeway Stores Inc.	-		0.00%	7,272,023	5	0.67%
WEC 97 34 Investment Trust	-		0.00%	4,885,324	6	0.45%
Frank A. & Patti Maggiore	-		0.00%	3,708,108	7	0.34%
Harvest Park Bowling Center	-		0.00%	3,593,839	8	0.33%
Brentwood Towncentre Partners	-		0.00%	3,179,810	9	0.29%
Rogelstad Thorpe LLC	-			2,918,459	10	0.27%
Total	\$ 480,146,136		5.91%	\$ 101,544,288		9.36%

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
2008	\$ 20,802,069	\$ 20,802,069	100.00%
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%

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)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Apparel Stores	\$ 555	\$ 898	\$ 1,015	\$ 948	\$ 4,230	\$ 13,172	\$ 21,115	\$ 30,140	\$ 32,314	\$ 32,811
General Merchandise	93	112	87	107	113	136	246	295	813	2,157
Food Stores	9,753	15,111	18,640	21,742	23,799	27,556	33,424	36,433	39,462	40,428
Eating & Drinking Establishments	10,514	16,175	18,300	20,509	22,476	25,885	28,886	38,910	43,824	48,881
Building Materials	8,999	15,579	18,331	21,534	19,074	19,551	57,860	72,917	64,756	58,514
Auto Dealers and Supplies	35,020	49,063	56,419	55,192	51,653	47,542	48,372	57,165	62,096	56,936
Service Stations	14,149	25,496	28,653	31,014	33,403	40,419	51,259	62,580	73,919	84,455
Other Retail Stores	10,278	13,847	18,460	20,150	24,860	33,388	41,000	56,858	59,269	75,316
All Other Outlets	31,241	36,104	43,848	52,971	57,504	59,426	90,216	94,754	95,759	93,521
Total	\$ 120,602	\$ 172,385	\$ 203,753	\$ 224,167	\$ 237,112	\$ 267,075	\$ 372,378	\$ 450,052	\$ 472,212	\$ 493,019
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
2008	1.00%	1.25%	6.00%	8.25%
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%

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)

2008		1999	
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
Babies R Us	Specialty Store	Albertsons	Grocery Stores - Liquor
Best Buy	Electronics/Appliance Store	Auto Brokers Unlimited	Used Automotive Dealers
Big B Lumber	Lumber/Building Materials	Big B Lumber	Lumber/Building Materials
Bill Brandt Ford	New Motor Vehicle Dealers	Big O Tires	Automotive Supply Stores
Brentwood Dodge Chrysler Jeep	New Motor Vehicle Dealers	Bill Brandt Ford	New Motor Vehicle Dealers
Brentwood Service Station	Service Stations	Brentwood Auto Center	Used Automotive Dealers
Chevron	Service Stations	Brentwood Auto Parts	Automotive Supply Stores
Dallas Shanks Services	Service Stations	Brentwood Dodge Chrysler Plymouth	New Motor Vehicle Dealers
Devi Oil	Service Stations	Burger King	Restaurants - No Alcohol
Home Depot	Lumber/Building Materials	Centro Mart	Grocery Stores - Liquor
Home Goods	Home Furnishings	Dallas Shanks Services	Service Stations
Hurtados Auto Sales	Used Automotive Dealers	Gas & Liquor Is Cheaper	Service Stations
Kohls	Family Apparel	Golden Gate Petroleum	Petroleum Prod/Equipment
Longs	Drug Stores	KFC	Restaurants - No Alcohol
Michaels	Florist Shops	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
TJ Maxx	Family Apparel	T & C Roofing	Contractors
Tower Mart	Service Stations	Taco Bell	Restaurants - No Alcohol
Walgreens	Drug Stores	Toyota Motor Credit Corporation	Auto Lease
Winco Foods	Grocery Stores - Liquor	Ultramart	Service Stations
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)		
2008	\$ 6,479,059	\$ 28,370,000	\$ -	\$ -	\$ -	\$ 1,626,491	\$ -	\$ -		
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	-		

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⁾	
2008	\$ 7,664,643	\$ -	\$ 1,970,357	\$ -	\$ 29,744,923	\$ 8,441,719	\$ 84,297,192	5.23%	\$ 1,665	
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	

Note: Details regarding the City's outstanding debt can be found in Note #6, found on pages 56 - 63 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
2008	\$ 6,479,059	\$ 6,479,059	0.08%	\$ 128
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%	-

Note: Details regarding the City's outstanding debt can be found in Note #6, found on pages 56 - 63 of this report.

Source: City of Brentwood Finance Department

City of Brentwood

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of June 30, 2008

(Unaudited)

	Total Debt 6/30/08	Percentage Applicable	City's Share of Debt 6/30/08
DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:			
Bay Area Rapid Transit	\$ 467,320,000	1.744%	\$ 8,150,061
Contra Costa Community College District	184,890,000	5.369%	9,926,744
Liberty Union High School District	60,512,658	50.680%	30,667,815
Brentwood Union School District	60,488,682	92.586%	56,004,051
Oakley Union School District	24,840,000	0.002%	497
City of Brentwood	6,479,059 ⁽¹⁾	100.000%	6,479,059
City of Brentwood 1915 Act Bonds	178,406,216	100.000%	178,406,216
California Statewide Communities Development Authority Assessment District No. 04-1& 05-1	2,375,659	100.000%	2,375,659
East Bay Regional Park District	149,445,000	2.534%	3,786,936
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT	\$ 1,134,757,274		\$ 295,797,038
DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:			
Contra Costa County General Fund Obligations	\$ 361,925,000	5.352%	\$ 19,370,226
Contra Costa County Pension Obligations	492,985,000	5.352%	26,384,557
Contra Costa County Board of Education Certificates of Participation	470,000	5.352%	25,154
Contra Costa Community College District Certificates of Participation	1,110,000	5.369%	59,596
Liberty Union High School District Certificates of Participation	2,120,000	50.680%	1,074,416
Brentwood Union School District Certificates of Participation	3,820,000	92.586%	3,536,785
City of Brentwood General Fund Obligations	9,305,000	100.000%	9,305,000
TOTAL DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT	871,735,000		59,755,735
COMBINED TOTAL DEBT	\$ 2,006,492,274 ⁽²⁾		\$ 355,552,773

Source: California Municipal Statistics, Inc.

(1) Includes \$1,109,082 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)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt Limit	\$ 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	\$ 304,432,783
Total Net Debt Applicable to Limit	-	-	-	5,999,976	6,198,082	6,255,771	6,411,571	6,384,302	6,436,238	6,479,059
Legal Debt Margin	<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>	<u>\$ 297,953,724</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	7.29%	5.81%	4.67%	3.80%	3.04%	2.39%	2.13%

Legal Debt Margin Calculation for Fiscal Year 2008

Assessed Value ¹	\$ 8,118,207,543
Debt Limit (3.75% of Assessed Value) ²	304,432,783
Debt Applicable to Limit:	
General Obligation Bonds	6,479,059
Less: Amount set aside for repayment of general obligation debt	-
Total Net Debt Applicable to Limit	<u>6,479,059</u>
Legal Debt Margin	<u>\$ 297,953,724</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)

Water & Wastewater Revenue Bonds

Fiscal Year	Less:		Net		Debt Service		Coverage
	Revenue	Operating Expenses	Available Revenue	Principal	Interest		
2008	\$ 27,821,387	\$ 14,188,676	\$ 13,632,711	\$ 310,000	\$ 549,906	13.38%	
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%	

Source: City of Brentwood Finance Department

Note: Details regarding the City's outstanding debt can be found in Note #6, found on pages 56 - 63 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)
2008	50,614	\$ 1,612,005	\$ 31,849	33.0	15,196	5.9%
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%

* 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	2008			1999		
	Employees	Rank	Percent of Total City Employment	Employees	Rank	Percent of Total City Employment
Brentwood Union School District	500-600	1	8.76%	300-400	1	7.06%
Liberty Union High School District	400-500	2	7.30%	300-400	2	7.06%
City of Brentwood	200-300	3	4.38%	200-300	3	5.29%
Precision Cabinets	200-300	4	4.38%	50-100	8	1.76%
Safeway Stores, Inc.	100-200	5	2.92%	100-200	5	3.53%
Winco Foods, Inc.	100-200	6	2.92%	-		
The Home Depot	100-200	7	2.92%	-		
Kohls	100-200	8	2.92%	-		
Raleys Super Markets	100-200	9	2.92%	-		
Best Buy	50-100	10	1.46%	-		
Unicopy	-			100-200	4	3.53%
Town & Country Roofing	-			50-100	6	1.76%
Lucky Stores, Inc.	-			50-100	7	1.76%
Brentwood Dodge Chrysler Plymouth	-			25-50	9	0.88%
Longs Drugs Stores	-			25-50	10	0.88%
Total	1,850-2,800		40.88%	1,200-1,900		33.51%

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	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government	18	21	22	23	27	29	33	35	39	40
Public Safety	41	39	47	48	66	71	78	77	77	78
Community Development	18	18	24	25	30	34	37	38	39	29
Engineering	21	25	30	33	34	37	35	32	30	20
Public Works	7	7	10	12	14	15	19	19	19	20
Parks and Recreation	3	13	20	24	26	26	32	32	33	29
Wastewater	7	8	9	10	14	14	15	16	16	16
Solid Waste	9	12	13	12	14	18	20	20	22	23
Water	11	13	14	15	17	17	21	21	22	23
City Rentals	-	-	-	1	2	2	2	2	2	2
Housing	-	-	-	-	-	-	3	3	3	2
	135	156	189	203	244	263	295	295	302	282

Source: City of Brentwood Finance Department

City of Brentwood

OPERATING INDICATORS BY FUNCTION / PROGRAM
LAST SEVEN FISCAL YEARS
(Unaudited)

Function / Program	2002	2003	2004	2005	2006	2007	2008
General Government							
Building Permits Issued	1,157	1,400	1,421	1,452	978	404	129
Accounts Payable Invoices Processed	14,872	15,224	15,855	15,357	15,686	15,255	15,093
Purchase Orders Issued	476	413	487	581	526	509	1,232
Public Works							
Street Miles Swept	N/A	6,313	18,481	22,488	21,715	20,869	20,308
Debris Collected (tons)	N/A	608	1,987	2,265	2,215	2,215	2,017
Streetlights Maintenance Requests	N/A	235	656	576	438	570	834
Police							
Physical Arrests (est.)	1,100	1,086	1,202	1,339	1,314	1,500	1,852
Calls for Service (est.)	16,386	19,197	21,190	22,491	23,553	26,000	27,953
Case Files Taken (est.)	4,480	5,032	5,367	5,449	5,571	6,000	6,162
Parks and Recreation							
Total Programs Offered (est.)	699	972	1,214	1,464	1,975	2,123	2,231
Total Participants and Spectators at Events	N/A	334,177	539,276	640,137	980,300	1,071,658	937,187
Refuse Collection							
Refuse Collected (tons per day)	40	45	52	64	71	82	99
Yard Waste (tons per day)	10	12	14	17	18	23	29
Recyclables Collected (tons per day)	11	13	15	18	19	21	25
Residential Services	9,310	10,807	12,303	13,540	14,489	15,183	14,893
Commercial Services	425	525	624	541	546	475	463
Water							
New Connections	1,421	1,531	1,800	961	900	536	225
Average Daily Consumption (millions of gallons)	5	5	5	8	9	11	11
Peak Daily Consumption (millions of gallons)	10	10	14	15	15	17	17
Wastewater							
New Connections	1,400	1,500	1,916	886	830	1,049	225
Average Daily Sewage Treatment (millions of gallons)	2	3	3	3	3	4	4

Source: Various City Departments

Note: The City began tracking these operating indicators in 2002.

City of Brentwood

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

Function / Program	2002	2003	2004	2005	2006	2007	2008
Police							
Stations	1	1	1	1	1	1	1
Patrol Vehicles	27	29	33	36	40	52	52
Parks and Recreation							
Neighborhood Park Acreage	76	95	148	171	194	228	256
Play Areas	20	22	25	32	40	40	43
Multi-Use Trails (miles)	N/A	N/A	13	15	15	15	16
Multi-Use Ball and Soccer Fields	14	14	17	20	23	23	23
Picnic Areas/Tables ⁽¹⁾	23	23	23	25	214	253	276
Refuse Collection							
Collection Trucks	8	9	12	12	13	14	14
Water							
Water Mains (miles)	100	120	149	164	173	173	173
Fire Hydrants	1,323	1,323	1,397	1,521	1,628	1,628	1,869
Number of Wells	7	8	8	9	10	10	9
Number of Reservoirs	4	4	4	5	5	6	6
Storage Capacity (millions of gallons)	11	11	11	15	15	19	19
Wastewater							
Sanitary Sewers (miles)	67	67	92	101	138	150	150
Lift Stations	4	4	3	3	3	2	3
Other Public Works							
Streets (miles)	119	119	145	161	168	168	168
Street Lights	2,858	2,858	3,614	3,873	3,882	4,255	5,299

Source: Various City Departments

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

Note: The City began tracking these operating indicators in 2002.

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 2008:	50,614

<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	5,299

<u>Parks and Recreation</u>	
Neighborhood Parks	228 acres
Aquatic Complex	7.5 Acres
Skate Park	.50 acres
Play Areas	43
Sunset Park Athletic Complex	38 acres

<u>Number of Full-time Equivalent Positions</u>	<u>Year End</u>
282.00	2008
302.00	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

<u>Municipal Wastewater System</u>	
Number of lift stations	3
Sanitary	3
Storm	1
Number of connections	15,104
Average daily flow	3.6 MGD

<u>Parks Facilities</u>	
Multi-Use Trails	16 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/Tables	253
BBQ Areas	17
Restrooms (Permanent)	7

<u>Municipal Water System</u>	
Number of wells	9
Number of reservoirs	6
Storage capacity (gallons)	18.8 MG
Average daily consumption	11 MGD
Peak daily consumption	17 MGD
Number of fire hydrants	1,869
Number of connections	16,592

<u>Police Protection</u>	
Sworn Officers	62
Non-Sworn	16
Reserves	0
Vehicles	51
Motorcycles	6

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

<u>Municipal Solid Waste</u>	
Number of Residential Services	14,893
Number of Commercial Services	463

<u>East Contra Costa Fire Protection District</u>	
Stations located in Brentwood	2
Firefighters in Brentwood	12

Source: Various City Departments



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