

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2009



HERITAGE ■ VISION ■ OPPORTUNITY



*708 Third Street
Brentwood, CA 94513*

CITY OF BRENTWOOD



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 a major project completed within the last year.

COVER: This year's CAFR cover shows four of the key projects which were completed this year. The first picture in the top row is a picture of the Water Treatment Plant, a project jointly constructed with the Contra Costa Water District. The second picture in the top row is a picture of the new Streets of Brentwood retail center which opened in October 2008. The first picture in the second row is a picture of the Brentwood Senior Activity Center which opened on January 9, 2009 and the final picture shows the new Library which opened on June 22, 2009.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED
JUNE 30, 2009



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



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For Fiscal Year Ended June 30, 2009

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Letter of Transmittal



December 8, 2009

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, 2009. This is the ninth year the City's Finance Department has prepared this report and the eighth 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 a Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement 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 that these objectives are met, while recognizing that this

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assurance is not absolute. The concept of reasonable assurance recognizes: 1) the cost of a control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits requires estimates and judgments by management. City administration believes the existing internal control 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 tenth consecutive “Unqualified” Audit issued in 2009.

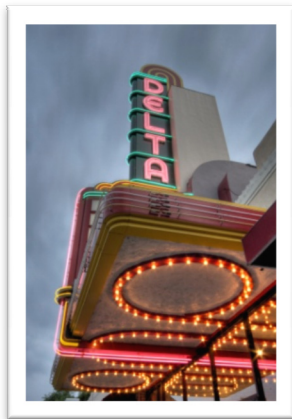
INDEPENDENT AUDIT

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, 2009, the City had a population of 51,908 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.

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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 29, 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.

Prior to the 2009/10 fiscal year, the City had operated on a two year budget cycle - adopting two years of budgets at one time and amending the budget twice a year over the course of the two years. The current economic environment, and the associated lack of long term visibility, has greatly diminished the benefits derived from utilizing a two year budget cycle. As a result, the City temporarily suspended the two year budget requirement for the 2009/10 fiscal year. The City will continue to monitor the economic conditions and will reinstate the two year budget cycle when sufficient longer term economic visibility has been restored.

The annual budget process begins in January with a 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 budget is scheduled for a City Council meeting in June.



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 Program 2001; 2002 General Obligation Bond; Community Facilities Improvement Projects; Capital Improvement Financing Programs; 2002 Series A&B; Randy Way Assessment District Improvements; Park Improvement Projects; Drainage Improvement Projects; and Street Improvement Projects. See Note #2 – A on page 41 for additional information.

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ECONOMIC OUTLOOK



Economic conditions in California changed significantly during the 2008/09 fiscal year. The housing downturn escalated, residential development came to a stop and median home prices fell by as much as 30-50% from their peak values. The City is expecting a third consecutive year of declining revenues in FY 2009/10, with property taxes and motor vehicle fee revenues leading the decline. All of these factors caused the City to make difficult reductions in budgets and staffing levels in FY 2008/09. Despite the difficult economic environment, 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.

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 Streets of Brentwood which opened on October 24th, 2008. The Streets of Brentwood is a large, lifestyle center project featuring specialty shops and restaurants, along with a large multi-plex theater. The Streets of Brentwood, along with other key retail centers and anchor tenants such as Best Buy and Home Depot, generate significant sales tax revenue for the City. The new centers have helped insulate the City from the double digit percentage decline in sales tax revenues suffered by many other California cities.

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 2009, 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 will be a valuable tool during the next decade as the City positions itself for a successful emergence from the current economic downturn.

The City also opened a Budget Stabilization Fund during the 2008/09 fiscal year. This fund will be used to accumulate savings during good years in order to provide a source of funding for economically challenging years. The General Fund was able to contribute \$2.1 million to the Budget Stabilization Fund in FY 2008/09. After this transfer the General Fund still possessed the minimum 30% operating reserve stipulated in the City's Budget and Fiscal Policy.

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

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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, 2009, are classified in the category of lowest credit risk as defined by the Governmental Accounting Standards Board.

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

The Development Fee Program implements policies of the City's General Plan including the policy that "...new development shall contribute its fair share of the cost of on-site and off-site public infrastructure and services. This shall include installation of public facilities, payment of impact fees and participation in a Capital Improvement Financing Program (CIFP)." Capital Improvement Financing Programs provide a mechanism through which the City and the development community cooperate to fund and construct both major Master Planned and Sub-Master Planned infrastructure (roads, water and wastewater lines, regional drainage facilities, etc.). Bonds are sold using the participating Developer's property as collateral. There is minimal risk involved for the City as a 3 to 1 value to lien ratio is used to determine the amount of bonds to be sold. Additionally, the City is able to obtain very low interest rates through its outstanding financial reputation. As the properties develop, the bonds are repaid by the new property owner over a 30-year period.



In January 2009 the City adopted a temporary deferral of certain residential development impact fees. The goal of the program is to assist developers with cash flow, allowing permits to be pulled and homes to be built that otherwise may not have been constructed due to economic factors. Several municipalities in California have adopted similar programs to help manage the challenges of the current economy. Development fees for water, wastewater, roadway, community facilities, parks and trails, and administration are deferred until final inspection, or for twelve months, whichever occurs first. This program was developed within the guidelines of AB 2604, approved by the State Legislature in July 2008. Through June 30, 2009 the City had issued 19 permits under the fee deferral program.

MAJOR INITIATIVES – BRINGING BRENTWOOD'S VISION TO REALITY

Community Award

In 2008, Brentwood was one of 67 communities across the country which was named a "Playful City USA" community by KaBOOM!, a national non-profit dedicated to bringing play back into children's lives. Playful City USA is a national recognition program which honors cities and

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towns across the nation who put their children’s well-being first by recognizing and harnessing the power of play. The City was again recognized as a “Playful City USA” in 2009, one of only 93 communities across the country to be so honored.

Taking a pro-active stance on play and health for its community, the City Council adopted a Wellness Policy that serves as a living document to help guide policy makers. Originally, the policy pertained to education, planning, promoting and implementing parks, facilities and programs that foster fitness and wellness in the community. Through the Playful City USA application process, the City became more aware of how essential play is to learning and human development and amended the policy to specifically address the benefits of play.

Customer Service

Several initiatives were recently completed which provide efficient service to both internal and external customers. These include: 1) implementation of the Development Services Permit Center, which provides one location for customers who need any type of City permit (e.g. Building, Engineering, Planning, etc.); 2) the assignment of two utility billing staff members, located at the front counter in City Hall, to better serve customers and 3) selection of a new development services software system, which includes a workflow component for all departmental approvals required during the processing of development projects. In addition, an update to the City’s zoning ordinance is planned in FY 2009/10, which will include, among other things, a revision to the City’s sign regulations. The zoning update will be beneficial to everyone involved in the planning process, in particular developers, business owners and home owners.



Economic Development

Economic development remains a top priority for the City. Key economic development projects include: implementation of the Downtown Specific Plan; the development of the Agricultural Park and History Center, the planning and development of the Vineyards Project, the upcoming Civic Center project, which will help revitalize the downtown area, and the future construction of a college satellite campus by Los Medanos Community College.

In anticipation of the completion of the State Route 4 Bypass, and the subsequent relinquishment of Brentwood Boulevard by the California Department of Transportation, the community desires to transform this under-utilized thoroughfare/commercial corridor into a traditional American boulevard with new neighborhoods and workplace districts. The completion of the Brentwood Boulevard Specific Plan will provide long-term policy guidance needed to revitalize and improve Brentwood Boulevard. The Brentwood Boulevard Specific Plan will coordinate public and private investment throughout the Plan Area to fulfill the community’s intention for the creation of a distinctive gateway district in the City, while accomplishing critical economic and land use goals.

Letter of Transmittal

Infrastructure and Public Facilities

Brentwood continues to cultivate a vital, thriving and charming historical Downtown. In 2007, the Downtown Brentwood 2010 action plan was developed through community outreach workshops and a series of staff planning meetings. One result of these activities was the Civic Center Master Site Plan which includes the following community facilities: a new City Hall; Council Chamber; Civic Center Plaza; Community Center; Library and re-design of the City Park. The designs for all of these facilities will reflect the community input gathered as a result of the community outreach workshops.

The Downtown Brentwood 2010 action plan also encompasses the results of the Downtown Specific Plan which envisions the creation of a streetscape plan as part of the Downtown revitalization effort which is supportive of new development, complements the restored City Park and the new Civic Center and creates a beautiful setting for the City's most historic district. The Downtown Streetscape Plan is expected to be adopted in mid 2009 with construction of the first phase on the core streets to commence in mid 2010. To accommodate new development and retention of existing businesses in the Downtown, the streetscape installation will be coordinated with new and rehabilitated water facilities, sewer facilities and infrastructure.

The City has also developed a comprehensive parking plan, consisting of parking facilities and solutions, including possible parking structures dispersed throughout the Downtown in strategic locations to address the parking demands required for the growth of the Downtown. Any potential parking structure is expected to provide retail opportunities and parking facilities which are convenient, safe and which will assure high usage by Downtown businesses, employees and visitors.



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 City Council Neighborhood Improvement Committee and City staff will continue to work with the community to monitor the Brentwood Municipal Code, make amendments to the Code as necessary, as well as oversee other neighborhood concerns such as noise, civility issues and neighborhood beautification efforts.

Public Safety

To help maintain a community where everyone feels safe, the City's Police Department is focused on the following activities: 1) maintaining a full staffing level; 2) implementing a traffic safety emphasis program; 3) establishing a report writing capacity from the field; 4) expanding crime prevention efforts; 5) expanding city wide emergency preparedness training and 6) streamlining department efficiency and operations.

The City Council has adopted four benchmark indicators to monitor the Police Department's ability to provide quality police services to the residents of Brentwood. These benchmarks are: 1) response times, 2) incidents of crime and crime rates, 3) workload and 4) clearance rates. These benchmarks are analyzed on an annual basis and assist in determining appropriate staffing requirements for the Police Department.

Letter of Transmittal

Regional / Local Transportation

Brentwood has been working diligently with Caltrans, as a member of the State Route 4 Bypass Authority ('Bypass Authority'), on the State Route 4 Bypass ('Bypass') project. The Bypass is a major highway which is heavily traveled by commuters from Brentwood, Antioch and Oakley. The Bypass project, which consists of three segments, will ease traffic congestion in Brentwood and Oakley and provide access to the growing areas of southeast Antioch and western Brentwood. Segment 2, which runs south from Lone Tree Way to Balfour Road, was completed in 2002. Segment 1, which runs south from the existing State Route 4 to Lone Tree Way, was opened in February 2008 and Segment 3, 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) plans for widening of Segment 2 to four lanes, from Lone Tree Way to Sand Creek Road, with a bridge for grade separation at Sand Creek Road. The Segment 2 widening project is currently nearing the completion of the design phase. The timing of the Segment 2 construction phase is dependent upon available funding.

To date, the Bypass projects have primarily been funded through fees from new developments in East Contra Costa County. With the extreme slowdown in development, particularly new residential developments, development fee funding for the Bypass is almost

non-existent. The Bypass Authority, along with local agencies, has been actively pursuing other funding options at the Federal, State and Regional levels, including Federal Stimulus funds.

The success of the Bypass Authority, a locally funded, locally controlled entity responsible for the State Route 4 improvements in the East County area, has helped bring a regional focus to the need for improvements to Vasco Road. Vasco Road is a major thoroughfare which links Brentwood to the Bay Area. The City of Brentwood is working with other regional stakeholders to facilitate further safety improvements to the Vasco Road Corridor and pursue funding from Federal, State and Regional sources.

Technology

The City is committed to either implementing new systems, or updating existing systems, in order to ensure state-of-the-art technology is always being utilized. The City is in the process of implementing a five-year Technology Strategic Plan which will help the City meet its technology goals. In addition, Information Systems has developed an Information Technology Disaster Recovery Plan along with system backup procedures, installed faster wireless connections to the Public Works offices and the Technology Center and increased the capacity of the City's voice mail ports by 80% (allowing 80% more residents to be able to be simultaneously in the City's voice mail system).

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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, 2008. 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, 2008

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



Handwritten signature of the President of the Government Finance Officers Association of the United States and Canada.

President

Handwritten signature of Jeffrey R. Enos, Executive Director of the City of Brentwood.

Executive Director

Letter of Transmittal

LIST OF PRINCIPAL OFFICIALS

(As of June 30, 2009)

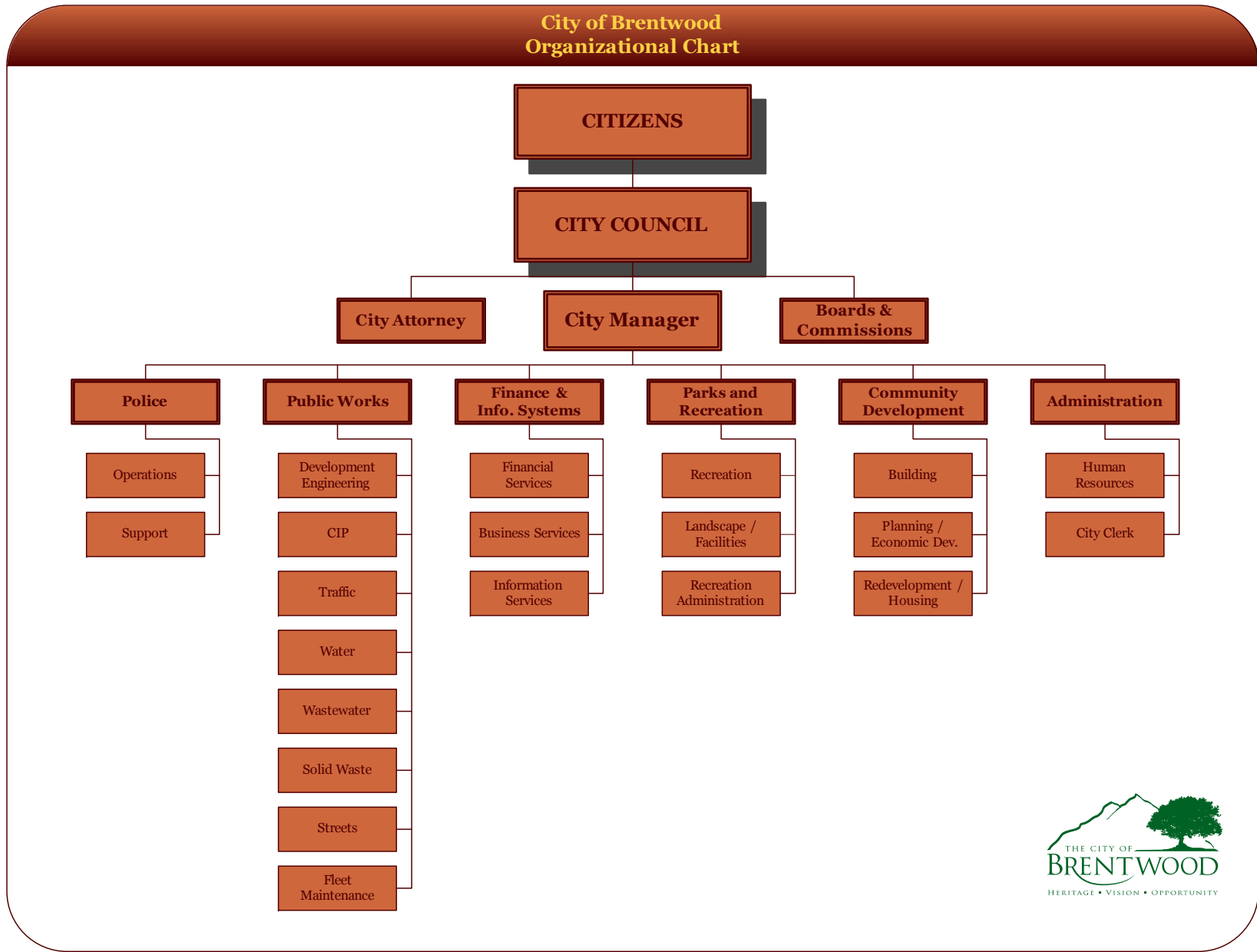
City Officials

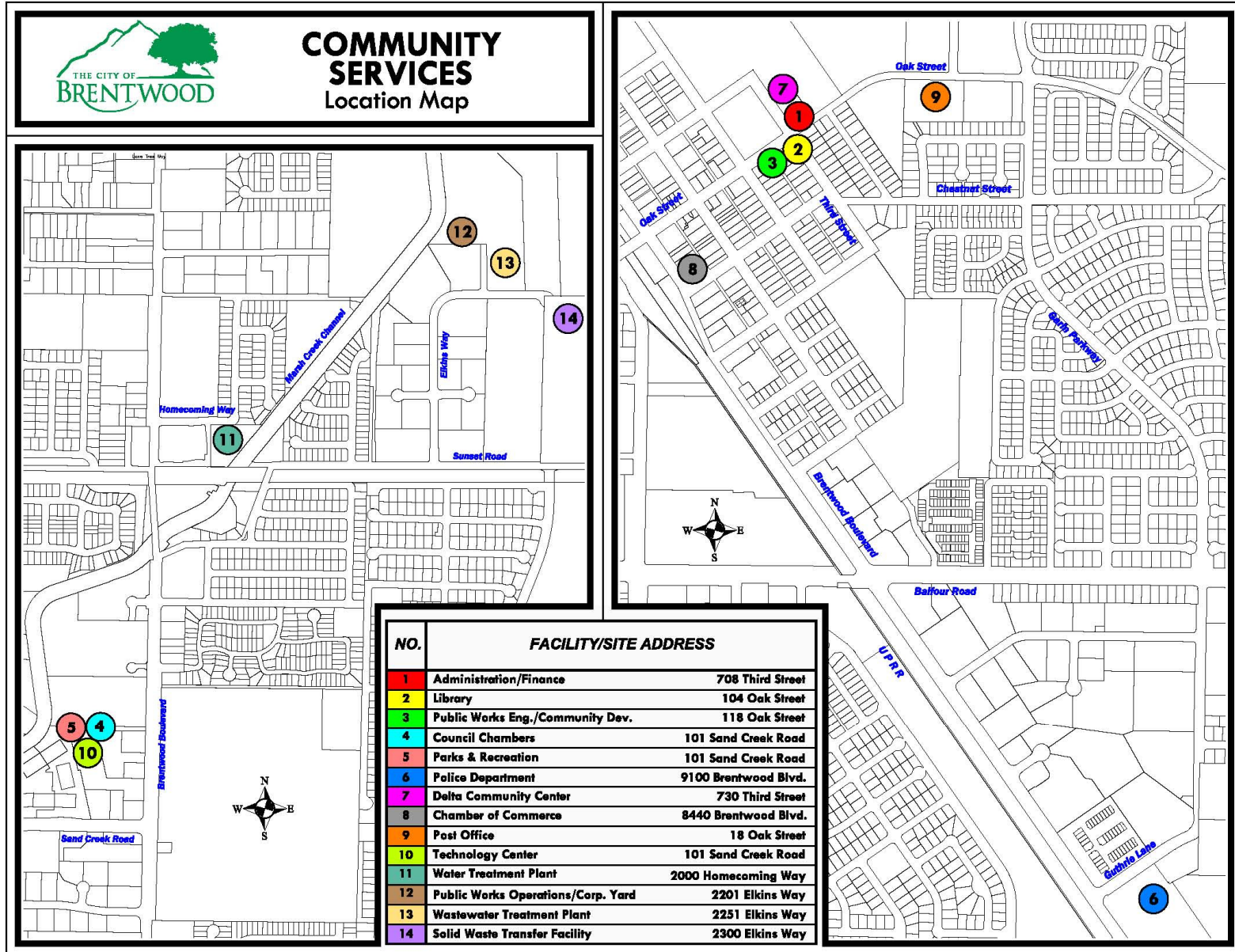
Robert Taylor Mayor
Erick Stonebarger Vice-Mayor
Chris Becnel Council Member
Robert Brockman Council Member
Brandon Richey Council Member

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

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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.

Core Values

We hold these values as our core values and use them to measure everything we do:

Integrity – uncompromising adherence to moral and ethical principles.

Passion – boundless enthusiasm for what we do.

Accountability – answerable for our actions.

Respect – to feel and show esteem and consideration for others openness and trust with each other.

Quality – the highest degree of excellence.



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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council
City of Brentwood, California

ACCOUNTANCY CORPORATION

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Pleasant Hill, California 94523
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maze@mazeassociates.com
www.mazeassociates.com

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, 2009, 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, 2009, and the respective changes in financial position and cash flows, where applicable, thereof listed as part of the basic financial statements for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2009 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.

As described in Note 11 effective in fiscal 2008-09, the City implemented the provisions of GASB Statement No. 45 Accounting and Financial Reporting by Employers for Post Employment Benefits other than Pensions.

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.

Mane & Associates

October 16, 2009

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, 2009. 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 \$746.5 million. Of this amount, \$87.8 million may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased \$39.0 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 \$106.9 million, a decrease of \$4.7 million in comparison to the prior year. This is primarily due to capital project expenditures.
- The City's total long-term debt increased by \$42.3 million due to the issuance of \$53.2 million in Water Revenue bonds. This Bond refunded the existing \$7.7 million Water Revenue bond. The remainder of the proceeds were used to fund a new Surface Water Treatment Facility.
- Internal Service Funds have net assets of \$31.9 million at year end, which is an increase of \$3.8 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 15 – 16 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 17 – 25 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 17 – 20 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 15 – 16 of this report.

Proprietary Funds provide a more detailed version of the information provided in the Government-Wide Financial Statements. Cash flows for the Enterprise 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 21 – 23 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 25 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 27 – 73 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 75 – 77 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 79 – 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 5.5% from \$707.5 million at June 30, 2008 to \$746.5 million at June 30, 2009. This increase of \$39.0 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 \$37.7 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 \$110.3 million as of June 30, 2009. The remaining balance of unrestricted net assets, \$87.8 million as of June 30, 2009, may be used to meet the City's ongoing obligations to citizens and creditors.

	Governmental Activities		Business-Type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Current Assets	\$ 144,954,327	\$ 148,579,984	\$ 68,588,654	\$ 64,368,319	\$ 213,542,981	\$ 212,948,303
Capital and Non-Current Assets	431,776,116	408,966,378	241,729,060	186,466,134	673,505,176	595,432,512
Total Assets	576,730,443	557,546,362	310,317,714	250,834,453	887,048,157	808,380,815
Current Liabilities	\$ 11,833,983	\$ 13,667,472	\$ 6,677,536	\$ 6,139,402	\$ 18,511,519	\$ 19,806,874
Long-Term Liabilities Outstanding	35,642,904	35,966,396	86,358,745	45,099,015	122,001,649	81,065,411
Total Liabilities	47,476,887	49,633,868	93,036,281	51,238,417	140,513,168	100,872,285
Net Assets:						
Invested in Capital Assets, Net of Related Debt	\$ 396,500,516	\$ 372,951,683	\$ 151,887,435	\$ 137,697,679	\$ 548,387,951	\$ 510,649,362
Restricted	84,103,392	80,452,738	26,202,644	28,721,075	110,306,036	109,173,813
Unrestricted	48,649,648	54,508,073	39,191,354	33,177,282	87,841,002	87,685,355
Total Net Assets	\$ 529,253,556	\$ 507,912,494	\$ 217,281,433	\$ 199,596,036	\$ 746,534,989	\$ 707,508,530

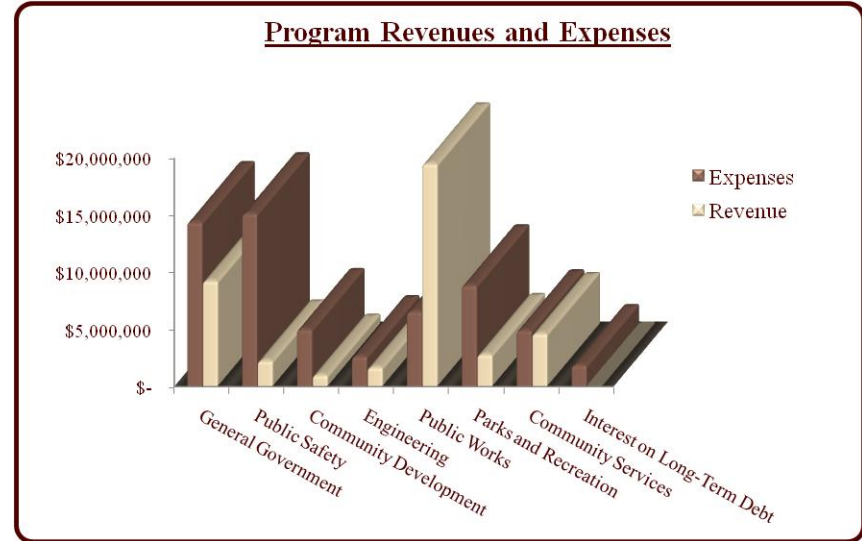
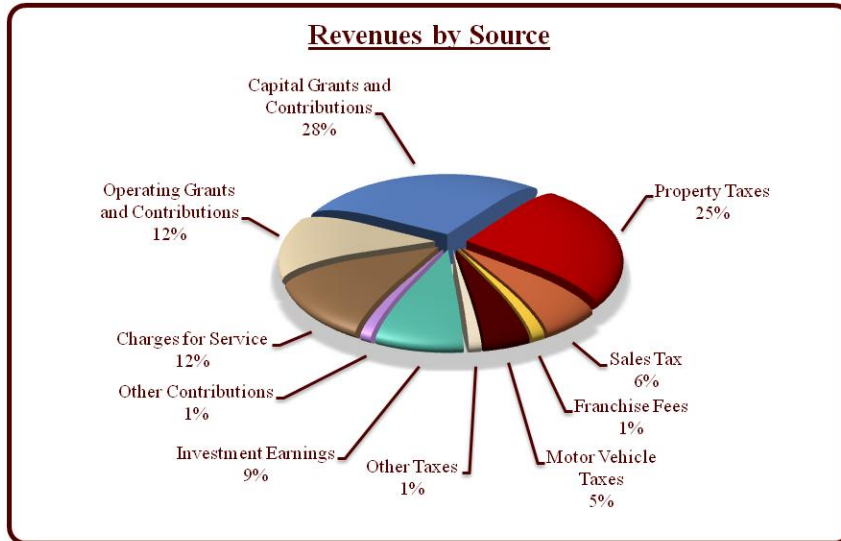
Governmental Activities – The City’s net assets from governmental activities increased 4.2% from \$507.9 million to \$529.3 million. This increase represents 55.0% of the City’s total growth in net assets. The majority of this increase was due to an increase in capital assets through contributions from developers.

Business-Type Activities – The City’s net assets from Business-Type activities increased 8.9% from \$199.6 million to \$217.3 million. Investment in capital assets, net of related debt, increased \$14.2 million due to capital asset contributions from development. Overall, the unrestricted net assets increased by \$6.0 million.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program Revenues:						
Charges for Services	\$ 9,328,432	\$ 10,899,250	\$ 33,597,809	\$ 33,171,384	\$ 42,926,241	\$ 44,070,634
Operating Grants and Revenues	9,594,707	9,868,672	-	-	9,594,707	9,868,672
Capital Grants and Contributions	21,356,537	35,633,756	12,590,057	11,971,155	33,946,594	47,604,911
General Revenues:						
Taxes:						
Property Taxes	19,580,300	20,802,069	-	-	19,580,300	20,802,069
Sales Tax	4,803,716	4,827,706	-	-	4,803,716	4,827,706
Franchise Fees	1,057,537	1,018,540	-	-	1,057,537	1,018,540
Public Service Taxes	298,911	342,627	-	-	298,911	342,627
Measure C, TOT	674,000	635,411	-	-	674,000	635,411
Motor Vehicle Taxes	3,570,432	3,942,089	-	-	3,570,432	3,942,089
Investment Earnings	6,821,377	8,191,379	3,246,917	3,663,930	10,068,294	11,855,309
Miscellaneous	906,456	1,765,659	-	-	906,456	1,765,659
Total Revenues	77,992,405	97,927,158	49,434,783	48,806,469	127,427,188	146,733,627
Expenses:						
General Government	14,258,630	26,566,890	-	-	14,258,630	26,566,890
Public Safety	15,024,872	13,770,801	-	-	15,024,872	13,770,801
Community Development	4,871,191	5,581,469	-	-	4,871,191	5,581,469
Engineering	2,500,979	2,420,953	-	-	2,500,979	2,420,953
Public Works	6,417,940	5,441,455	-	-	6,417,940	5,441,455
Parks and Recreation	8,721,904	9,312,868	-	-	8,721,904	9,312,868
Community Services	4,771,816	3,728,537	-	-	4,771,816	3,728,537
Interest on Long-Term Debt	1,729,621	1,557,776	-	-	1,729,621	1,557,776
Wastewater	-	-	6,956,281	6,734,960	6,956,281	6,734,960
Solid Waste	-	-	6,870,616	6,620,638	6,870,616	6,620,638
Water	-	-	15,721,076	12,304,859	15,721,076	12,304,859
City Rentals	-	-	248,505	654,428	248,505	654,428
Housing	-	-	307,298	792,055	307,298	792,055
Total Expenses	58,296,953	68,380,749	30,103,776	27,106,940	88,400,729	95,487,689
Increase in Net Assets Before Transfers	19,695,452	29,546,409	19,331,007	21,699,529	39,026,459	51,245,938
Transfers	1,645,610	144,482	(1,645,610)	(144,482)	-	-
Increase in Net Assets	21,341,062	29,690,891	17,685,397	21,555,047	39,026,459	51,245,938
Net Assets 7/1	507,912,494	478,221,603	199,596,036	178,040,989	707,508,530	656,262,592
Net Assets 6/30	\$ 529,253,556	\$ 507,912,494	\$ 217,281,433	\$ 199,596,036	\$ 746,534,989	\$ 707,508,530

Governmental Activities – The cost of all Governmental activities this year was \$58.3 million. Net expenses, as shown in the Statement of Activities, were \$18.0 million. A portion of the cost for these activities was paid either by those who directly benefited from the programs (\$9.3 million), by other governments and organizations that subsidized certain programs with operating grants and contributions (\$9.6 million), or capital grants and contributions (\$21.4 million). Public Works finished the year with net revenues of \$13.0 million as a result of dedicated infrastructure. Overall, the City's governmental program revenues were \$40.3 million.

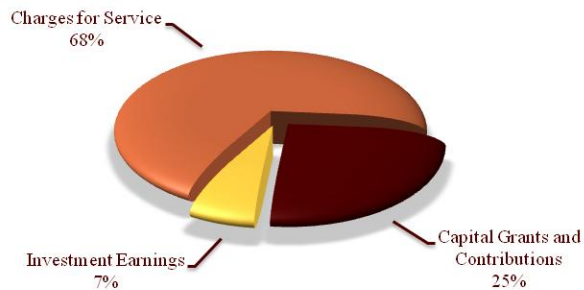
Total resources available during the year to finance governmental operations were \$587.6 million consisting of net assets at July 1, 2008 of \$507.9 million, program revenues of \$40.3 million and general revenues and transfers of \$39.4 million. Total Governmental activities during the year were \$58.3 million, thus net assets were increased by \$21.4 million to \$529.3 million.



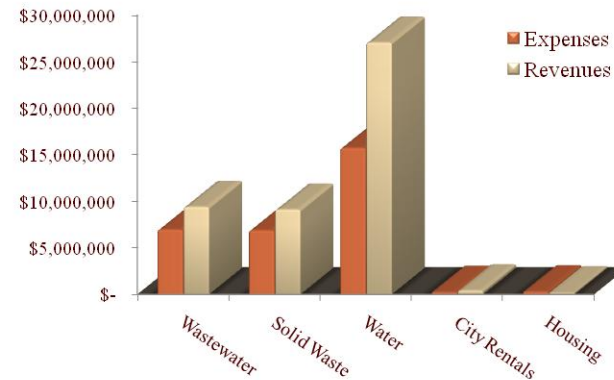
Business-Type Activities – The cost of all Business-Type activities this year was \$30.1 million. As shown in the Statement of Activities and Changes in Net Assets, the amounts paid by users of the systems were \$33.6 million. Capital Grants and Contributions totaled \$12.6 million and Investment earnings were \$3.2 million.

Total resources available during the year to finance Business-Type activities were \$247.4 million consisting of net assets at July 1, 2008 of \$199.6 million, charges for services of \$33.6 million, capital contributions of \$12.6 million and general revenues and net transfers of \$1.6 million. Total Business-Type activities during the year were \$30.1 million, thus net assets increased by \$17.7 million to \$217.3 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 \$15,584,818. This is a decrease of \$8,426,201 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. Excluding funding for capital projects and a \$2,100,000 transfer to the Budget Stabilization Fund, the General Fund would have shown a surplus.

Thoroughfares, which is reported as a Special Revenue fund, had an increase in fund balance of \$3,340,984 due primarily to the transfer back of excess funds which were contributed for capital improvement projects along with a back payment for subregional drainage fees from Contra Costa County.

Agriculture Land, which is reported as a Special Revenue fund, had a decrease in fund balance of \$2,335,934. This decline was attributable to the use of \$2,733,804 which was used to fund a 203 acre agricultural conservation easement.

Redevelopment Debt, which is reported as a Debt Service fund, had an increase in fund balance of \$2,661,755 as tax increment revenues currently exceed the fund's debt service requirements.

Capital Facilities Improvement Projects, which is reported as a Capital Projects fund, had an increase in fund balance of \$4,585,873. This was primarily due to the transfer of funds in conjunction with the upcoming Civic Center projects. As noted above, the General Fund provided significant capital improvement program funding during the year.

Park Improvement Projects, which is reported as a Capital Projects fund, had a decrease in fund balance of \$3,964,879. The construction of the Brentwood Senior Activity Center was the primary project expense during the year. In addition, \$1,500,000 was paid to Brentwood Union School District for a joint use gymnasium.

Budget Stabilization, which is reported as an Internal Service fund, had an increase of \$2,100,000. This fund was established during the 2008/09 fiscal year for the purpose of accumulating General Fund savings in good years which could then be used to help balance the budget during difficult years. The General Fund transferred \$2,100,000 to this fund during the fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

Comparing the fiscal year 2008/09 original budget (or adopted) General Fund expenditures and transfers out in the amount of \$47,798,567 to the final budget amount of \$45,616,934 shows a net decrease of \$2,181,633.

<u>Beginning Balance</u> \$47,798,567	-	<u>Supplemental Changes</u> \$2,181,633	=	<u>Final Budget</u> \$45,616,934
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During the fiscal year, the total revenues and transfers in for the General Fund were \$34,779,931. This was \$1,911,082 less than budgeted. The total expenses and transfers out for the General Fund were \$43,206,132. This was \$2,410,802 less than budgeted. After being originally adopted in June 2007 as part of a two year budget, the City Council subsequently approved significant revenue and expense reductions to the City's General Fund budget. Excluding transfers out, where the budget was increased by \$6,591,908, the General Fund saw expenditure reductions of \$8,773,541 in response to the declining revenues brought on by the recession. These reductions included employee layoffs, and 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 continued its cost saving efforts. 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 \$2,412,308 under budget in expenses, exclusive of transfers out. Of these savings, \$2,132,904 was achieved through savings in supplies and services and \$648,724 was saved through reduced employee costs. Partially offsetting these savings were increased internal service expenses.

The City's revenue shortfall of \$1,911,082 was primarily due to a \$591,058 shortfall in Parks revenue and a \$360,427 shortfall in the City's sales tax revenue.

Supplemental changes to the FY 2008/09 General Fund budget were:

- Decrease of \$4,158,392 for personnel changes during the year
- Decrease of \$3,295,924 for supplies and services
- Decrease of \$1,094,075 for internal service
- Decrease of \$225,150 for capital outlay
- Increase of \$6,591,908 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, 2009, capital assets net of accumulated amortization and depreciation of the Governmental activities totaled \$432,186,971. Capital assets net of accumulated amortization and depreciation of the Business-Type activities totaled \$239,395,580. Amortization and depreciation on capital assets is recognized in the Government-Wide financial statements. Refer to Note #5, found on pages 52 – 54 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:			
Intangible Assets	\$ 5,745,000	\$ 273,539	\$ 5,471,461
Land	33,058,115	-	33,058,115
Buildings	20,457,194	3,108,848	17,348,346
Infrastructure	347,653,817	48,631,464	299,022,353
Machinery and Equipment	3,984,302	1,925,820	2,058,482
Vehicles	7,177,561	4,047,995	3,129,566
Land Improvements	27,138,715	1,277,122	25,861,593
Work in Progress – CIP & Infrastructure	46,237,055	-	46,237,055
Total Capital Assets – Governmental	\$ 491,451,759	\$ 59,264,788	\$ 432,186,971
Capital Assets – Business-Type:			
Intangible Assets	\$ 10,597,532	\$ 1,333,499	\$ 9,264,033
Land	2,034,202	-	2,034,202
Buildings	24,813,632	2,723,615	22,090,017
Infrastructure	212,725,054	19,529,874	193,195,180
Machinery and Equipment	1,160,407	736,139	424,268
Land Improvements	10,701,186	800,327	9,900,859
Work in Progress – CIP & Infrastructure	2,487,021	-	2,487,021
Total Capital Assets – Business-Type	\$ 264,519,034	\$ 25,123,454	\$ 239,395,580

Debt Administration – Debt, considered a liability of Governmental Activities, increased in fiscal year 2008/09 by \$1,036,848. Per capita debt outstanding increased from \$742 to \$746 per capita compared to the prior fiscal year. Detailed information regarding long-term debt activity can be found in Note #6 on pages 54 – 61 in this report.

Debt of the Business-Type activities increased by \$41,228,228 in fiscal year 2008/09 due to a new Water Revenue Bond used to finance the construction of a new Surface Water Treatment Facility.

	Balance June 30, 2008	Incurred or Issued	Satisfied or Matured	Balance June 30, 2009
Governmental Activities				
Bonds Payable	\$ 34,849,059	\$ 214,284	\$ 905,000	\$ 34,158,343
Notes Payable	1,626,491	-	98,379	1,528,112
Net OPEB Obligation	-	2,330,069	422,484	1,907,585
Accumulated Compensated Absences	1,235,564	1,467,114	1,548,756	1,153,922
Total Governmental Activities	\$ 37,711,114	\$ 4,011,467	\$ 2,974,619	\$ 38,747,962
Business-Type Activities				
Bonds Payable	\$ 9,635,000	\$ 53,200,000	\$ 10,055,000	\$ 52,780,000
Notes Payable	38,186,642	-	2,494,369	35,692,273
Net OPEB Obligation	-	675,931	122,559	553,372
Accumulated Compensated Absences	297,926	441,765	417,540	322,151
Total Business-Type Activities	\$ 48,119,568	\$ 54,317,696	\$ 13,089,468	\$ 89,347,796

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The key assumptions in the General Fund revenue forecast for fiscal year 2009/10 were:

1. Approximately 25 new housing units will be constructed, down from a peak of 1,400 units a few years ago.
2. The State of California will not implement additional mid-year revenue takeaways from the City.
3. The ongoing recession will lead to a decline in sales tax revenue of approximately 3%. The City's sales tax revenue was flat in FY 2008/09, partially due to the opening of the Streets of Brentwood, a 460,000 square foot lifestyle center.
4. 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 10% during the past decade, is expected to increase by less than 2% per year over the next several years. Key budgetary impacts addressed in the FY 2009/10 budget were:

- Building revenues, with little development activity, will decline to a total of just \$414,556 in FY 2009/10. This represents a decline of 93% from our peak revenue year for building revenue which occurred during the 2004/05 fiscal year.
- Property taxes, which declined 10% during the 2008/09 fiscal year, are projected to decrease by an additional 17% in FY 2009/10.
- Motor Vehicle-in-Lieu taxes, which declined 9% in the 2008/09 fiscal year, are projected to decrease by an additional 16% in FY 2009/10.
- The City's FY 2009/10 Operating Budget does not include any new positions, and includes no cost of living adjustments except for the sworn members of the Brentwood Police Officers Association, Lieutenants Group, and Community Service Officers.
- General Fund personnel costs are budgeted to decline for a second consecutive year in FY 2009/10.

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.

Statement of Net Assets

June 30, 2009

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Investments	\$ 122,471,257	\$ 58,836,032	\$ 181,307,289
Restricted Cash and Investments	17,474,867	4,007,761	21,482,628
Receivables	2,019,038	5,656,816	7,675,854
Prepays	121,677	29,545	151,222
Land Held for Resale	2,717,488	-	2,717,488
Notes Receivable	150,000	58,500	208,500
Total Current Assets	<u>144,954,327</u>	<u>68,588,654</u>	<u>213,542,981</u>
Non-Current Assets:			
Deferred Charges	-	964,129	964,129
Long-Term Notes Receivable	100,000	858,496	958,496
Internal Balances	(510,855)	510,855	-
Capital Assets, Net of Accumulated Depreciation & Amortization:			
Intangible Assets	5,471,461	9,264,033	14,735,494
Land	33,058,115	2,034,202	35,092,317
Buildings	17,348,346	22,090,017	39,438,363
Infrastructure	299,022,353	193,195,180	492,217,533
Machinery and Equipment	2,058,482	424,268	2,482,750
Vehicles	3,129,566	-	3,129,566
Land Improvements	25,861,593	9,900,859	35,762,452
Work in Progress	46,237,055	2,487,021	48,724,076
Total Non-Current Assets	<u>431,776,116</u>	<u>241,729,060</u>	<u>673,505,176</u>
Total Assets	<u>576,730,443</u>	<u>310,317,714</u>	<u>887,048,157</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	4,426,922	3,383,860	7,810,782
Unearned Revenue	253,540	234,000	487,540
Deposits Held	4,048,463	70,625	4,119,088
Long-Term Liabilities Due Within One Year	3,105,058	2,989,051	6,094,109
Total Current Liabilities	<u>11,833,983</u>	<u>6,677,536</u>	<u>18,511,519</u>
Non-Current Liabilities Due in More Than One Year:			
Bonds Payable	33,198,343	52,500,000	85,698,343
Notes Payable	75,407	33,176,513	33,251,920
Net OPEB Obligation	1,907,585	553,372	2,460,957
Compensated Absences Payable	461,569	128,860	590,429
Total Non-Current Liabilities	<u>35,642,904</u>	<u>86,358,745</u>	<u>122,001,649</u>
Total Liabilities	<u>47,476,887</u>	<u>93,036,281</u>	<u>140,513,168</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	396,500,516	151,887,435	548,387,951
Restricted for:			
Debt Service	13,230,521	-	13,230,521
Specific Projects and Programs	70,872,871	26,202,644	97,075,515
Unrestricted	48,649,648	39,191,354	87,841,002
Total Net Assets	<u>\$ 529,253,556</u>	<u>\$ 217,281,433</u>	<u>\$ 746,534,989</u>

City of Brentwood

Statement of Activities and Changes in Net Assets

For Year Ended June 30, 2009

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	\$ 14,258,630	\$ 5,374,316	\$ 1,380,761	\$ 2,373,895	\$ 9,128,972	\$ (5,129,658)	\$ -	\$ (5,129,658)
Public Safety	15,024,872	512,853	1,485,691	130,308	2,128,852	(12,896,020)	-	(12,896,020)
Community Development	4,871,191	870,595	-	5,000	875,595	(3,995,596)	-	(3,995,596)
Engineering	2,500,979	1,549,735	-	-	1,549,735	(951,244)	-	(951,244)
Public Works	6,417,940	84,910	2,209,606	17,103,013	19,397,529	12,979,589	-	12,979,589
Parks and Recreation	8,721,904	936,023	-	1,744,321	2,680,344	(6,041,560)	-	(6,041,560)
Community Services	4,771,816	-	4,518,649	-	4,518,649	(253,167)	-	(253,167)
Interest on Long-Term Debt	1,729,621	-	-	-	-	(1,729,621)	-	(1,729,621)
Total Governmental Activities	58,296,953	9,328,432	9,594,707	21,356,537	40,279,676	(18,017,277)	-	(18,017,277)
Business-Type Activities								
Wastewater	6,956,281	7,666,143	-	1,740,329	9,406,472	-	2,450,191	2,450,191
Solid Waste	6,870,616	9,119,685	-	-	9,119,685	-	2,249,069	2,249,069
Water	15,721,076	16,201,887	-	10,849,728	27,051,615	-	11,330,539	11,330,539
City Rentals	248,505	421,957	-	-	421,957	-	173,452	173,452
Housing	307,298	188,137	-	-	188,137	-	(119,161)	(119,161)
Total Business-Type Activities	30,103,776	33,597,809	-	12,590,057	46,187,866	-	16,084,090	16,084,090
Total Primary Government	\$ 88,400,729	\$ 42,926,241	\$ 9,594,707	\$ 33,946,594	\$ 86,467,542	\$ (18,017,277)	\$ 16,084,090	\$ (1,933,187)
General Revenues:								
Taxes:								
Property Taxes						19,580,300	-	19,580,300
Sales Tax						4,803,716	-	4,803,716
Franchise Fees						1,057,537	-	1,057,537
Public Service Taxes						298,911	-	298,911
Measure C, TOT						674,000	-	674,000
Motor Vehicle Taxes						3,570,432	-	3,570,432
Investment Earnings						6,821,377	3,246,917	10,068,294
Miscellaneous						906,456	-	906,456
Transfers						1,645,610	(1,645,610)	-
Total General Revenues and Transfers						39,358,339	1,601,307	40,959,646
Change in Net Assets						21,341,062	17,685,397	39,026,459
Net Assets - Beginning of Year						507,912,494	199,596,036	707,508,530
Net Assets - End of Year						\$ 529,253,556	\$ 217,281,433	\$ 746,534,989

City of Brentwood

Balance Sheet
Governmental Funds
June 30, 2009

	General Fund	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
		Redevelopment Debt	Community Facilities Improvement Projects		
ASSETS					
Current Assets:					
Cash and Investments	\$ 19,865,927	\$ 12,288,878	\$ 18,733,283	\$ 43,626,571	\$ 94,514,659
Restricted Cash and Investments	-	-	14,459	17,460,408	17,474,867
Receivables	869,236	4,282	71,069	3,267,553	4,212,140
Prepays	115,603	-	-	1,997	117,600
Due from Other Funds	-	-	3,524,106	886,692	4,410,798
Land Held for Resale	-	-	-	2,717,488	2,717,488
Total Assets	\$ 20,850,766	\$ 12,293,160	\$ 22,342,917	\$ 67,960,709	\$ 123,447,552
LIABILITIES AND FUND BALANCES					
Current Liabilities:					
Accounts Payable and Accrued Liabilities	\$ 969,795	\$ 1,331,493	\$ 281,849	\$ 1,681,038	\$ 4,264,175
Due to Other Funds	-	-	64,000	4,147,358	4,211,358
Interfund Balances	-	-	-	710,295	710,295
Deferred Revenue	253,540	-	-	3,076,599	3,330,139
Deposits Held	4,042,613	-	-	5,850	4,048,463
Total Liabilities	5,265,948	1,331,493	345,849	9,621,140	16,564,430
Fund Balances:					
Reserved for:					
Prepays	115,603	-	-	1,997	117,600
Land Held for Resale	-	-	-	2,717,488	2,717,488
Debt Service	-	10,961,667	-	2,268,854	13,230,521
Specific Projects and Programs	-	-	21,997,068	48,875,803	70,872,871
Unreserved, Reported in:					
General Fund	15,469,215	-	-	-	15,469,215
Special Revenue	-	-	-	8,180,937	8,180,937
Capital Projects	-	-	-	(3,705,510)	(3,705,510)
Total Fund Balances	15,584,818	10,961,667	21,997,068	58,339,569	106,883,122
Total Liabilities and Fund Balances	\$ 20,850,766	\$ 12,293,160	\$ 22,342,917	\$ 67,960,709	\$ 123,447,552

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

June 30, 2009

Total Fund Balances - Total Governmental Funds	\$	106,883,122
 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.		427,894,654
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.		31,905,430
The long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		1,045,877
Long-term liabilities are not due and payable in the current period; therefore, they are not reported in the Governmental Funds Balance Sheet:		
Bonds		(34,158,343)
Notes Payable		(1,528,112)
Net OPEB Obligation		(1,750,887)
Compensated Absences		(1,038,185)
Total Long Term Liabilities		<u>(38,475,527)</u>
 Net Assets of Governmental Activities	 \$	 <u><u>529,253,556</u></u>

City of Brentwood

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For Year Ended June 30, 2009

	General Fund	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
		Redevelopment Debt	Community Facilities Improvement Projects		
REVENUES					
Taxes	\$ 15,352,221	\$ 6,135,680	\$ -	\$ 3,477,769	\$ 24,965,670
Licenses	530,025	-	-	-	530,025
Permits and Fines	1,699,070	-	-	-	1,699,070
Uses of Money and Property	1,284,703	654,499	1,134,464	2,640,860	5,714,526
Intergovernmental	4,163,335	-	-	2,395,690	6,559,025
Franchises	1,057,537	-	-	-	1,057,537
Charges for Other Services	407,429	-	-	-	407,429
Charges to Other Funds	5,507,561	-	-	-	5,507,561
Fees and Other Revenues	1,068,105	-	15,000	11,547,446	12,630,551
Total Revenues	31,069,986	6,790,179	1,149,464	20,061,765	59,071,394
EXPENDITURES					
Current:					
General Government	5,996,458	-	24,319	7,856,030	13,876,807
Public Safety	14,237,877	-	-	39,256	14,277,133
Community Development	3,188,946	1,599,785	-	15,079	4,803,810
Engineering	2,523,897	-	-	-	2,523,897
Public Works	2,385,896	-	-	-	2,385,896
Parks and Recreation	4,444,574	-	-	2,594,818	7,039,392
Community Services	265,957	-	-	4,511,050	4,777,007
Capital Outlay	-	-	4,281,470	7,136,255	11,417,725
Debt Service:					
Principal	98,379	450,000	-	455,000	1,003,379
Interest and Fiscal Charges	-	917,706	-	597,631	1,515,337
Total Expenditures	33,141,984	2,967,491	4,305,789	23,205,119	63,620,383
REVENUES OVER (UNDER) EXPENDITURES	(2,071,998)	3,822,688	(3,156,325)	(3,143,354)	(4,548,989)
OTHER FINANCING SOURCES (USES)					
Transfers In	3,709,945	-	7,742,198	8,381,162	19,833,305
Transfers Out	(10,064,148)	(1,160,933)	-	(8,740,432)	(19,965,513)
Total Other Financing Sources (Uses)	(6,354,203)	(1,160,933)	7,742,198	(359,270)	(132,208)
NET CHANGE IN FUND BALANCES	(8,426,201)	2,661,755	4,585,873	(3,502,624)	(4,681,197)
Fund Balance, Beginning of Year	24,011,019	8,299,912	17,411,195	61,842,193	111,564,319
Fund Balance, End of Year	\$ 15,584,818	\$ 10,961,667	\$ 21,997,068	\$ 58,339,569	\$ 106,883,122

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, 2009

Net Changes in Fund Balances - Total Governmental Funds	\$	(4,681,197)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental Funds report capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Assets, the cost of those assets is allocated over their estimated useful lives as depreciation expense. The amount shown represents the capital assets recorded in the current period.		11,417,725
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.		(5,828,886)
The net effect of various miscellaneous transactions involving Capital Assets (e.g. sales, trade-ins and contributions) is to increase net assets.		17,521,777
To record the net change in compensated absences in the Statement of Activities.		113,837
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.		1,003,379
This amount represents the increase in Net OPEB Obligations.		(1,750,887)
This amount represents accretion interest.		(214,284)
Revenues in the Governmental Funds that have been previously recognized in the Statement of Activities.		7,106
Internal Service Funds are used by management to charge the costs of certain activities, such as data processing and fleet management, to individual funds. The net revenue of the Internal Service Funds is reported with Governmental Activities.		3,752,492
Changes in Net Assets of Governmental Activities	\$	21,341,062

Statement of Net Assets
Proprietary Funds
June 30, 2009

	Business-Type Activities - Enterprise Funds					Totals	Governmental
	Wastewater	Solid Waste	Water	City Rentals	Housing		Activities - Internal Service Funds
ASSETS							
Current Assets:							
Cash and Investments	\$ 24,005,465	\$ 10,175,281	\$ 17,266,697	\$ -	\$ 7,388,589	\$ 58,836,032	\$ 27,956,598
Restricted Cash and Investments	-	-	4,007,761	-	-	4,007,761	-
Receivables	1,538,684	1,750,357	2,251,153	90,070	26,552	5,656,816	87,620
Prepays	7,175	8,461	8,812	4,917	180	29,545	4,077
Notes Receivable	-	-	58,500	-	-	58,500	-
Total Current Assets	25,551,324	11,934,099	23,592,923	94,987	7,415,321	68,588,654	28,048,295
Non-Current Assets:							
Deferred Charges	-	-	964,129	-	-	964,129	-
Due from Other Funds	35,331	-	85,269	-	-	120,600	-
Long-Term Notes Receivable	-	-	175,500	-	682,996	858,496	-
Interfund Balances	710,295	-	-	-	-	710,295	-
Capital Assets:							
Intangible Assets	-	-	10,597,532	-	-	10,597,532	-
Land	409,620	254,420	128,560	-	1,241,602	2,034,202	-
Buildings	2,895,398	14,000	20,337,687	-	1,566,547	24,813,632	-
Infrastructure	88,037,105	696,851	123,991,098	-	-	212,725,054	-
Machinery and Equipment	544,281	94,126	522,000	-	-	1,160,407	2,650,184
Vehicles	-	-	-	-	-	-	7,177,561
Land Improvements	58,494	1,000,000	9,642,692	-	-	10,701,186	-
Work in Progress	232,302	688,255	1,566,464	-	-	2,487,021	-
Less Accumulated Depreciation and Amortization	(10,197,352)	(725,754)	(14,119,479)	-	(80,869)	(25,123,454)	(5,535,428)
Total Capital Assets, Net of Accumulated Depreciation	81,979,848	2,021,898	152,666,554	-	2,727,280	239,395,580	4,292,317
Total Non-Current Assets	82,725,474	2,021,898	153,891,452	-	3,410,276	242,049,100	4,292,317
Total Assets	108,276,798	13,955,997	177,484,375	94,987	10,825,597	310,637,754	32,340,612
LIABILITIES AND NET ASSETS							
Current Liabilities:							
Accounts Payable and Accrued Liabilities	529,475	422,849	2,376,560	13,005	41,971	3,383,860	162,747
Due to Other Funds	-	-	-	39,753	280,287	320,040	-
Unearned Revenue	-	-	234,000	-	-	234,000	-
Deposits Held	-	8,448	38,250	-	23,927	70,625	-
Long-Term Debt Due Within One Year	1,775,856	-	1,019,904	-	-	2,795,760	-
Compensated Absences Payable	50,723	63,962	75,433	-	3,173	193,291	69,442
Total Current Liabilities	2,356,054	495,259	3,744,147	52,758	349,358	6,997,576	232,189
Non-Current Liabilities Due in More Than One Year:							
Bonds Payable	-	-	52,500,000	-	-	52,500,000	-
Notes Payable	26,224,698	-	6,951,815	-	-	33,176,513	-
Net OPEB Obligation	139,353	196,611	211,514	-	5,894	553,372	156,698
Compensated Absences Payable	33,815	42,641	50,288	-	2,116	128,860	46,295
Total Non-Current Liabilities	26,397,866	239,252	59,713,617	-	8,010	86,358,745	202,993
Total Liabilities	28,753,920	734,511	63,457,764	52,758	357,368	93,356,321	435,182
Net Assets:							
Invested in Capital Assets, Net of Related Debt	53,979,294	2,021,898	93,158,963	-	2,727,280	151,887,435	4,292,317
Restricted for:							
Special Projects and Programs	15,096,496	1,431,147	1,576,978	-	8,098,023	26,202,644	-
Unrestricted	10,447,088	9,768,441	19,290,670	42,229	(357,074)	39,191,354	27,613,113
Total Net Assets	\$ 79,522,878	\$ 13,221,486	\$ 114,026,611	\$ 42,229	\$ 10,468,229	\$ 217,281,433	\$ 31,905,430

Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For Year Ended June 30, 2009

	Business-Type Activities - Enterprise Funds					Totals	Governmental
	Wastewater	Solid Waste	Water	City Rentals	Housing		Activities - Internal Service Funds
Operating Revenues:							
Charges for Services	\$ 7,494,403	\$ 9,119,674	\$ 15,986,049	\$ 421,785	\$ 188,137	\$ 33,210,048	\$ 6,485,410
Other Income	171,740	11	215,838	172	-	387,761	101,688
Total Operating Revenues	7,666,143	9,119,685	16,201,887	421,957	188,137	33,597,809	6,587,098
Operating Expenses:							
Personnel Services	1,941,002	2,657,817	3,003,805	-	100,889	7,703,513	2,310,572
Repairs and Maintenance	25,445	100,093	472,856	75,654	21,652	695,700	91,196
Materials, Supplies and Services	2,966,544	4,043,426	7,879,890	172,851	151,688	15,214,399	2,474,422
Depreciation and Amortization	1,410,200	69,280	1,565,282	-	31,331	3,076,093	1,020,902
Total Operating Expenses	6,343,191	6,870,616	12,921,833	248,505	305,560	26,689,705	5,897,092
Operating Income (Loss)	1,322,952	2,249,069	3,280,054	173,452	(117,423)	6,908,104	690,006
Non-Operating Revenues (Expenses):							
Interest Income	1,322,071	473,979	1,032,885	4,051	413,931	3,246,917	1,287,842
Interest Expense	(612,297)	-	(2,799,243)	-	(1,738)	(3,413,278)	-
Loss on Disposal of Capital Assets	(793)	-	-	-	-	(793)	(3,174)
Total Non-Operating Revenues (Expenses)	708,981	473,979	(1,766,358)	4,051	412,193	(167,154)	1,284,668
Income (Loss) before Contributions and Transfers	2,031,933	2,723,048	1,513,696	177,503	294,770	6,740,950	1,974,674
Contributions - Impact Fees and Credits	69,128	-	385,671	-	-	454,799	-
Capital Asset Contributions	1,671,201	-	10,464,057	-	-	12,135,258	-
Transfers In	-	-	100,000	24,792	-	124,792	2,497,864
Transfers Out	(670,813)	(176,969)	(634,008)	(288,612)	-	(1,770,402)	(720,046)
Change in Net Assets	3,101,449	2,546,079	11,829,416	(86,317)	294,770	17,685,397	3,752,492
Net Assets, Beginning of Year	76,421,429	10,675,407	102,197,195	128,546	10,173,459	199,596,036	28,152,938
Net Assets, End of Year	\$ 79,522,878	\$ 13,221,486	\$ 114,026,611	\$ 42,229	\$ 10,468,229	\$ 217,281,433	\$ 31,905,430

City of Brentwood

**Statement of Cash Flows
Proprietary Funds
For Year Ended June 30, 2009**

	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	\$ 7,486,531	\$ 8,974,849	\$ 16,319,944	\$ 334,434	\$ 185,279	\$ 33,301,037	\$ 91,882
Cash Received from Interfund Services	-	-	-	-	-	-	6,587,097
Cash Payments to Suppliers of Goods and Services	(2,894,240)	(3,004,863)	(6,575,649)	(212,875)	(133,537)	(12,821,164)	(2,172,670)
Cash Payments to Employees for Services	(1,941,002)	(2,657,817)	(3,003,805)	-	(100,889)	(7,703,513)	(2,310,572)
Cash Payments for Interfund Services	(348,473)	(972,737)	(429,984)	(68,817)	(26,009)	(1,846,020)	(333,809)
Other Receipts/Payments	(40,857)	986	136,581	22,067	(326,312)	(207,535)	(38,526)
Net Cash Provided By (Used for) Operating Activities	2,261,959	2,340,418	6,447,087	74,809	(401,468)	10,722,805	1,823,402
Cash Flows from Non-Capital Financing Activities							
Transfers Received	-	-	100,000	24,792	-	124,792	2,497,864
Transfers Paid	(670,813)	(176,969)	(634,008)	(288,612)	-	(1,770,402)	(720,046)
Due to Other Funds	-	-	-	39,753	-	39,753	-
Due from Other Funds	200,000	-	(39,753)	-	-	160,247	-
Net Cash Provided By (Used for) Non-Capital Financing Activities	(470,813)	(176,969)	(573,761)	(224,067)	-	(1,445,610)	1,777,818
Cash Flows from Capital and Related Financing Activities							
Proceeds from Capital Debt	-	-	53,200,000	-	-	53,200,000	-
Contributions - Impact Fees and Credits	69,128	-	385,671	-	-	454,799	-
Interest Paid on Debt	(524,959)	-	(2,799,243)	-	(1,738)	(3,325,940)	-
Principal Paid on Debt	(3,714,726)	-	(1,170,000)	-	-	(4,884,726)	-
Payments for Cost of Issuance	-	-	(986,041)	-	-	(986,041)	-
Payments to Refunded Bond Escrow	-	-	(7,324,891)	-	-	(7,324,891)	-
Acquisition and Construction of Assets	(70,262)	(91,683)	(45,409,677)	-	-	(45,571,622)	(673,197)
Net Cash Provided By (Used for) Capital and Related Financing Activities	(4,240,819)	(91,683)	(4,104,181)	-	(1,738)	(8,438,421)	(673,197)
Cash Flows from Investing Activities							
Interest on Investments	1,322,071	473,979	1,032,885	4,051	413,931	3,246,917	1,287,842
Net Cash Provided By Investing Activities	1,322,071	473,979	1,032,885	4,051	413,931	3,246,917	1,287,842
Net Increase (Decrease) in Cash and Cash Equivalents	(1,127,602)	2,545,745	2,802,030	(145,207)	10,725	4,085,691	4,215,865
Cash and Cash Equivalents - Beginning of Year	25,133,067	7,629,536	18,472,434	145,207	7,377,864	58,758,108	23,740,733
Cash and Cash Equivalents - End of Year	\$ 24,005,465	\$ 10,175,281	\$ 21,274,464	\$ -	\$ 7,388,589	\$ 62,843,799	\$ 27,956,598
Reconciliation of Operating Income to Net Cash Provided By (Used for) Operating Activities:							
Operating Income (Loss)	\$ 1,322,952	\$ 2,249,069	\$ 3,280,054	\$ 173,452	\$ (117,423)	\$ 6,908,104	\$ 846,704
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used for) Operating Activities :							
Depreciation and Amortization	1,410,200	69,280	1,565,282	-	31,331	3,076,093	1,020,902
Receivables, Net	(223,036)	(143,528)	281,550	(77,399)	(329,604)	(492,017)	21,552
Inventories	(195)	(15)	(599)	(3,997)	415	(4,391)	(19,153)
Accounts Payable and Other Payables	(250,725)	168,682	1,356,006	(17,245)	10,947	1,267,665	(46,603)
Accrued Expenses	2,763	-	16,294	(2)	7	19,062	-
Deposits	-	(3,070)	(51,500)	-	2,859	(51,711)	-
Net Cash Provided By (Used for) Operating Activities	\$ 2,261,959	\$ 2,340,418	\$ 6,447,087	\$ 74,809	\$ (401,468)	\$ 10,722,805	\$ 1,823,402
Contributions of Capital Assets	\$ 1,671,201	\$ -	\$ 10,464,257	\$ -	\$ -	\$ 12,135,458	\$ -
Assets Contributed To/From Other Funds	-	(122,864)	-	-	-	-	(122,864)



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Statement of Fiduciary Net Assets
Agency Funds
June 30, 2009

ASSETS

Cash and Investments	\$	11,798,516
Restricted Cash and Investments		6,679,785
Interest Receivable		<u>24,373</u>
Total Assets	\$	<u><u>18,502,674</u></u>

LIABILITIES

Accounts Payable and Accrued Liabilities	\$	864,630
Due to Others		68,796
Due to Bondholders		<u>17,569,248</u>
Total Liabilities	\$	<u><u>18,502,674</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 Governmental Accounting Standards Board (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

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

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 incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

For Proprietary Funds, all assets and liabilities, whether current or non-current, are included on the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Fund Net Assets presents increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the Proprietary Funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses. Proprietary Fund types include Enterprise Funds and Internal Service Funds.

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

Financial reporting is based upon all GASB pronouncements, as well as the Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins that were issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements. FASB Pronouncements issued after November 30, 1989, are not followed in preparation of the accompanying financial statements. Reconciliations of the Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the differences created by the integrated approach of GASB Statement No. 34.

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

The government reports the following major Governmental Funds: General Fund, Redevelopment Debt 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.

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

- 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.
- 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.
- 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.
- 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.

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

- Parking In Lieu – This fund accounts for development fees collected for off street parking facilities located within the Downtown area.
- Lighting and Landscape Districts – This fund accounts for special benefit assessments levied on property owners for street lighting and landscape maintenance.

Debt Service Funds account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs. 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 Brentwood 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 Community Facilities Improvement Projects fund is the only major Capital Project Fund included in the major Governmental Funds. Below are specific descriptions of the Capital Project Funds:

- Capital Improvement Financing Program 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.



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

- 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.
- 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. This fund was closed on July 1, 2008.
- 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.
- Budget Stabilization – To provide a source of funding to help the City's General Fund weather adverse economic conditions.

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. The financial activities of these funds are excluded from the Government-Wide financial statements, but are presented in separate Fiduciary Fund financial statements.
- *Pass-Through Funds* – Special funds used for the collection and distribution of development fees collected on behalf of other agencies. The financial activities of these funds are excluded from the Government-Wide financial statements, but are presented in separate Fiduciary Fund financial statements.
- *Asset Seizure* – Special funds to be used exclusively to support law enforcement and prosecutorial efforts. The financial activities of these funds are excluded from the Government-Wide financial statements, but are presented in separate Fiduciary Fund financial statements.

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, 2009.

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. In governmental funds, prepaid items are accounted for using the consumption method and a portion of fund balance equal to the prepaid items has been reserved to indicate that it is not available for appropriation. 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
Buildings 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

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

markings), landscaping and land. These subsystems were not delineated in the Basic Financial Statements. The appropriate operating department maintains information regarding the subsystems.

vii. Compensated Absences Payable

The following totals may be accumulated by employees each year:

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

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

the extent that they result in current receivables. The City receives their full assessment of property tax and the County retains all delinquent charges.

ix. Deferred Compensation Plan

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

x. New GASB Pronouncements

In 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.

In June 2008, GASB issued GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. This Statement addresses the recognition, measurement and disclosure of information regarding derivative instruments entered into by state and local governments. Common types of derivative instruments used by governments include: interest rate and commodity swaps; interest rate locks; options (e.g. caps, floors and collars); swaptions; forward contracts and futures contracts. A key provision in this Statement is that derivative instruments covered in its scope, with the exception of synthetic guaranteed investment contracts (SGICs) that are fully benefit-responsive, are reported at fair value. The requirements of this Statement are effective for fiscal periods beginning after June 15, 2009. The City does not anticipate that Statement No. 53 will have a significant impact on its financial statements.

In March 2009, GASB issued GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement also establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed

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

upon the use of the resources reported in governmental funds. In addition, Statement No. 54 provides guidance for classifying stabilization amounts on the face of the balance sheet and requires disclosure of certain information about stabilization arrangements in the notes to the financial statements. The requirements of this Statement are effective for fiscal periods beginning after June 15, 2010. The City is in the process of determining the impact implementation will have on the financial statements.

xi. Motor Vehicle Taxes

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

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

The City generally operates on a two year budget cycle; however, the City temporarily suspended the two year budget requirement for the 2009/10 fiscal year due to lack of long term visibility. Budgets 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. 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 2000-1 (2004 C Refi)	Randy Way Assessment 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

Debt Service Funds

Capital Improvement Program 2001
2002 General Obligation Bond

B. DEFICIT FUND EQUITY

The following funds have either a deficit fund or accumulated deficit balance as of June 30, 2009, which were due to timing issues at year-end. Coverage of these funds was addressed in the fiscal year 2009/10 Operating Budget.

Special Revenue:

Facility Fee Administration	\$ 682,021
Parks and Trails	\$ 606,038

Capital Projects:

Park Improvement Projects	\$ 3,705,510
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NOTE # 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of the “Due To / From Other Funds” balance, as of June 30, 2009, is shown below. The due from amounts for Park Improvements Projects, Parks and Trails, Vehicle Abatement and City Rentals 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.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Community Facilities Improvement Projects	Park Improvement Projects	\$ 3,524,106
Agriculture Administration	Community Facilities Improvement Projects	64,000
Thoroughfares	Parks and Trails	606,038
Thoroughfares	Vehicle Abatement	17,214
Thoroughfares	Housing Enterprise	97,069
Community Facilities	Housing Enterprise	31,149
Facility Fee Administration	Housing Enterprise	4,726
Parks and Trails	Housing Enterprise	66,496
Wastewater Enterprise	Housing Enterprise	35,331
Water Enterprise	Housing Enterprise	45,516
Water Enterprise	City Rentals Enterprise	39,753
	Total	<u><u>\$ 4,531,398</u></u>

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

Interfund Loan

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Wastewater Enterprise	Facility Fee Administration - Non-Major Funds	\$ 710,295
	Total	<u><u>\$ 710,295</u></u>

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

Interfund Transfers

Fund Description	Community Facilities Improvement Projects		Internal Service Funds	Non-Major Governmental Funds	Water Enterprise	City Rentals Enterprise	Total Transfers Out
	General Fund						
General Fund	\$ -	\$ 7,085,810	\$ 2,375,000	\$ 578,546	\$ -	\$ 24,792	\$ 10,064,148
Redevelopment Debt Service	-	-	-	1,160,933	-	-	1,160,933
Non-Major Governmental Funds	3,390,094	260,093	-	4,990,245	100,000	-	8,740,432
Internal Service Funds	319,851	164,930	-	235,265	-	-	720,046
Wastewater Enterprise	-	79,922	-	590,891	-	-	670,813
Solid Waste Enterprise	-	54,105	122,864	-	-	-	176,969
Water Enterprise	-	97,338	-	536,670	-	-	634,008
City Rentals Enterprise	-	-	-	288,612	-	-	288,612
Total Transfers In	\$ 3,709,945	\$ 7,742,198	\$ 2,497,864	\$ 8,381,162	\$ 100,000	\$ 24,792	\$ 22,455,961

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

Transfer To	Amount	Purpose
Capital Projects	\$ 1,107,720	Provide a subsidy to cover a portion of the costs for the Pavement Management Program.
General Fund	1,018,197	Gas Tax revenue to subsidize the Street Maintenance Division.
Capital Projects	240,000	Provide a subsidy to cover a portion of the costs for the John Muir Parkway Extension - Phase II project.
Capital Projects	1,113,485	Provide a subsidy to cover a portion of the costs for the Civic Center Parking Facility - Phase I project.
Capital Projects	6,200,000	Provide a subsidy to cover a portion of the costs for the New City Hall Project.
Capital Projects	220,000	Provide a subsidy to cover a portion of the costs for the Maintenance Service Center - Phase II project.
Capital Projects	216,000	Provide a subsidy to cover a portion of the costs for the Computerized Maintenance Service Center Phase II project.
Capital Projects	1,500,000	Provide a subsidy to cover a portion of the costs for the BUSD Joint Use Community Gymnasium project.
Capital Projects	311,734	Provide a subsidy to cover a portion of the costs for the Walnut Boulevard Widening project.
Capital Projects	200,000	Provide a subsidy to cover a portion of the costs for the Development Services Software 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 \$36,193 at June 30, 2009. The bank balance, before reconciling items, was \$949,834. The bank balance is insured for up to \$250,000 and is collateralized for up to 110%, with the collateral being 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	\$ 36,193
Petty Cash	7,230
Pooled Investments	221,224,795
Total Cash and Investments	<u>\$ 221,268,218</u>

Cash and investments appear on the financial statements as follows:

Cash and Investments	
Governmental Activities	\$ 122,471,257
Business-Type Activities	58,836,032
Fiduciary Funds	11,798,516
	<u>193,105,805</u>
Restricted Cash and Investments	
Governmental Activities	17,474,867
Business-Type Activities	4,007,761
Fiduciary Funds	6,679,785
	<u>28,162,413</u>
Total Cash and Investments	<u>\$ 221,268,218</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 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 88% 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 Funds (MMF) or Guaranteed Investment Contracts (GICs) which are all unrated. Investments at June 30, 2009, 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	\$ 1,525,165	A	1%
Medium Term Corporate Notes	3,080,150	A+	2%
Medium Term Corporate Notes	7,509,763	AA+	6%
Medium Term Corporate Notes	3,092,651	AA-	3%
Commercial Paper	22,104,434	AAA	18%
Federal Agency Bonds / Notes	65,150,174	AAA	52%
Money Market Mutual Funds	22,973,430	AAAm	18%
Total Rated Investments	125,435,767		
U.S. Treasury Bonds / Notes	70,283,378	Not Rated	
Local Agency Investment Fund	23,790,707	Not Rated	
Money Market Funds	809,706	Not Rated	
Guaranteed Investment Contracts	905,237	Not Rated	
Total Unrated Investments	95,789,028		
Total Investments	\$ 221,224,795		

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.	\$ 34,043,438	15.39
Federal Home Loan Bank	22,995,024	10.39

* 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, 67% 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/Bills	\$ 70,283,378	\$ 1,073,335	\$ -	\$ 26,121,529	\$ 43,088,514	31.77
Medium-Term Corporate Notes	15,207,729	-	4,617,816	10,589,913	-	6.87
Federal Agency Bonds/Notes**	65,150,174	29,286,789	2,830,881	18,542,065	14,490,439	29.45
Commercial Paper	22,104,434	-	-	6,759,883	15,344,551	9.99
Local Agency Investment Funds	23,790,707	23,790,707	-	-	-	10.75
Money Market Mutual Funds	22,973,430	22,973,430	-	-	-	10.38
Money Market Funds	809,706	809,706	-	-	-	0.38
Guaranteed Investments Contracts	905,237	905,237	-	-	-	0.41
Totals	\$ 221,224,795	\$ 78,839,204	\$ 7,448,697	\$ 62,013,390	\$ 72,923,504	
% of Portfolio		35.64	3.37	28.03	32.96	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, 2009, the amortized cost of the pool was \$50,784,427,116. The fair value was \$50,850,687,742. 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 \$23,790,707 whose pro-rata share of fair value was estimated by the State Treasurer to be \$23,821,748. 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 – ACCOUNTS, NOTES AND LOANS RECEIVABLE

Receivables at June 30, 2009 were comprised of the following:

	Taxes	Accounts	Inter-Governmental	Interest	Utilities	Loans	Total Receivables
Governmental Activities:							
General Fund	\$ 161,114	\$ 700,387	\$ -	\$ 7,735	\$ -	\$ -	\$ 869,236
Internal Services	-	78,723	-	8,897	-	-	87,620
Special Revenue	-	621,166	55,914	13,014	-	2,280,722	2,970,816
Debt Service	-	-	-	4,373	-	-	4,373
Capital Projects	-	351,291	-	16,424	-	-	367,715
Total Governmental Activities	\$ 161,114	\$ 1,751,567	\$ 55,914	\$ 50,443	\$ -	\$ 2,280,722	\$ 4,299,760
Business - Type Activities:							
Wastewater	\$ -	\$ 141,797	\$ -	\$ 8,522	\$ 1,388,365	\$ -	\$ 1,538,684
Solid Waste	-	8,330	-	3,518	1,738,509	-	1,750,357
Water	-	441,553	-	5,976	1,803,624	234,000	2,485,153
City Rentals	-	90,068	-	2	-	-	90,070
Housing	-	23,927	-	2,625	-	682,996	709,548
Total Business-Type Activities	\$ -	\$ 705,675	\$ -	\$ 20,643	\$ 4,930,498	\$ 916,996	\$ 6,573,812

Loans Receivable at June 30, 2009 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	\$ 250,000
Business - Type Activities:	
Diablo Water District	\$ 234,000
Down Payment Assistance Loans	682,996
Net Notes Receivable	\$ 916,996

NOTE # 4 – ACCOUNTS, 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, 2009. 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 either 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 either 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, 2009.

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 \$234,000, 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 who 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 dependent 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 (GAP) to facilitate the purchase of below market rate units from the City's Affordable Housing Program for first time homebuyers. The maximum GAP loan amount 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 \$682,996, 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, 2009 are as follows:

	Balance July 1, 2008	Increases	Decreases	Transfers	Balance June 30, 2009
Governmental Activities :					
Capital Assets, Not Being Depreciated or Amortized:					
Land	\$ 3,166,407	\$ -	\$ -	\$ 1,394,039	\$ 33,058,115
Work in Progress - CIP	54,824,074	11,417,725	-	(20,004,744)	46,237,055
Total Capital Assets, Not Being Depreciated or Amortized	<u>86,488,150</u>	<u>11,417,725</u>	<u>-</u>	<u>(18,610,705)</u>	<u>79,295,170</u>
Capital Assets, Being Depreciated and Amortized:					
Intangible Assets	4,245,000	-	-	1,500,000	5,745,000
Buildings	15,134,628	-	-	5,322,566	20,457,194
Infrastructure	3,198,433,104	17,524,375	-	10,286,338	3,47,653,817
Machinery and Equipment	3,377,226	94,274	(43,972)	556,774	3,984,302
Vehicles	6,790,877	578,923	(192,239)	-	7,177,561
Land Improvements	26,193,688	-	-	945,027	27,138,715
Total Capital Assets Being Depreciated and Amortized	<u>3,75,584,523</u>	<u>18,197,572</u>	<u>(236,211)</u>	<u>18,610,705</u>	<u>4,12,156,589</u>
Less Accumulated Depreciation and Amortization for:					
Intangible Assets	208,231	65,308	-	-	273,539
Buildings	2,807,001	301,847	-	-	3,108,848
Infrastructure	43,710,798	4,920,666	-	-	48,631,464
Machinery and Equipment	1,642,263	324,682	(41,125)	-	1,925,820
Vehicles	3,492,251	745,059	(189,315)	-	4,047,995
Land Improvements	784,896	492,226	-	-	1,277,122
Total Accumulated Depreciation and Amortization	<u>52,645,440</u>	<u>6,849,788</u>	<u>(230,440)</u>	<u>-</u>	<u>59,264,788</u>
Total Capital Assets, Being Depreciated and Amortized, Net	<u>322,939,083</u>	<u>11,347,784</u>	<u>(5,771)</u>	<u>18,610,705</u>	<u>352,891,801</u>
Governmental Activities Capital Assets, Net	<u>\$ 409,427,233</u>	<u>\$ 22,765,509</u>	<u>\$ (5,771)</u>	<u>\$ -</u>	<u>\$ 432,186,971</u>
Business-Type Activities :					
Capital Assets, Not Being Depreciated or Amortized:					
Land	\$ 1,968,198	\$ -	\$ -	\$ 66,004	\$ 2,034,202
Work in Progress - CIP	23,558,881	45,469,393	-	(66,541,253)	2,487,021
Total Capital Assets, Not Being Depreciated or Amortized	<u>25,527,079</u>	<u>45,469,393</u>	<u>-</u>	<u>(66,475,249)</u>	<u>4,521,223</u>
Capital Assets, Being Depreciated and Amortized:					
Intangible Assets	10,597,532	-	-	-	10,597,532
Buildings	10,256,670	-	-	14,556,962	24,813,632
Infrastructure	158,142,393	12,135,257	-	42,447,404	212,725,054
Machinery and Equipment	1,060,005	102,230	(1,828)	-	1,160,407
Land Improvements	1,230,303	-	-	9,470,883	10,701,186
Total Capital Assets Being Depreciated and Amortized	<u>181,286,903</u>	<u>12,237,487</u>	<u>(1,828)</u>	<u>66,475,249</u>	<u>259,997,811</u>
Less Accumulated Depreciation and Amortization for:					
Intangible Assets	1,074,306	259,193	-	-	1,333,499
Buildings	2,518,482	205,133	-	-	2,723,615
Infrastructure	17,074,630	2,455,244	-	-	19,529,874
Machinery and Equipment	662,060	75,114	(1,035)	-	736,139
Land Improvements	740,830	59,497	-	-	800,327
Total Accumulated Depreciation and Amortization	<u>22,070,308</u>	<u>3,054,181</u>	<u>(1,035)</u>	<u>-</u>	<u>25,123,454</u>
Total Capital Assets, Being Depreciated and Amortized, Net	<u>159,216,595</u>	<u>9,183,306</u>	<u>(793)</u>	<u>66,475,249</u>	<u>234,874,357</u>
Business-Type Activities Capital Assets, Net	<u>\$ 184,743,674</u>	<u>\$ 54,652,699</u>	<u>\$ (793)</u>	<u>\$ -</u>	<u>\$ 239,395,580</u>

NOTE # 5 – CAPITAL ASSETS (Continued)

For the year ended June 30, 2009, depreciation expense on capital assets was charged to the governmental function as follows:

Governmental Activities:	
General Government	\$ 356,050
Public Safety	323,726
Community Development	5,176
Public Works	4,060,372
Parks and Recreation	1,083,562
Internal Service	1,020,902
Total Depreciation and Amortization Expense - Governmental Activities	<u><u>\$ 6,849,788</u></u>
Business-Type Activities:	
Water	\$ 1,543,370
Wastewater	1,410,200
Solid Waste	69,280
Housing	31,331
Total Depreciation and Amortization Expense - Business-Type Activities	<u><u>\$ 3,054,181</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 located 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
- As of June 30, 2009, \$1,500,000 for the BUSD Gym located at Adams Middle School

NOTE # 6 – LONG-TERM OBLIGATIONS

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

A. GOVERNMENTAL ACTIVITIES

	Balance June 30, 2008	Additions	Payments Adjustments	Balance June 30, 2009	Amounts Due Within One Year
Bonds					
2002 General Obligation Bonds	\$ 6,479,059	\$ 214,284 ⁽¹⁾	\$ (180,000)	\$ 6,513,343	\$ 205,000
CIP 2001 Revenue Bonds	28,370,000	-	(725,000)	27,645,000	755,000
Total Bonds	<u>34,849,059</u>	<u>214,284</u>	<u>(905,000)</u>	<u>34,158,343</u>	<u>960,000</u>
Notes Payable					
Village Community Resource Center	259,917	-	(98,379)	161,538	86,131
Heritage High Joint Use Pool	1,366,574	-	-	1,366,574	1,366,574
Total Notes Payable	<u>1,626,491</u>	<u>-</u>	<u>(98,379)</u>	<u>1,528,112</u>	<u>1,452,705</u>
Other					
Net OPEB Obligation	-	2,330,069	(422,484)	1,907,585	-
Accumulated Compensated Absences	1,235,564	1,467,114	(1,548,756)	1,153,922	692,353
Total Other	<u>1,235,564</u>	<u>3,797,183</u>	<u>(1,971,240)</u>	<u>3,061,507</u>	<u>692,353</u>
Total General Long-Term Debt	<u>\$ 37,711,114</u>	<u>\$ 4,011,467</u>	<u>\$ (2,974,619)</u>	<u>\$ 38,747,962</u>	<u>\$ 3,105,058</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
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	325,000	80,325	405,325
2015-2019	1,618,799	722,188	2,340,987
2020-2024	974,688	2,010,312	2,985,000
2025-2029	926,851	2,888,149	3,815,000
2030-2031	359,639	1,445,362	1,805,001
Sub-total	5,189,977	\$ 7,595,067	\$ 12,785,044
Accretion to date	1,323,366		
	<u>\$ 6,513,343</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 \$31,228,441 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 2009, tax increment revenue amounted to \$6,135,680, which represented coverage of 4.49 times \$1,367,706 of the Agency’s debt service. The remaining portion of the bonds is repayable from any source of available funds of the City.

Year Ending	Principal	Interest	Total
June 30			
2010	\$ 755,000	\$ 1,332,563	\$ 2,087,563
2011	780,000	1,301,862	2,081,862
2012	815,000	1,269,453	2,084,453
2013	850,000	1,234,581	2,084,581
2014	880,000	1,196,719	2,076,719
2015-2019	5,055,000	5,323,425	10,378,425
2020-2024	6,480,000	3,859,603	10,339,603
2025-2029	7,440,000	2,053,750	9,493,750
2030-2032	4,590,000	351,750	4,941,750
Total	\$ 27,645,000	\$ 17,923,706	\$ 45,568,706

NOTE # 6 – LONG-TERM OBLIGATIONS (Continued)

ii. Notes Payable

- **Village Community Resource Center**

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	Payments
June 30	
2010	\$ 86,131
2011	75,407
Total	<u>\$ 161,538</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	Estimated
June 30	Principal
2010	\$ 1,366,574
Total	<u>\$ 1,366,574</u>

NOTE # 6 – LONG-TERM OBLIGATIONS (Continued)

iii. Net OPEB Obligation

Details regarding the City’s Net Other Post-Employment Benefits (OPEB) Obligation can be found in Note 11, Post-Retirement Health Care Benefits, found on pages 66 – 70.

iv. Accumulated Compensated Absences

The long-term compensated absences balances at June 30, 2009, are:

Governmental	\$ 461,569
Business-Type	\$ 128,860

B. BUSINESS-TYPE ACTIVITIES

	Balance June 30, 2008	Additions	Payments Adjustments	Balance June 30, 2009	Amounts Due Within One Year
Bonds					
Wastewater Revenue Bonds	\$ 1,970,357	\$ -	\$ (1,970,357)	\$ -	\$ -
Water Revenue Bonds	7,664,643	-	(7,664,643)	-	-
Water Revenue Bond 2008	-	53,200,000	(420,000)	52,780,000	280,000
Total Bonds	9,635,000	53,200,000	(10,055,000)	52,780,000	280,000
Notes Payable					
CCWD Water Connection Fee	8,441,719	-	(750,000)	7,691,719	739,904
State Water Resources Loan (Wastewater)	29,744,923	-	(1,744,369)	28,000,554	1,775,856
Total Notes Payable	38,186,642	-	(2,494,369)	35,692,273	2,515,760
Other					
Net OPEB Obligation	-	675,931	(122,559)	553,372	-
Accumulated Compensated Absences	297,926	441,765	(417,540)	322,151	193,291
Total Other	297,926	1,117,696	(540,099)	875,523	193,291
Total All Business-Type Funds	\$ 48,119,568	\$ 54,317,696	\$ (13,089,468)	\$ 89,347,796	\$ 2,989,051

NOTE # 6 – LONG-TERM OBLIGATIONS (Continued)

i. Bonds

• **Water/Wastewater Revenue Bonds (Refunded)**

In December 2008, the City refunded the 1996 Water/Wastewater Revenue Bonds using the proceeds of the 2008 Water Revenue Bonds. The Water portion of the 1996 Revenue Bonds was refunded whereas the Wastewater portion was defeased in its entirety. The proceeds were sufficient to pay off all principal and accrued interest on the 1996 Water/Wastewater Revenue Bonds, along with costs of issuance on the new issue. Therefore, as of June 30, 2009 the 1996 Water/Wastewater Revenue Bonds have been paid in full. The refunding certificates were issued to reduce the total debt service payments over the next 18 years by an estimated \$462,973 resulting in an estimated economic gain of \$177,004.

• **Water Revenue Bonds**

On November 13, 2008, the City issued \$53,200,000 in Water Revenue Bonds, with interest rates ranging from 4.5 to 5.5 percent, due July 1, 2038. The balance at June 30, 2009 is \$52,780,000. Future payments for these bonds are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 280,000	\$ 2,915,363	\$ 3,195,363
2011	300,000	2,902,762	3,202,762
2012	1,100,000	2,889,262	3,989,262
2013	1,145,000	2,839,763	3,984,763
2014	1,200,000	2,788,237	3,988,237
2015-2019	6,965,000	12,955,888	19,920,888
2020-2024	9,120,000	10,802,775	19,922,775
2025-2029	9,825,000	8,114,375	17,939,375
2030-2034	11,270,000	5,338,150	16,608,150
2035-2038	11,575,000	1,710,338	13,285,338
Total	<u>\$ 52,780,000</u>	<u>\$ 53,256,913</u>	<u>\$ 106,036,913</u>

The City has pledged future water customer revenues, net of specified operating expenses, through 2038 to repay the Water Revenue Bonds. The bond covenants require the net water 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 \$106,036,913. The Water Fund’s principal and interest paid for the current year was \$2,278,366 and the total customer net revenues paid for the current year was \$15,986,049.

NOTE # 6 – LONG-TERM OBLIGATIONS (Continued)**ii. 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. The City would pay annually for its actual and anticipated future connections for a period of 20 years. The minimum amount required per year was 239 connections, for a total of 4,780 connections, over 20 years. The established rate, at June 30, 2009, was \$3,211 per connection, with an interest rate of zero percent per annum. This agreement was entered into in anticipation of the expansion of the Urban Limit Line (ULL), and thus the City limits, into the Los Vaqueros Service Area, and the resulting development of this area.

Since the 2000 agreement was approved, two major events occurred – the ULL expansion wasn't approved by voters and the unexpected downturn in the housing market - which have resulted in an uncertainty regarding when the Los Vaqueros Service Area will be developed. Due to this uncertainty, the City and CCWD decided it was in their best interest to amend the Agreement to account for this uncertainty. Therefore, on July 31, 2009, the City executed an amendment to the CCWD agreement. The primary modification is the timing and method of payment. Instead of paying for a predetermined, equal number of units annually, the City will pay for the units as they are constructed. The City and CCWD will true-up over a two year period, which will make up the difference between the number of existing residential units and the number of residential units paid for to date. The amendment agreement required the City to pay \$750,000 in FY 2008/09 and \$739,904 in FY 2009/10. Forecasting the annual payments beyond 2009/10 is uncertain as any new connection fees related to the Los Vaqueros Service area will be paid as homes are built.

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, 2009, the City’s gross repayment obligation totaled \$31,938,129 and is being reported in the accompanying financial statement net of the unamortized discount of \$3,937,575. During FY 2008/09, the City repaid \$1,744,368 on the obligation and amortized \$536,927 of the discount which was reported as interest expense.

Year Ending June 30	Principal	Interest	Total
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	1,907,594	373,701	2,281,295
2015-2019	10,067,082	1,339,393	11,406,475
2020-2023	8,727,792	397,387	9,125,179
Total	<u>\$ 28,000,554</u>	<u>\$ 3,937,575</u>	<u>\$ 31,938,129</u>

NOTE # 7 – SPECIAL ASSESSMENT DISTRICTS (No City Liability)

The following issues of Special Assessment District Bonds, issued pursuant to the Municipal Improvement Act of 1915, are not reported in long-term debt. These are special obligations payable from, and secured by, specific revenue sources described in the bond resolutions and official statements of the respective issues. The City is the collecting and paying agent for the debt issued by these districts, but neither the faith and credit nor the taxing power of the City, the State of California or any political subdivision thereof is pledged for the payment of these bonds. Debt Service for the special assessment district bonds is reported in the agency funds.

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NOTE # 7 – SPECIAL ASSESSMENT DISTRICTS (Continued)

<u>Special Assessment District Bonds</u>	<u>Assessment District Debt</u>
Brentwood Infrastructure Financing Authority - 1996 Reassessment Bonds, Series A and B • Dated December 20, 1996 • Annual debt service payments, including interest at 4.05 percent to 6.8 percent, range from \$707,720 to \$763,230 • Final payment due September 2017	\$ 10,125,000
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	16,496,000
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	30,539,000
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	11,025,000
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	14,972,000
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	38,150,000
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	16,680,000
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	35,000,000
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	830,000
Total Assessment District Debt	\$ 173,817,000

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 2008/09 was 14.366 percent for miscellaneous employees and 28.326 percent for safety employees. The contribution requirements of the plan members are established by State Statute and the employer contribution rate is established and may be amended by CalPERS. For fiscal

NOTE # 9 – DEFINED BENEFIT PENSION PLAN (Continued)

year 2008/09, the City of Brentwood paid both the member contribution amounts and the employer contribution amounts for all full-time, benefited, active plan members.

C. ANNUAL PENSION COST

For fiscal year 2008/09, the City of Brentwood’s annual pension cost was \$5,636,159. This amount equals the City’s required and actual contributions. The required contribution for fiscal year 2008/09 was determined as part of the June 30, 2006 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 and c) payroll growth of 3.25 percent. Both (a) and (b) include an inflation component of 3.00 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 15 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, 2023 for the Safety Plan and June 30, 2037 for the Miscellaneous Plan.

D. THREE-YEAR TREND INFORMATION FOR THE PLANS

Miscellaneous:

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2007	\$ 3,293,708	100%	\$ -
6/30/2008	\$ 3,447,472	100%	\$ -
6/30/2009	\$ 3,607,586	100%	\$ -

Safety:

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2007	\$ 1,685,373	100%	\$ -
6/30/2008	\$ 1,879,249	100%	\$ -
6/30/2009	\$ 2,028,573	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 (\$25 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 (coverage to the statutory limit, \$0 deductible). The Agreement provides that the Authority will be self-sustaining through member premiums and assessments. The Authority purchases commercial insurance in excess of those amounts covered by the Authority's self-insurance pool.

The Authority was formed in June of 1977, under a “joint exercise of power agreement”, to provide general liability, workers' compensation, property and employee benefits insurance coverage. The Authority is governed by a Board of Directors composed of one appointed official from each City. Members at June 30, 2009 were the cities of Antioch, Brentwood, Clayton, El Cerrito, Hercules, Lafayette, Manteca, Martinez, Oakley, Orinda, 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**A. PLAN DESCRIPTION**

In addition to the pension benefits described in Note #9, the City provides certain post-retirement health care benefits. The City’s Retiree Healthcare Plan (Plan) is a single-employer defined benefit healthcare plan administered by the City. Benefit provisions are established and may be amended through agreements and memorandums of understanding between the City and its employees.

The City provides retiree medical benefits through the CalPERS healthcare program (PEMHCA). The City covers premiums subject to caps dependent on hire date for eligible retirees with service or disability retirement directly from the City under CalPERS. Coverage extends to dependents and surviving spouses. No dental, vision, or life insurance benefits are provided.

NOTE # 11 – POST-RETIREMENT HEALTH CARE BENEFITS (Continued)

The City has two benefit tier levels. The first tier, for employees hired prior to August 1, 2004, provides certain post-retirement health care benefits for 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. The second tier is for employees hired after August 1, 2004. These employees 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, 59 retirees are receiving these benefits. The City pays up to \$1,040.73 per month for health insurance for miscellaneous retirees and up to \$1,064.76 per month for safety retirees. During fiscal year 2008/09, expenditures of \$545,043 were recognized for post-retirement health care.

At this time there is not a separate, audited GAAP-basis postemployment benefit plan report available. The calculations used in the determination of the City's OPEB costs are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point.

B. FUNDING POLICY

The contribution requirements of the Plan participants and the City are established by, and may be amended by, the City. There is no statutory requirement for the City to pre-fund its OPEB obligation. The Annual Required Contribution (ARC) is an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The City is a phase 2 employer and was required to adopt GASB 45 beginning with the 2008/09 fiscal year.

The City has currently chosen to pay Plan benefits on a pay-as-you-go basis for fiscal years 2008/09 and 2009/10. The City's current intention is to thereafter increase pre-funding annually until 85% of the full ARC is reached in 2017/18. There are no employee contributions. For fiscal year 2008/09, the City paid \$545,043 for retiree healthcare Plan benefits.

NOTE # 11 – POST-RETIREMENT HEALTH CARE BENEFITS (Continued)

C. ANNUAL OPEB COST AND NET OPEB OBLIGATION

The following table, which is based on the City’s actuarial valuation as of June 30, 2008, shows: 1) the components of the City’s annual OPEB cost for the year, 2) the amount actually contributed to the plan and 3) changes in the City’s net OPEB obligation:

Annual Required Contribution	\$ 3,006,000
Interest on Net OPEB Obligation	-
Adjustment to Annual Required Contribution	-
Annual OPEB Cost (Expense)	<u>3,006,000</u>
Contributions (Benefit Payments)	<u>545,043</u>
Increase in Net OPEB Obligation	2,460,957
Net OPEB Obligation – July 1, 2008	-
Net OPEB Obligation – June 30, 2009	<u><u>\$ 2,460,957</u></u>

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for fiscal year 2008/09 are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2009	\$ 3,006,000	18.1%	\$ 2,460,957

NOTE # 11 – POST-RETIREMENT HEALTH CARE BENEFITS (Continued)

D. FUNDING STATUS AND FUNDING PROGRESS

The funded status of the Plan as of June 30, 2008, the Plan’s most recent actuarial valuation date, is as follows:

Actuarial Accrued Liability (AAL)	\$ 20,885,000
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>20,885,000</u>
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0%
Covered Payroll (Active Plan Members)	21,546,000
UAAL as a Percentage of Covered Payroll	97%

Actuarial valuations of an ongoing plan involve estimates of the value of expected benefit payments and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision, as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented in Section E below, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

E. ACTUARIAL METHODS AND ASSUMPTIONS

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

In the June 30, 2008 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included select and ultimate investment rates of return equal to 4.25% for the 2008/09 and 2009/10 fiscal years increasing annually to 7.23% over eight years based on the City’s funding policy. The method for calculating these rates used an assumed 7.75% discount rate for the portion of the full ARC pre-funded in the CalPERS OPEB Trust (CERBT) and an assumed 4.25% discount rate for the portion of the full ARC not pre-funded. Premiums were assumed to increase with a pre-Medicare medical cost increase rate of 9.10% for HMOs and 9.80% for PPOs for 2010 premiums over 2009 premiums, both grading down to 4.50% annual increases for calendar year 2017 and thereafter. The general inflation assumption is a 3% annual

NOTE # 11 – POST-RETIREMENT HEALTH CARE BENEFITS (Continued)

increase. The Unfunded Actuarial Accrued Liability (UAAL) is being amortized as a level percentage of projected payroll over 30 years on a closed basis, from June 30, 2008.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded Actuarial Accrued Liability As a % of Covered Payroll ((b-a)/c)
6/30/2008	\$ -	\$ 22,885,000	\$ 22,885,000	0%	\$ 21,546,000	106%

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/Knightesen Union Cemetery District. The agreements call for a pass-through of their negotiated share of the tax increment revenue. The pass-through amounts from these agreements are currently subordinated to other Agency debt. All payments due to date have been paid annually.

The Brentwood Redevelopment Agency entered into tax sharing agreements with Contra Costa County, Contra Costa Library and the Contra Costa Flood Control District for the North Brentwood Redevelopment Project Area. The agreements call for a pass-through of a portion of the general tax levy. Under these agreements, a part of the pass-through amount owed by the Redevelopment Agency to the taxing agencies was deferred for the first twelve years. The accrued deferred amounts, interest and the pass-through of the annual tax increment were paid over a four-year period with the entire deferred portion of the pass-throughs being repaid in full by fiscal year 2006/07. From this point forward, the agreements provide for pass-through of 100% of the tax increment which would have been allocated to these taxing agencies but for the adoption of the North Brentwood Redevelopment Project.

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

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

The Brentwood Redevelopment Agency paid a total of \$1,331,493 in negotiated pass-through payments for the 2008/09 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 FY 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 \$268,292 in statutory pass-through payments for the 2008/09 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 filed litigation as of June 30, 2009 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.

NOTE # 13 – CONTINGENT LIABILITIES (Continued)

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, 2009 was \$29,674,296, after a total of \$418,575 was used as credits through fiscal year 2008/09. 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, 2009, the City had the following commitments with respect to unfinished capital projects:

<u>Project Name</u>	<u>Outstanding Commitment</u>
John Marsh Home Rehabilitation	\$ 653,970
	<u>\$ 653,970</u>

NOTE # 14 – SUBSEQUENT EVENTS

In August 2009, the Governor signed budget bill AB 26 4x which calls for California Redevelopment Agencies to pay a total of \$2.05 billion to the County Supplemental Educational Revenue Augmentation Fund (SERAF). These payments are to be made over the next two fiscal years, with \$1.7 billion being paid in FY 2009/10 and \$350 million being paid in FY 2010/11. The Brentwood Redevelopment Agency will be required to pay \$2,624,786 in FY 2009/10 and \$540,397 in FY 2010/11. The State Department of Finance will determine each agency’s SERAF payment by November 15th of each year, with payments due by May 10th of the applicable year. The obligation to make the SERAF payment is subordinate to obligations to repay bonds; however, if the Agency fails to make the SERAF payment the Agency may not encumber or expend future funds other than to pay pre-existing indebtedness, contractual obligations and 75% of the amount expended on Agency administration for the preceding fiscal year until the SERAF is paid in full.

NOTE # 14 – SUBSEQUENT EVENTS (Continued)

In return for taking redevelopment property tax money, agencies will receive a one-year extension on redevelopment plan limits. This would extend Downtown Original Area to Year 2026, Downtown Added Area to Year 2027, North Brentwood Original Area to Year 2033 and North Brentwood Added Area to Year 2033. Previous attempts by the State to require redevelopment agencies to contribute funds to the State have been challenged in court and have been struck down, as was in the case in *CRA v. Genest*. The State claims that the 2009 budget legislation adequately addresses the constitutional issues raised by the Superior Court in *Genest* by directing the redevelopment funds to schools and students within the boundaries of a redevelopment agency project area. The California Redevelopment Association and its attorneys believe that AB 26 4x is unconstitutional on the same grounds that AB 1389 was successfully challenged in *Genest*. At this time it is unknown if the Brentwood Redevelopment Agency will be required to make the payments specified in AB 26 4x.

On October 16, 2009, the Brentwood Infrastructure Financing Authority issued a total of \$48,000,000 of Civic Center Project Lease Revenue Bonds. Series 2009A was issued as \$4,055,000 of tax exempt bonds and Series 2009B was issued as \$43,945,000 taxable Build America Bonds (BABS). The proceeds from these bonds will be used to fund the Civic Center Projects, along with certain other capital improvements. The Civic Center Projects include: the New City Hall; New Community Center; Civic Center Plaza; Civic Center Parking Facility - Phase I; City Park; Brentwood Senior Activity Center and Library Relocation – Phase I. The repayment of these bonds will be secured by the City's Community Facilities Districts, savings from refinanced Capital Improvement Financing Program (CIFP) bonds, and the Brentwood Redevelopment Agency. The City's General Fund will be obligated to make any debt service payment in the unlikely event there is a revenue shortfall from any of the three repayment sources. Standard & Poor's Rating Agency issued a AA- rating for the bonds.

Total annual debt service payments on the bonds, including interest ranging from 3.0 percent to 7.647 percent, range from \$3,130,975 to \$4,350,204. The City's net financing costs are considerably lower once the effects of the Federal subsidy for the BABS are factored into the debt service figures. After including the 35% interest rebate for the BABS portion of the bonds, the interest rates drop to a range of 3.0 percent to 4.971 percent, and the annual debt service payments fall to a range of \$2,083,680 to \$3,223,961.



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Budgetary Comparison Schedule, General Fund
 For Year Ended June 30, 2009

	Budget Amounts		Actual	Variance
	Original Budget	Final Budget		
REVENUES				
Taxes	\$ 21,647,771	\$ 15,872,461	\$ 15,352,221	\$ (520,240)
Licenses	765,000	552,634	530,025	(22,609)
Permits and Fines	6,660,657	1,733,720	1,699,070	(34,650)
Uses of Money and Property	1,535,153	1,288,556	1,284,703	(3,853)
Intergovernmental	5,520,826	4,209,475	4,163,335	(46,140)
Franchises	1,131,486	1,100,000	1,057,537	(42,463)
Charges for Other Services	926,914	509,850	407,429	(102,421)
Charges to Other Funds	5,213,088	5,502,954	5,507,561	4,607
Fees and Other Revenues	1,731,581	1,670,666	1,068,105	(602,561)
Total Revenues	45,132,476	32,440,316	31,069,986	(1,370,330)
EXPENDITURES				
Current:				
General Government	8,740,063	6,790,575	5,996,458	794,117
Public Safety	16,272,365	14,731,004	14,237,877	493,127
Community Development	5,104,774	3,189,443	3,188,946	497
Engineering	3,902,023	2,882,688	2,523,897	358,791
Public Works	3,082,903	2,501,766	2,385,896	115,870
Parks and Recreation	6,804,330	5,016,550	4,444,574	571,976
Community Services	268,977	301,868	265,957	35,911
Capital Outlay	54,019	42,019	-	42,019
Debt Service:				
Principal	98,379	98,379	98,379	-
Total Expenditures	44,327,833	35,554,292	33,141,984	2,412,308
REVENUES OVER (UNDER) EXPENDITURES	804,643	(3,113,976)	(2,071,998)	1,041,978
OTHER FINANCING SOURCES (USES)				
Transfers In	3,214,775	4,250,697	3,709,945	(540,752)
Transfers Out	(3,470,734)	(10,062,642)	(10,064,148)	(1,506)
Total Other Financing Sources (Uses)	(255,959)	(5,811,945)	(6,354,203)	(542,258)
NET CHANGE IN FUND BALANCES	\$ 548,684	\$ (8,925,921)	(8,426,201)	\$ 499,720
Fund Balance, Beginning of Year			24,011,019	
Fund Balance, End of Year			\$ 15,584,818	

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

The schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is either increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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
6/30/2005	\$ 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%
6/30/2007	\$ 43,082,548	\$ 35,656,589	\$ 7,425,959	82.8%	\$ 16,918,597	43.9%

Safety:

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

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
6/30/2005	\$ 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%
6/30/2007	\$ 7,986,055,176	\$ 6,826,599,459	\$ 1,159,455,717	85.5%	\$ 831,607,658	139.4%

The City’s Safety Plan represents approximately 0.62%, 0.63% and 0.60% of the State-wide pool for the years ended June 30, 2007, 2006 and 2005 respectively, based on covered payroll of \$5,161,65, \$4,719,000 and \$3,974,617 for those years.



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City of Brentwood

Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2009

Special Revenue Funds

	Thoroughfares	Gas Tax	Police Grants	Other Grants	Citywide Parks Districts	Community Facilities Districts	Community Facilities	Vehicle Abatement
ASSETS								
Current Assets:								
Cash and Investments	\$ 8,150,267	\$ 25,738	\$ 162,905	\$ 5,941	\$ 637,231	\$ 107,864	\$ 145,279	\$ -
Restricted Cash and Investments	-	-	-	-	-	-	-	-
Receivables	465,175	-	50,023	5,950	301	103	94,782	17,216
Prepays	-	-	-	-	767	-	-	-
Due from Other Funds	720,321	-	-	-	-	-	31,149	-
Land Held for Resale	-	-	-	-	-	-	-	-
Total Assets	\$ 9,335,763	\$ 25,738	\$ 212,928	\$ 11,891	\$ 638,299	\$ 107,967	\$ 271,210	\$ 17,216
LIABILITIES AND FUND BALANCES								
Current Liabilities:								
Accounts Payable and Accrued Liabilities	\$ 2,891	\$ -	\$ 11,018	\$ 520	\$ 225,571	\$ 57	\$ 4,228	\$ 1
Due to Other Funds	-	-	-	-	-	-	-	17,214
Internal Balances	-	-	-	-	-	-	-	-
Deferred Revenue	557,132	-	-	-	-	-	124,993	-
Deposits Held	-	-	-	-	-	-	-	-
Total Liabilities	560,023	-	11,018	520	225,571	57	129,221	17,215
Fund Balances:								
Reserved for:								
Prepays	-	-	-	-	767	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
Specific Projects and Programs	-	-	201,910	11,371	-	-	-	-
Unreserved, Reported in:								
Special Revenue	8,775,740	25,738	-	-	411,961	107,910	141,989	1
Capital Projects	-	-	-	-	-	-	-	-
Total Fund Balances	8,775,740	25,738	201,910	11,371	412,728	107,910	141,989	1
Total Liabilities and Fund Balances	\$ 9,335,763	\$ 25,738	\$ 212,928	\$ 11,891	\$ 638,299	\$ 107,967	\$ 271,210	\$ 17,216

Continued

Combining Balance Sheet
Non-Major Governmental Funds (Continued)
 June 30, 2009

Special Revenue Funds (Continued)

	Economic Development	Storm Drainage	RDA Low Income Housing	PEG Media	Asset Forfeiture	Measure C	Facility Fee Administration	Parks and Trails
ASSETS								
Current Assets:								
Cash and Investments	\$ 5,656	\$ 3,755	\$ 4,798,579	\$ 712,057	\$ 53,484	\$ 22,118	\$ 28,283	\$ -
Restricted Cash and Investments	-	-	-	-	-	-	-	-
Receivables	2	-	2,032,396	250,252	8	28	18,477	8,771
Prepays	-	-	258	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	4,726	66,496
Land Held for Resale	-	-	1,040,359	-	-	-	-	-
Total Assets	\$ 5,658	\$ 3,755	\$ 7,871,592	\$ 962,309	\$ 53,492	\$ 22,146	\$ 51,486	\$ 75,267
LIABILITIES AND FUND BALANCES								
Current Liabilities:								
Accounts Payable and Accrued Liabilities	\$ 1	\$ -	\$ 7,269	\$ 128	\$ 9	\$ 68	\$ 33	\$ -
Due to Other Funds	-	-	-	-	-	-	-	606,038
Internal Balances	-	-	-	-	-	-	710,295	-
Deferred Revenue	-	-	2,030,722	250,000	-	-	23,179	75,267
Deposits Held	-	-	-	-	-	-	-	-
Total Liabilities	1	-	2,037,991	250,128	9	68	733,507	681,305
Fund Balances:								
Reserved for:								
Prepays	-	-	258	-	-	-	-	-
Land Held for Resale	-	-	1,040,359	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
Specific Projects and Programs	-	3,755	4,792,984	712,181	53,483	22,078	-	-
Unreserved, Reported in:								
Special Revenue	5,657	-	-	-	-	-	(682,021)	(606,038)
Capital Projects	-	-	-	-	-	-	-	-
Total Fund Balances	5,657	3,755	5,833,601	712,181	53,483	22,078	(682,021)	(606,038)
Total Liabilities and Fund Balances	\$ 5,658	\$ 3,755	\$ 7,871,592	\$ 962,309	\$ 53,492	\$ 22,146	\$ 51,486	\$ 75,267

Continued

City of Brentwood

Combining Balance Sheet
Non-Major Governmental Funds (Continued)
 June 30, 2009

Special Revenue Funds (Continued)

	Agriculture Administration	Public Art Administration	Public Art Acquisition	Arts Commission	Fire Fees	Agriculture Land	Parking In Lieu	Lighting and Landscape Districts
ASSETS								
Current Assets:								
Cash and Investments	\$ 919,337	\$ 28,036	\$ 619,018	\$ 88,832	\$ 752,358	\$ 6,303,981	\$ 25,696	\$ 3,668,086
Restricted Cash and Investments	-	-	-	-	-	-	-	-
Receivables	7,610	10	221	27	6,971	2,229	9	10,255
Prepays	-	-	-	-	-	-	-	-
Due from Other Funds	64,000	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-
Total Assets	\$ 990,947	\$ 28,046	\$ 619,239	\$ 88,859	\$ 759,329	\$ 6,306,210	\$ 25,705	\$ 3,678,341
LIABILITIES AND FUND BALANCES								
Current Liabilities:								
Accounts Payable and Accrued Liabilities	\$ 1,279	\$ 5	\$ 107	\$ 121	\$ 133	\$ 1,475	\$ 4	\$ 373,888
Due to Other Funds	-	-	-	-	-	-	-	-
Internal Balances	-	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	6,706	-	-	8,600
Deposits Held	-	-	-	-	-	-	-	-
Total Liabilities	1,279	5	107	121	6,839	1,475	4	382,488
Fund Balances:								
Reserved for:								
Prepays	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
Specific Projects and Programs	989,668	28,041	619,132	88,738	752,490	6,304,735	25,701	3,295,853
Unreserved, Reported in:								
Special Revenue	-	-	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-	-	-
Total Fund Balances	989,668	28,041	619,132	88,738	752,490	6,304,735	25,701	3,295,853
Total Liabilities and Fund Balances	\$ 990,947	\$ 28,046	\$ 619,239	\$ 88,859	\$ 759,329	\$ 6,306,210	\$ 25,705	\$ 3,678,341

Continued

Combining Balance Sheet
Non-Major Governmental Funds (Continued)
 June 30, 2009

	Debt Service Funds		Capital Project Funds					
	Capital Improvement Program 2001	2002 General Obligation Bond	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	Randy Way District Improvements
ASSETS								
Current Assets:								
Cash and Investments	\$ 101,713	\$ 57,385	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Cash and Investments	2,109,706	-	22	10	9,717,569	3,737,535	398,785	4,274
Receivables	17	74	-	-	-	-	-	2
Prepays	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-
Total Assets	\$ 2,211,436	\$ 57,459	\$ 22	\$ 10	\$ 9,717,569	\$ 3,737,535	\$ 398,785	\$ 4,276
LIABILITIES AND FUND BALANCES								
Current Liabilities:								
Accounts Payable and Accrued Liabilities	\$ 20	\$ 21	\$ -	\$ -	\$ 393,813	\$ -	\$ -	\$ 1
Due to Other Funds	-	-	-	-	-	-	-	-
Internal Balances	-	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-	-	-
Deposits Held	-	-	-	-	-	-	-	-
Total Liabilities	20	21	-	-	393,813	-	-	1
Fund Balances:								
Reserved for:								
Prepays	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-
Debt Service	2,211,416	57,438	-	-	-	-	-	-
Specific Projects and Programs	-	-	22	10	9,323,756	3,737,535	398,785	4,275
Unreserved, Reported in:								
Special Revenue	-	-	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-	-	-
Total Fund Balances	2,211,416	57,438	22	10	9,323,756	3,737,535	398,785	4,275
Total Liabilities and Fund Balances	\$ 2,211,436	\$ 57,459	\$ 22	\$ 10	\$ 9,717,569	\$ 3,737,535	\$ 398,785	\$ 4,276

Continued

City of Brentwood

Combining Balance Sheet
Non-Major Governmental Funds (Continued)
 June 30, 2009

Capital Project Funds (Continued)

	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	\$ 1,476,926	\$ -	\$ -	\$ 238,567	\$ 7,548,367	\$ 1,868,905	\$ 5,070,207	\$ 43,626,571
Restricted Cash and Investments	-	-	-	-	-	-	1,492,507	17,460,408
Receivables	522	-	109,973	-	174,964	661	10,524	3,267,553
Prepays	-	-	-	-	-	-	972	1,997
Due from Other Funds	-	-	-	-	-	-	-	886,692
Land Held for Resale	-	-	-	-	-	-	1,677,129	2,717,488
Total Assets	\$ 1,477,448	\$ -	\$ 109,973	\$ 238,567	\$ 7,723,331	\$ 1,869,566	\$ 8,251,339	\$ 67,960,709
LIABILITIES AND FUND BALANCES								
Current Liabilities:								
Accounts Payable and Accrued Liabilities	\$ 267	\$ -	\$ 291,377	\$ -	\$ 336,596	\$ 337	\$ 29,800	\$ 1,681,038
Due to Other Funds	-	-	3,524,106	-	-	-	-	4,147,358
Internal Balances	-	-	-	-	-	-	-	710,295
Deferred Revenue	-	-	-	-	-	-	-	3,076,599
Deposits Held	-	-	-	-	-	-	5,850	5,850
Total Liabilities	267	-	3,815,483	-	336,596	337	35,650	9,621,140
Fund Balances:								
Reserved for:								
Prepays	-	-	-	-	-	-	972	1,997
Land Held for Resale	-	-	-	-	-	-	1,677,129	2,717,488
Debt Service	-	-	-	-	-	-	-	2,268,854
Specific Projects and Programs	1,477,181	-	-	238,567	7,386,735	1,869,229	6,537,588	48,875,803
Unreserved, Reported in:								
Special Revenue	-	-	-	-	-	-	-	8,180,937
Capital Projects	-	-	(3,705,510)	-	-	-	-	(3,705,510)
Total Fund Balances	1,477,181	-	(3,705,510)	238,567	7,386,735	1,869,229	8,215,689	58,339,569
Total Liabilities and Fund Balances	\$ 1,477,448	\$ -	\$ 109,973	\$ 238,567	\$ 7,723,331	\$ 1,869,566	\$ 8,251,339	\$ 67,960,709



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Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
 For Year Ended June 30, 2009

Special Revenue Funds

	Throughfares	Gas Tax	Police Grants	Other Grants	Citywide Parks Districts	Community Facilities Districts	Community Facilities	Vehicle Abatement
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,653,962	\$ -	\$ -	\$ -
Uses of Money and Property	761,143	-	6,218	273	19,291	15,670	73,946	212
Intergovernmental	-	824,293	117,280	13,028	-	-	-	-
Fees and Other Revenues	2,403,513	-	-	-	37,753	2,712,800	63,018	38,682
Total Revenues	3,164,656	824,293	123,498	13,301	1,711,006	2,728,470	136,964	38,894
EXPENDITURES								
Current:								
General Government	634,193	-	-	13,027	-	-	21,879	-
Public Safety	-	-	39,246	-	-	-	-	10
Community Development	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	2,308,802	-	-	-
Community Services	-	-	-	-	-	28,034	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Total Expenditures	634,193	-	39,246	13,027	2,308,802	28,034	21,879	10
REVENUES OVER (UNDER) EXPENDITURES	2,530,463	824,293	84,252	274	(597,796)	2,700,436	115,085	38,884
OTHER FINANCING SOURCES (USES)								
Transfers In	2,024,468	-	-	-	563,546	-	1,406	-
Transfers Out	(1,213,947)	(1,018,197)	-	-	-	(3,120,135)	(151,365)	(62,915)
Total Other Financing Sources (Uses)	810,521	(1,018,197)	-	-	563,546	(3,120,135)	(149,959)	(62,915)
Net Change in Fund Balances	3,340,984	(193,904)	84,252	274	(34,250)	(419,699)	(34,874)	(24,031)
Fund Balance, Beginning of Year	5,434,756	219,642	117,658	11,097	446,978	527,609	176,863	24,032
Fund Balance, End of Year	\$ 8,775,740	\$ 25,738	\$ 201,910	\$ 11,371	\$ 412,728	\$ 107,910	\$ 141,989	\$ 1

Continued

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
 For Year Ended June 30, 2009

Special Revenue Funds (Continued)

	Economic Development	Storm Drainage	RDA Low Income Housing	PEG Media	Asset Forfeiture	Measure C	Facility Fee Administration	Parks and Trails
REVENUES								
Taxes	\$ -	\$ -	\$ 1,533,920	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	297	3,755	206,786	37,400	2,162	9,640	8,096	-
Intergovernmental	-	-	-	-	-	486,639	-	-
Fees and Other Revenues	-	-	152	-	7,292	-	7,290	41,586
Total Revenues	297	3,755	1,740,858	37,400	9,454	496,279	15,386	41,586
EXPENDITURES								
Current:								
General Government	-	-	287,425	694	12,157	2,435	1,104	-
Public Safety	-	-	-	-	-	-	-	-
Community Development	6	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	286,016
Community Services	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	18,325	-
Total Expenditures	6	-	287,425	694	12,157	2,435	19,429	286,016
REVENUES OVER (UNDER) EXPENDITURES	291	3,755	1,453,433	36,706	(2,703)	493,844	(4,043)	(244,430)
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	-	766,984
Transfers Out	-	-	-	-	-	(548,117)	-	(412,322)
Total Other Financing Sources (Uses)	-	-	-	-	-	(548,117)	-	354,662
Net Change in Fund Balances	291	3,755	1,453,433	36,706	(2,703)	(54,273)	(4,043)	110,232
Fund Balance, Beginning of Year	5,366	-	4,380,168	675,475	56,186	76,351	(677,978)	(716,270)
Fund Balance, End of Year	\$ 5,657	\$ 3,755	\$ 5,833,601	\$ 712,181	\$ 53,483	\$ 22,078	\$ (682,021)	\$ (606,038)

Continued

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
 For Year Ended June 30, 2009

Special Revenue Funds (Continued)

	Agriculture Administration	Public Art Administration	Public Art Acquisition	Arts Commission	Fire Fees	Agriculture Land	Parking In Lieu	Lighting and Landscape Districts
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	54,052	1,302	31,569	4,052	38,829	394,838	1,350	163,979
Intergovernmental	-	-	-	-	-	-	-	-
Fees and Other Revenues	1,000	11,343	43,822	20,000	17,726	4,000	-	4,510,049
Total Revenues	55,052	12,645	75,391	24,052	56,555	398,838	1,350	4,674,028
EXPENDITURES								
Current:								
General Government	207,510	6,223	565	32,390	716	2,742,131	25	-
Public Safety	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	4,483,016
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Total Expenditures	207,510	6,223	565	32,390	716	2,742,131	25	4,483,016
REVENUES OVER (UNDER) EXPENDITURES	(152,458)	6,422	74,826	(8,338)	55,839	(2,343,293)	1,325	191,012
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	3,300	-	7,359	-	-
Transfers Out	-	-	(14,820)	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	(14,820)	3,300	-	7,359	-	-
Net Change in Fund Balances	(152,458)	6,422	60,006	(5,038)	55,839	(2,335,934)	1,325	191,012
Fund Balance, Beginning of Year	1,142,126	21,619	559,126	93,776	696,651	8,640,669	24,376	3,104,841
Fund Balance, End of Year	\$ 989,668	\$ 28,041	\$ 619,132	\$ 88,738	\$ 752,490	\$ 6,304,735	\$ 25,701	\$ 3,295,853

Continued

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
 For Year Ended June 30, 2009

	Debt Service Funds		Capital Project Funds					Randy Way District Improvements
	Capital Improvement Program 2001	2002 General Obligation Bond	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	
REVENUES								
Taxes	\$ -	\$ 289,887	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	43,227	7,586	30	13	85,414	38,007	3,447	225
Intergovernmental	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	-	-	-	-	-
Total Revenues	43,227	297,473	30	13	85,414	38,007	3,447	225
EXPENDITURES								
Current:								
General Government	-	-	-	-	393,813	659,045	-	4
Public Safety	-	-	-	-	-	-	-	-
Community Development	10,133	4,940	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	275,000	180,000	-	-	-	-	-	-
Interest and Fiscal Charges	443,550	135,756	-	-	-	-	-	-
Total Expenditures	728,683	320,696	-	-	393,813	659,045	-	4
REVENUES OVER (UNDER) EXPENDITURES	(685,456)	(23,223)	30	13	(308,399)	(621,038)	3,447	221
OTHER FINANCING SOURCES (USES)								
Transfers In	680,400	-	-	-	-	-	-	-
Transfers Out	-	-	(2,956)	(1,299)	(135,454)	(139)	-	-
Total Other Financing Sources (Uses)	680,400	-	(2,956)	(1,299)	(135,454)	(139)	-	-
Net Change in Fund Balances	(5,056)	(23,223)	(2,926)	(1,286)	(443,853)	(621,177)	3,447	221
Fund Balance, Beginning of Year	2,216,472	80,661	2,948	1,295	9,767,609	4,358,712	395,338	4,054
Fund Balance, End of Year	\$ 2,211,416	\$ 57,438	\$ 22	\$ 9	\$ 9,323,756	\$ 3,737,535	\$ 398,785	\$ 4,275

Continued

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
 For Year Ended June 30, 2009

Capital Project Funds (Continued)

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,477,769
Uses of Money and Property	62,285	-	-	-	65,570	98,161	402,035	2,640,860
Intergovernmental	-	-	109,973	-	844,477	-	-	2,395,690
Fees and Other Revenues	1,085,065	-	400,000	-	142,127	-	228	11,547,446
Total Revenues	1,147,350	-	509,973	-	1,052,174	98,161	402,263	20,061,765
EXPENDITURES								
Current:								
General Government	994	-	78,768	500,000	1,169,453	1,821	1,089,658	7,856,030
Public Safety	-	-	-	-	-	-	-	39,256
Community Development	-	-	-	-	-	-	-	15,079
Parks and Recreation	-	-	-	-	-	-	-	2,594,818
Community Services	-	-	-	-	-	-	-	4,511,050
Capital Outlay	-	-	5,206,221	17,029	1,913,005	-	-	7,136,255
Debt Service:								
Principal	-	-	-	-	-	-	-	455,000
Interest and Fiscal Charges	-	-	-	-	-	-	-	597,631
Total Expenditures	994	-	5,284,989	517,029	3,082,458	1,821	1,089,658	23,205,119
REVENUES OVER (UNDER) EXPENDITURES	1,146,356	-	(4,775,016)	(517,029)	(2,030,284)	96,340	(687,395)	(3,143,354)
OTHER FINANCING SOURCES (USES)								
Transfers In	-	58,039	1,432,459	-	1,682,268	-	1,160,933	8,381,162
Transfers Out	-	-	(622,322)	(7,359)	(1,329,085)	-	(100,000)	(8,740,432)
Total Other Financing Sources (Uses)	-	58,039	810,137	(7,359)	353,183	-	1,060,933	(359,270)
Net Change in Fund Balances	1,146,356	58,039	(3,964,879)	(524,388)	(1,677,101)	96,340	373,538	(3,502,624)
Fund Balance, Beginning of Year	330,825	(58,039)	259,369	762,956	9,063,836	1,772,889	7,842,151	61,842,193
Fund Balance, End of Year	\$ 1,477,181	\$ -	\$ (3,705,510)	\$ 238,568	\$ 7,386,735	\$ 1,869,229	\$ 8,215,689	\$ 58,339,569



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Combining Statement of Net Assets
All Internal Service Funds
June 30, 2009

	Emergency Preparedness	Information Services	Equipment Replacement	Information Systems Replacement	Facilities Replacement	Tuition Program	Fleet Maintenance	Facilities Maintenance Services	Parks and LLD Replacement	Insurance	Budget Stabilization	TOTALS
ASSETS												
Current Assets:												
Cash and Investments	\$ 5,866,419	\$ 289,613	\$ 8,583,200	\$ 642,793	\$ 1,357,552	\$ 31,094	\$ 197,408	\$ 479,733	\$ 2,780,899	\$ 5,627,887	\$ 2,100,000	\$ 27,956,598
Receivables	2,116	110	3,038	16,180	63,228	11	71	168	910	1,788	-	87,620
Prepays	-	2,161	-	-	-	-	1,102	814	-	-	-	4,077
Total Current Assets	5,868,535	291,884	8,586,238	658,973	1,420,780	31,105	198,581	480,715	2,781,809	5,629,675	2,100,000	28,048,295
Non-Current Assets:												
Machinery and Equipment	-	-	2,422,366	227,818	-	-	-	-	-	-	-	2,650,184
Vehicles	-	-	7,177,561	-	-	-	-	-	-	-	-	7,177,561
Less Accumulated Depreciation	-	-	(5,315,340)	(220,088)	-	-	-	-	-	-	-	(5,535,428)
Total Capital Assets, Net of Accumulated Depreciation	-	-	4,284,587	7,730	-	-	-	-	-	-	-	4,292,317
Total Non-Current Assets	-	-	4,284,587	7,730	-	-	-	-	-	-	-	4,292,317
Total Assets	5,868,535	291,884	12,870,825	666,703	1,420,780	31,105	198,581	480,715	2,781,809	5,629,675	2,100,000	32,340,612
LIABILITIES AND NET ASSETS												
Current Liabilities:												
Accounts Payable and Accrued Liabilities	512	22,045	2,139	62,621	249	3,859	24,616	42,244	397	4,065	-	162,747
Compensated Absences Payable	-	42,302	-	-	-	-	16,690	10,450	-	-	-	69,442
Total Current Liabilities	512	64,347	2,139	62,621	249	3,859	41,306	52,694	397	4,065	-	232,189
Non-Current Liabilities Due in More Than One Year:												
Net OPEB Obligation	-	80,412	-	-	-	-	39,827	36,459	-	-	-	156,698
Compensated Absences Payable	-	28,202	-	-	-	-	11,127	6,966	-	-	-	46,295
Total Non-Current Liabilities	-	108,614	-	-	-	-	50,954	43,425	-	-	-	202,993
Total Liabilities	512	172,961	2,139	62,621	249	3,859	92,260	96,119	397	4,065	-	435,182
Net Assets:												
Invested in Capital Assets	-	-	4,284,587	7,730	-	-	-	-	-	-	-	4,292,317
Restricted for:												
Unrestricted	5,868,023	118,923	8,584,099	596,352	1,420,531	27,246	106,321	384,596	2,781,412	5,625,610	2,100,000	27,613,113
Total Net Assets	\$ 5,868,023	\$ 118,923	\$ 12,868,686	\$ 604,082	\$ 1,420,531	\$ 27,246	\$ 106,321	\$ 384,596	\$ 2,781,412	\$ 5,625,610	\$ 2,100,000	\$ 31,905,430

City of Brentwood

Combining Statement of Activities and Changes in Net Assets
 All Internal Service Funds
 For Year Ended June 30, 2009

	Emergency Preparedness	Information Services	Equipment Replacement	Information Systems Replacement	Facilities Replacement	Tuition Program	Fleet Maintenance	Facilities Maintenance Services	Parks and LLD Replacement	Insurance	Budget Stabilization	TOTALS
Operating Revenues:												
Charges for Services	\$ -	\$ 1,587,380	\$ 689,917	\$ 638,929	\$ 219,632	\$ 10,300	\$ 748,020	\$ 891,949	\$ 792,284	\$ 906,999	\$ -	\$ 6,485,410
Other Income	-	-	38,963	15,141	900	-	2,487	-	-	44,197	-	101,688
Total Operating Revenues	-	1,587,380	728,880	654,070	220,532	10,300	750,507	891,949	792,284	951,196	-	6,587,098
Operating Expenses:												
Personnel Services	-	1,299,886	-	-	-	-	581,413	429,273	-	-	-	2,310,572
Repairs and Maintenance	-	48	-	-	-	-	5,399	85,749	-	-	-	91,196
Materials, Supplies and Services	15,130	546,979	24,167	213,923	23,444	29,269	413,600	301,603	2,019	904,288	-	2,474,422
Depreciation and Amortization	-	-	975,338	45,564	-	-	-	-	-	-	-	1,020,902
Total Operating Expenses	15,130	1,846,913	999,505	259,487	23,444	29,269	1,000,412	816,625	2,019	904,288	-	5,897,092
Operating Income (Loss)	(15,130)	(259,533)	(270,625)	394,583	197,088	(18,969)	(249,905)	75,324	790,265	46,908	-	690,006
Non-Operating Revenue (Expenses):												
Interest Income	319,851	21,130	452,552	24,652	72,488	1,975	14,289	23,128	117,988	239,789	-	1,287,842
Loss on Disposal of Capital Assets	-	-	(3,174)	-	-	-	-	-	-	-	-	(3,174)
Total Non-Operating Revenues (Expenses)	319,851	21,130	449,378	24,652	72,488	1,975	14,289	23,128	117,988	239,789	-	1,284,668
Income (Loss) before Contributions and Transfers	304,721	(238,403)	178,753	419,235	269,576	(16,994)	(235,616)	98,452	908,253	286,697	-	1,974,674
Transfers In	-	-	122,864	-	-	-	-	-	275,000	-	2,100,000	2,497,864
Transfers Out	(356,756)	-	-	(140,000)	(124,249)	-	-	-	(99,041)	-	-	(720,046)
Change in Net Assets	(52,035)	(238,403)	301,617	279,235	145,327	(16,994)	(235,616)	98,452	1,084,212	286,697	2,100,000	3,752,492
Net Assets, Beginning 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
Net Assets, End of Year	\$ 5,868,023	\$ 118,923	\$ 12,868,686	\$ 604,082	\$ 1,420,531	\$ 27,246	\$ 106,321	\$ 384,596	\$ 2,781,412	\$ 5,625,610	\$ 2,100,000	\$ 31,905,430

Combining Statement of Cash Flows
All Internal Service Funds
For Year Ended June 30, 2009

	Emergency Preparedness	Information Services	Equipment Replacement	Information Systems Replacement	Facilities Replacement	Tuition Program	Fleet Maintenance	Facilities Maintenance Services	Parks and LLD Replacement	Insurance	Budget Stabilization	TOTALS
Cash Flows from Operating Activities												
Cash Received from Customers/Other Funds	\$ -	\$ 528	\$ 8,511	\$ 16,306	\$ 63,863	\$ 52	\$ 489	\$ 167	\$ 1,966	\$ -	\$ -	\$ 91,882
Cash Received from Interfund Services	-	1,587,380	728,880	654,070	220,532	10,300	750,507	891,949	792,284	951,195	-	6,587,097
Cash Payments to Suppliers of Goods and Services	(14,733)	(282,773)	(31,221)	(233,088)	(23,378)	(25,545)	(332,397)	(312,076)	(9,015)	(908,444)	-	(2,172,670)
Cash Payments to Employees for Services	-	(1,299,886)	-	-	-	-	(581,413)	(429,273)	-	-	-	(2,310,572)
Cash Payments for Interfund Services	-	(241,561)	-	-	-	-	(49,096)	(43,152)	-	-	-	(333,809)
Other Receipts/Payments	(2,196)	24,094	2,277	(13,994)	(52,816)	(11)	2,369	4,449	(910)	(1,788)	-	(38,526)
Net Cash Provided By (Used for) Operating Activities	(16,929)	(212,218)	708,447	423,294	208,201	(15,204)	(209,541)	112,064	784,325	40,963	-	1,823,402
Cash Flows from Non-Capital Financing Activities												
Transfers Received	-	-	122,864	-	-	-	-	-	275,000	-	2,100,000	2,497,864
Transfers Paid	(356,756)	-	-	(140,000)	(124,249)	-	-	-	(99,041)	-	-	(720,046)
Net Cash Provided By (Used for) Non-Capital Financing Activities	(356,756)	-	122,864	(140,000)	(124,249)	-	-	-	175,959	-	2,100,000	1,777,818
Cash Flows from Capital and Related Financing Activities												
Acquisition and Construction of Assets	-	-	(673,197)	-	-	-	-	-	-	-	-	(673,197)
Net Cash Provided By (Used for) Capital and Related Financing Activities	-	-	(673,197)	-	-	-	-	-	-	-	-	(673,197)
Cash Flows from Investing Activities												
Interest on Investments	319,851	21,130	452,552	24,652	72,488	1,975	14,289	23,128	117,988	239,789	-	1,287,842
Net Cash Provided By Investing Activities	319,851	21,130	452,552	24,652	72,488	1,975	14,289	23,128	117,988	239,789	-	1,287,842
Net Increase (Decrease) in Cash and Cash Equivalents	(53,834)	(191,088)	610,666	307,946	156,440	(13,229)	(195,252)	135,192	1,078,272	280,752	2,100,000	4,215,865
Cash and Cash Equivalents - Beginning 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
Cash and Cash Equivalents - End of Year	\$ 5,866,419	\$ 289,613	\$ 8,583,200	\$ 642,793	\$ 1,357,552	\$ 31,094	\$ 197,408	\$ 479,733	\$ 2,780,899	\$ 5,627,887	\$ 2,100,000	\$ 27,956,598
Reconciliation of Operating Income to Net Cash Provided By (Used for) Operating Activities:												
Operating Income (Loss)	\$ (15,130)	\$ (179,121)	\$ (270,625)	\$ 394,583	\$ 197,088	\$ (18,969)	\$ (210,078)	\$ 111,783	\$ 790,265	\$ 46,908	\$ -	\$ 846,704
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used for) Operating Activities:												
Depreciation	-	-	975,338	45,564	-	-	-	-	-	-	-	1,020,902
Change in Assets and Liabilities:												
Receivables, Net	(2,116)	(142)	10,788	2,300	11,047	41	402	(36)	1,056	(1,788)	-	21,552
Inventories	-	-	-	(19,153)	-	-	-	-	-	-	-	(19,153)
Accounts Payable and Other Payables	317	(32,955)	(7,054)	-	66	3,724	135	317	(6,996)	(4,157)	-	(46,603)
Net Cash Provided By (Used for) Operating Activities	(16,929)	(212,218)	708,447	423,294	208,201	(15,204)	(209,541)	112,064	784,325	40,963	-	1,823,402



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Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2009

	Assessments	Pass-Through Funds	Asset Seizure	Total
ASSETS				
Cash and Investments	\$ 10,866,036	\$ 899,050	\$ 33,430	\$ 11,798,516
Restricted Cash and Investments	6,679,785	-	-	6,679,785
Interest Receivable	24,088	273	12	24,373
Total Assets	\$ 17,569,909	\$ 899,323	\$ 33,442	\$ 18,502,674
 LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 661	\$ 863,969	\$ -	\$ 864,630
Due to Others	-	35,354	33,442	68,796
Due to Bondholders	17,569,248	-	-	17,569,248
Total Liabilities	\$ 17,569,909	\$ 899,323	\$ 33,442	\$ 18,502,674

Combining Statement of Changes in Fiduciary Assets and Liabilities

Agency Funds

For Year Ended June 30, 2009

	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
Assessments				
ASSETS				
Cash and Investments	\$ 10,381,290	\$ 20,353,084	\$ 19,868,338	\$ 10,866,036
Restricted Cash and Investments	6,841,369	1,246,338	1,407,922	6,679,785
Interest Receivable	31,772	57,920	65,604	24,088
Total Assets	<u>\$ 17,254,431</u>	<u>\$ 21,657,342</u>	<u>\$ 21,341,864</u>	<u>\$ 17,569,909</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 33,197	\$ 9,758,526	\$ 9,791,062	\$ 661
Due to Bondholders	17,221,234	19,254,415	18,906,401	17,569,248
Total Liabilities	<u>\$ 17,254,431</u>	<u>\$ 29,012,941</u>	<u>\$ 28,697,463</u>	<u>\$ 17,569,909</u>
Pass-Through Funds				
ASSETS				
Cash and Investments	\$ 591,887	\$ 736,725	\$ 429,562	\$ 899,050
Interest Receivable	825	273	825	273
Total Assets	<u>\$ 592,712</u>	<u>\$ 736,998</u>	<u>\$ 430,387</u>	<u>\$ 899,323</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 557,358	\$ 858,099	\$ 551,488	\$ 863,969
Due to Others	35,354	-	-	35,354
Total Liabilities	<u>\$ 592,712</u>	<u>\$ 858,099</u>	<u>\$ 551,488</u>	<u>\$ 899,323</u>
Asset Seizure				
ASSETS				
Cash and Investments	\$ 31,651	\$ 1,811	\$ 32	\$ 33,430
Interest Receivable	36	12	36	12
Total Assets	<u>\$ 31,687</u>	<u>\$ 1,823</u>	<u>\$ 68</u>	<u>\$ 33,442</u>
LIABILITIES				
Due to Others	\$ 31,687	\$ 1,755	\$ -	\$ 33,442
Total Liabilities	<u>\$ 31,687</u>	<u>\$ 1,755</u>	<u>\$ -</u>	<u>\$ 33,442</u>
Total - All Agency Funds				
ASSETS				
Cash and Investments	\$ 11,004,828	\$ 21,091,620	\$ 20,297,932	\$ 11,798,516
Restricted Cash and Investments	6,841,369	1,246,338	1,407,922	6,679,785
Interest Receivable	32,633	58,205	66,465	24,373
Total Assets	<u>\$ 17,878,830</u>	<u>\$ 22,396,163</u>	<u>\$ 21,772,319</u>	<u>\$ 18,502,674</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 590,555	10,616,625	\$ 10,342,550	\$ 864,630
Due to Others	67,041	1,755	-	68,796
Due to Bondholders	17,221,234	19,254,415	18,906,401	17,569,248
Total Liabilities	<u>\$ 17,878,830</u>	<u>\$ 29,872,795</u>	<u>\$ 29,248,951</u>	<u>\$ 18,502,674</u>

Balance Sheet

General Fund

June 30, 2009

		General Fund
ASSETS		
Current Assets:		
Cash and Investments	\$	19,865,927
Receivables		869,236
Prepays		115,603
Total Assets	\$	20,850,766
LIABILITIES AND FUND BALANCES		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	\$	969,795
Deferred Revenue		253,540
Deposits Held		4,042,613
Total Liabilities		5,265,948
Fund Balances:		
Reserved for:		
Prepays		115,603
Unreserved, Reported in:		
General Fund		15,469,215
Total Fund Balances		15,584,818
Total Liabilities and Fund Balances	\$	20,850,766

City of Brentwood

***Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For Year Ended June 30, 2009***

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Taxes	\$ 15,872,461	\$ 15,352,221	\$ (520,240)
Licenses	552,634	530,025	(22,609)
Permits and Fines	1,733,720	1,699,070	(34,650)
Uses of Money and Property	1,288,556	1,284,703	(3,853)
Intergovernmental	4,209,475	4,163,335	(46,140)
Franchises	1,100,000	1,057,537	(42,463)
Charges for Other Services	509,850	407,429	(102,421)
Charges to Other Funds	5,502,954	5,507,561	4,607
Fees and Other Revenues	1,670,666	1,068,105	(602,561)
Total Revenues	<u>32,440,316</u>	<u>31,069,986</u>	<u>(1,370,330)</u>
EXPENDITURES			
Current:			
General Government	6,790,575	5,996,458	794,117
Public Safety	14,731,004	14,237,877	493,127
Community Development	3,189,443	3,188,946	497
Engineering	2,882,688	2,523,897	358,791
Public Works	2,501,766	2,385,896	115,870
Parks and Recreation	5,016,550	4,444,574	571,976
Community Services	301,868	265,957	35,911
Capital Outlay	42,019	-	42,019
Debt Service:			
Principal	98,379	98,379	-
Total Expenditures	<u>35,554,292</u>	<u>33,141,984</u>	<u>2,412,308</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(3,113,976)</u>	<u>(2,071,998)</u>	<u>1,041,978</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	4,250,697	3,709,945	(540,752)
Transfers Out	(10,062,642)	(10,064,148)	(1,506)
Total Other Financing Sources (Uses)	<u>(5,811,945)</u>	<u>(6,354,203)</u>	<u>(542,258)</u>
NET CHANGE IN FUND BALANCES	<u>\$ (8,925,921)</u>	<u>(8,426,201)</u>	<u>\$ 499,720</u>
Fund Balance, Beginning of Year		<u>24,011,019</u>	
Fund Balance, End of Year		<u>\$ 15,584,818</u>	

City of Brentwood

Combining Balance Sheet
All Special Revenue Funds
 June 30, 2009

	Thoroughfares	Gas Tax	Police Grants	Other Grants	Citywide Parks Districts	Community Facilities Districts	Community Facilities	Vehicle Abatement
ASSETS								
Current Assets:								
Cash and Investments	\$ 8,150,267	\$ 25,738	\$ 162,905	\$ 5,941	\$ 637,231	\$ 107,864	\$ 145,279	\$ -
Receivables	465,175	-	50,023	5,950	301	103	94,782	17,216
Prepays	-	-	-	-	767	-	-	-
Due from Other Funds	720,321	-	-	-	-	-	31,149	-
Land Held for Resale	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 9,335,763</u>	<u>\$ 25,738</u>	<u>\$ 212,928</u>	<u>\$ 11,891</u>	<u>\$ 638,299</u>	<u>\$ 107,967</u>	<u>\$ 271,210</u>	<u>\$ 17,216</u>
LIABILITIES AND FUND BALANCES								
Current Liabilities:								
Accounts Payable and Accrued Liabilities	\$ 2,891	\$ -	\$ 11,018	\$ 520	\$ 225,571	\$ 57	\$ 4,228	\$ 1
Due to Other Funds	-	-	-	-	-	-	-	17,214
Internal Balances	-	-	-	-	-	-	-	-
Deferred Revenue	557,132	-	-	-	-	-	124,993	-
Total Liabilities	<u>560,023</u>	<u>-</u>	<u>11,018</u>	<u>520</u>	<u>225,571</u>	<u>57</u>	<u>129,221</u>	<u>17,215</u>
Fund Balances:								
Reserved for:								
Prepays	-	-	-	-	767	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-
Specific Projects and Programs	-	-	201,910	11,371	-	-	-	-
Unreserved, Reported in:								
Special Revenue	8,775,740	25,738	-	-	411,961	107,910	141,989	1
Total Fund Balances	<u>8,775,740</u>	<u>25,738</u>	<u>201,910</u>	<u>11,371</u>	<u>412,728</u>	<u>107,910</u>	<u>141,989</u>	<u>1</u>
Total Liabilities and Fund Balances	<u>\$ 9,335,763</u>	<u>\$ 25,738</u>	<u>\$ 212,928</u>	<u>\$ 11,891</u>	<u>\$ 638,299</u>	<u>\$ 107,967</u>	<u>\$ 271,210</u>	<u>\$ 17,216</u>

Continued

City of Brentwood

Combining Balance Sheet
All Special Revenue Funds (Continued)
June 30, 2009

	Economic Development	Storm Drainage	RDA Low Income Housing	PEG Media	Asset Forfeiture	Measure C	Facility Fee Administration	Parks and Trails
ASSETS								
Current Assets:								
Cash and Investments	\$ 5,656	\$ 3,755	\$ 4,798,579	\$ 712,057	\$ 53,484	\$ 22,118	\$ 28,283	\$ -
Receivables	2	-	2,032,396	250,252	8	28	18,477	8,771
Prepays	-	-	258	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	4,726	66,496
Land Held for Resale	-	-	1,040,359	-	-	-	-	-
Total Assets	\$ 5,658	\$ 3,755	\$ 7,871,592	\$ 962,309	\$ 53,492	\$ 22,146	\$ 51,486	\$ 75,267
LIABILITIES AND FUND BALANCES								
Current Liabilities:								
Accounts Payable and Accrued Liabilities	\$ 1	\$ -	\$ 7,269	\$ 128	\$ 9	\$ 68	\$ 33	\$ -
Due to Other Funds	-	-	-	-	-	-	-	606,038
Internal Balances	-	-	-	-	-	-	710,295	-
Deferred Revenue	-	-	2,030,722	250,000	-	-	23,179	75,267
Total Liabilities	1	-	2,037,991	250,128	9	68	733,507	681,305
Fund Balances:								
Reserved for:								
Prepays	-	-	258	-	-	-	-	-
Land Held for Resale	-	-	1,040,359	-	-	-	-	-
Specific Projects and Programs	-	3,755	4,792,984	712,181	53,483	22,078	-	-
Unreserved, Reported in:								
Special Revenue	5,657	-	-	-	-	-	(682,021)	(606,038)
Total Fund Balances	5,657	3,755	5,833,601	712,181	53,483	22,078	(682,021)	(606,038)
Total Liabilities and Fund Balances	\$ 5,658	\$ 3,755	\$ 7,871,592	\$ 962,309	\$ 53,492	\$ 22,146	\$ 51,486	\$ 75,267

Continued

City of Brentwood

Combining Balance Sheet
All Special Revenue Funds (Continued)
June 30, 2009

	<u>Agriculture Administration</u>	<u>Public Art Administration</u>	<u>Public Art Acquisition</u>	<u>Arts Commission</u>	<u>Fire Fees</u>	<u>Agriculture Land</u>	<u>Parking In Lieu</u>	<u>Lighting and Landscape Districts</u>	<u>Totals</u>
ASSETS									
Current Assets:									
Cash and Investments	\$ 919,337	\$ 28,036	\$ 619,018	\$ 88,832	\$ 752,358	\$ 6,303,981	\$ 25,696	\$ 3,668,086	\$ 27,264,501
Receivables	7,610	10	221	27	6,971	2,229	9	10,255	2,970,816
Prepays	-	-	-	-	-	-	-	-	1,025
Due from Other Funds	64,000	-	-	-	-	-	-	-	886,692
Land Held for Resale	-	-	-	-	-	-	-	-	1,040,359
Total Assets	\$ 990,947	\$ 28,046	\$ 619,239	\$ 88,859	\$ 759,329	\$ 6,306,210	\$ 25,705	\$ 3,678,341	\$ 32,163,393
LIABILITIES AND FUND BALANCES									
Current Liabilities:									
Accounts Payable and Accrued Liabilities	\$ 1,279	\$ 5	\$ 107	\$ 121	\$ 133	\$ 1,475	\$ 4	\$ 373,888	\$ 628,806
Due to Other Funds	-	-	-	-	-	-	-	-	623,252
Internal Balances	-	-	-	-	-	-	-	-	710,295
Deferred Revenue	-	-	-	-	6,706	-	-	8,600	3,076,599
Total Liabilities	1,279	5	107	121	6,839	1,475	4	382,488	5,038,952
Fund Balances:									
Reserved for:									
Prepays	-	-	-	-	-	-	-	-	1,025
Land Held for Resale	-	-	-	-	-	-	-	-	1,040,359
Specific Projects and Programs	989,668	28,041	619,132	88,738	752,490	6,304,735	25,701	3,295,853	17,902,120
Unreserved, Reported in:									
Special Revenue	-	-	-	-	-	-	-	-	8,180,937
Total Fund Balances	989,668	28,041	619,132	88,738	752,490	6,304,735	25,701	3,295,853	27,124,441
Total Liabilities and Fund Balances	\$ 990,947	\$ 28,046	\$ 619,239	\$ 88,859	\$ 759,329	\$ 6,306,210	\$ 25,705	\$ 3,678,341	\$ 32,163,393



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City of Brentwood

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Special Revenue Funds
For Year Ended June 30, 2009

	Thoroughfares	Gas Tax	Police Grants	Other Grants	Citywide Parks Districts	Community Facilities Districts	Community Facilities	Vehicle Abatement
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,653,962	\$ -	\$ -	\$ -
Uses of Money and Property	761,143	-	6,218	273	19,291	15,670	73,946	212
Intergovernmental	-	824,293	117,280	13,028	-	-	-	-
Fees and Other Revenues	2,403,513	-	-	-	37,753	2,712,800	63,018	38,682
Total Revenues	3,164,656	824,293	123,498	13,301	1,711,006	2,728,470	136,964	38,894
EXPENDITURES								
Current:								
General Government	634,193	-	-	13,027	-	-	21,879	-
Public Safety	-	-	39,246	-	-	-	-	10
Community Development	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	2,308,802	-	-	-
Community Services	-	-	-	-	-	28,034	-	-
Debt Service:								
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Total Expenditures	634,193	-	39,246	13,027	2,308,802	28,034	21,879	10
REVENUES OVER (UNDER) EXPENDITURES	2,530,463	824,293	84,252	274	(597,796)	2,700,436	115,085	38,884
OTHER FINANCING SOURCES (USES)								
Transfers In	2,024,468	-	-	-	563,546	-	1,406	-
Transfers Out	(1,213,947)	(1,018,197)	-	-	-	(3,120,135)	(151,365)	(62,915)
Total Other Financing Sources (Uses)	810,521	(1,018,197)	-	-	563,546	(3,120,135)	(149,959)	(62,915)
Net Change in Fund Balances	3,340,984	(193,904)	84,252	274	(34,250)	(419,699)	(34,874)	(24,031)
Fund Balance, Beginning of Year	5,434,756	219,642	117,658	11,097	446,978	527,609	176,863	24,032
Fund Balance, End of Year	\$ 8,775,740	\$ 25,738	\$ 201,910	\$ 11,371	\$ 412,728	\$ 107,910	\$ 141,989	\$ 1

Continued

City of Brentwood

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Special Revenue Funds (Continued)
For Year Ended June 30, 2009

	<u>Economic Development</u>	<u>Storm Drainage</u>	<u>RDA Low Income Housing</u>	<u>PEG Media</u>	<u>Asset Forfeiture</u>	<u>Measure C</u>	<u>Facility Fee Administration</u>	<u>Parks and Trails</u>
REVENUES								
Taxes	\$ -	\$ -	\$ 1,533,920	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	297	3,755	206,786	37,400	2,162	9,640	8,096	-
Intergovernmental	-	-	-	-	-	486,639	-	-
Fees and Other Revenues	-	-	152	-	7,292	-	7,290	41,586
Total Revenues	297	3,755	1,740,858	37,400	9,454	496,279	15,386	41,586
EXPENDITURES								
Current:								
General Government	-	-	287,425	694	12,157	2,435	1,104	-
Public Safety	-	-	-	-	-	-	-	-
Community Development	6	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	286,016
Community Services	-	-	-	-	-	-	-	-
Debt Service:								
Interest and Fiscal Charges	-	-	-	-	-	-	18,325	-
Total Expenditures	6	-	287,425	694	12,157	2,435	19,429	286,016
REVENUES OVER (UNDER) EXPENDITURES	291	3,755	1,453,433	36,706	(2,703)	493,844	(4,043)	(244,430)
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	-	766,984
Transfers Out	-	-	-	-	-	(548,117)	-	(412,322)
Total Other Financing Sources (Uses)	-	-	-	-	-	(548,117)	-	354,662
Net Change in Fund Balances	291	3,755	1,453,433	36,706	(2,703)	(54,273)	(4,043)	110,232
Fund Balance, Beginning of Year	5,366	-	4,380,168	675,475	56,186	76,351	(677,978)	(716,270)
Fund Balance, End of Year	\$ 5,657	\$ 3,755	\$ 5,833,601	\$ 712,181	\$ 53,483	\$ 22,078	\$ (682,021)	\$ (606,038)

Continued

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Special Revenue Funds (Continued)
 For Year Ended June 30, 2009

	Agriculture Administration	Public Art Administration	Public Art Acquisition	Arts Commission	Fire Fees	Agriculture Land	Parking In Lieu	Lighting and Landscape Districts	Totals
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,187,882
Uses of Money and Property	54,052	1,302	31,569	4,052	38,829	394,838	1,350	163,979	1,834,860
Intergovernmental	-	-	-	-	-	-	-	-	1,441,240
Fees and Other Revenues	1,000	11,343	43,822	20,000	17,726	4,000	-	4,510,049	9,920,026
Total Revenues	55,052	12,645	75,391	24,052	56,555	398,838	1,350	4,674,028	16,384,008
EXPENDITURES									
Current:									
General Government	207,510	6,223	565	32,390	716	2,742,131	25	-	3,962,474
Public Safety	-	-	-	-	-	-	-	-	39,256
Community Development	-	-	-	-	-	-	-	-	6
Parks and Recreation	-	-	-	-	-	-	-	-	2,594,818
Community Services	-	-	-	-	-	-	-	4,483,016	4,511,050
Debt Service:									
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	18,325
Total Expenditures	207,510	6,223	565	32,390	716	2,742,131	25	4,483,016	11,125,929
REVENUES OVER (UNDER) EXPENDITURES	(152,458)	6,422	74,826	(8,338)	55,839	(2,343,293)	1,325	191,012	5,258,079
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	3,300	-	7,359	-	-	3,367,063
Transfers Out	-	-	(14,820)	-	-	-	-	-	(6,541,818)
Total Other Financing Sources (Uses)	-	-	(14,820)	3,300	-	7,359	-	-	(3,174,755)
Net Change in Fund Balances	(152,458)	6,422	60,006	(5,038)	55,839	(2,335,934)	1,325	191,012	2,083,324
Fund Balance, Beginning of Year	1,142,126	21,619	559,126	93,776	696,651	8,640,669	24,376	3,104,841	25,041,117
Fund Balance, End of Year	\$ 989,668	\$ 28,041	\$ 619,132	\$ 88,738	\$ 752,490	\$ 6,304,735	\$ 25,701	\$ 3,295,853	\$ 27,124,441



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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, 2009**

	Thoroughfares			Gas Tax			Police Grants		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	112,000	761,143	649,143	-	-	-	5,100	6,218	1,118
Intergovernmental	-	-	-	942,897	824,293	(118,604)	110,548	117,280	6,732
Fees and Other Revenues	1,481,606	2,403,513	921,907	-	-	-	-	-	-
Total Revenues	<u>1,593,606</u>	<u>3,164,656</u>	<u>1,571,050</u>	<u>942,897</u>	<u>824,293</u>	<u>(118,604)</u>	<u>115,648</u>	<u>123,498</u>	<u>7,850</u>
EXPENDITURES									
Current:									
General Government	1,036,027	634,193	401,834	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	241,905	39,246	202,659
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>1,036,027</u>	<u>634,193</u>	<u>401,834</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>241,905</u>	<u>39,246</u>	<u>202,659</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>557,579</u>	<u>2,530,463</u>	<u>1,972,884</u>	<u>942,897</u>	<u>824,293</u>	<u>(118,604)</u>	<u>(126,257)</u>	<u>84,252</u>	<u>210,509</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	-	2,024,468	2,024,468	-	-	-	-	-	-
Transfers Out	(5,604,617)	(1,213,947)	4,390,670	(1,018,197)	(1,018,197)	-	-	-	-
Total Other Financing Sources (Uses)	<u>(5,604,617)</u>	<u>810,521</u>	<u>6,415,138</u>	<u>(1,018,197)</u>	<u>(1,018,197)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (5,047,038)</u>	<u>3,340,984</u>	<u>\$ 8,388,022</u>	<u>\$ (75,300)</u>	<u>(193,904)</u>	<u>\$ (118,604)</u>	<u>\$ (126,257)</u>	<u>84,252</u>	<u>\$ 210,509</u>
Fund Balance, Beginning of Year		<u>5,434,756</u>			<u>219,642</u>			<u>117,658</u>	
Fund Balance, End of Year		<u>\$ 8,775,740</u>			<u>\$ 25,738</u>			<u>\$ 201,910</u>	

Continued

City of Brentwood

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds (Continued)
For Year Ended June 30, 2009**

	Other Grants			Citywide Parks Districts			Community Facilities Districts		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ 1,747,782	\$ 1,653,962	\$ (93,820)	\$ -	\$ -	\$ -
Uses of Money and Property	273	273	-	20,000	19,291	(709)	10,000	15,670	5,670
Intergovernmental	67,351	13,028	(54,323)	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	36,593	37,753	1,160	2,980,138	2,712,800	(267,338)
Total Revenues	67,624	13,301	(54,323)	1,804,375	1,711,006	(93,369)	2,990,138	2,728,470	(261,668)
EXPENDITURES									
Current:									
General Government	68,049	13,027	55,022	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	2,382,705	2,308,802	73,903	-	-	-
Community Services	-	-	-	-	-	-	33,350	28,034	5,316
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Total Expenditures	68,049	13,027	55,022	2,382,705	2,308,802	73,903	33,350	28,034	5,316
REVENUES OVER (UNDER) EXPENDITURES	(425)	274	699	(578,330)	(597,796)	(19,466)	2,956,788	2,700,436	(256,352)
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	563,546	563,546	-	-	-	-
Transfers Out	-	-	-	-	-	-	(3,475,000)	(3,120,135)	354,865
Total Other Financing Sources (Uses)	-	-	-	563,546	563,546	-	(3,475,000)	(3,120,135)	354,865
Net Change in Fund Balances	\$ (425)	274	\$ 699	\$ (14,784)	(34,250)	\$ (19,466)	\$ (518,212)	(419,699)	\$ 98,513
Fund Balance, Beginning of Year		11,097			446,978			527,609	
Fund Balance, End of Year		\$ 11,371			\$ 412,728			\$ 107,910	

Continued

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds (Continued)
For Year Ended June 30, 2009**

	Community Facilities			Vehicle Abatement			Economic Development		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	20,030	73,946	53,916	1,850	212	(1,638)	-	297	297
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	400,195	63,018	(337,177)	60,000	38,682	(21,318)	-	-	-
Total Revenues	<u>420,225</u>	<u>136,964</u>	<u>(283,261)</u>	<u>61,850</u>	<u>38,894</u>	<u>(22,956)</u>	<u>-</u>	<u>297</u>	<u>297</u>
EXPENDITURES									
Current:									
General Government	60,000	21,879	38,121	-	-	-	-	-	-
Public Safety	-	-	-	1,000	10	990	-	-	-
Community Development	-	-	-	-	-	-	10	6	4
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>60,000</u>	<u>21,879</u>	<u>38,121</u>	<u>1,000</u>	<u>10</u>	<u>990</u>	<u>10</u>	<u>6</u>	<u>4</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>360,225</u>	<u>115,085</u>	<u>(245,140)</u>	<u>60,850</u>	<u>38,884</u>	<u>(21,966)</u>	<u>(10)</u>	<u>291</u>	<u>301</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	-	1,406	1,406	-	-	-	-	-	-
Transfers Out	(4,553,264)	(151,365)	4,401,899	(75,000)	(62,915)	12,085	-	-	-
Total Other Financing Sources (Uses)	<u>(4,553,264)</u>	<u>(149,959)</u>	<u>4,403,305</u>	<u>(75,000)</u>	<u>(62,915)</u>	<u>12,085</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (4,193,039)</u>	<u>(34,874)</u>	<u>\$ 4,158,165</u>	<u>\$ (14,150)</u>	<u>(24,031)</u>	<u>\$ (9,881)</u>	<u>\$ (10)</u>	<u>291</u>	<u>\$ 301</u>
Fund Balance, Beginning of Year		<u>176,863</u>			<u>24,032</u>			<u>5,366</u>	
Fund Balance, End of Year		<u>\$ 141,989</u>			<u>\$ 1</u>			<u>\$ 5,657</u>	

Continued

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds (Continued)
For Year Ended June 30, 2009**

	Storm Drainage			RDA Low Income Housing			PEG Media		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ 1,482,957	\$ 1,533,920	\$ 50,963	\$ -	\$ -	\$ -
Uses of Money and Property	-	3,755	3,755	140,000	206,786	66,786	25,000	37,400	12,400
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	-	152	152	-	-	-
Total Revenues	-	3,755	3,755	1,622,957	1,740,858	117,901	25,000	37,400	12,400
EXPENDITURES									
Current:									
General Government	-	-	-	791,940	287,425	504,515	100,570	694	99,876
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	791,940	287,425	504,515	100,570	694	99,876
REVENUES OVER (UNDER) EXPENDITURES	-	3,755	3,755	831,017	1,453,433	622,416	(75,570)	36,706	112,276
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	\$ -	3,755	\$ 3,755	\$ 831,017	1,453,433	\$ 622,416	\$ (75,570)	36,706	\$ 112,276
Fund Balance, Beginning of Year		-			4,380,168			675,475	
Fund Balance, End of Year		\$ 3,755			\$ 5,833,601			\$ 712,181	

Continued

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds (Continued)
For Year Ended June 30, 2009**

	Asset Forfeiture			Measure C			Facility Fee Administration		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	-	2,162	2,162	-	9,640	9,640	8,000	8,096	96
Intergovernmental	-	-	-	461,249	486,639	25,390	-	-	-
Fees and Other Revenues	15,000	7,292	(7,708)	-	-	-	53,336	7,290	(46,046)
Total Revenues	15,000	9,454	(5,546)	461,249	496,279	35,030	61,336	15,386	(45,950)
EXPENDITURES									
Current:									
General Government	28,500	12,157	16,343	5,832	2,435	3,397	5,000	1,104	3,896
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	250,000	-	250,000
Interest and Fiscal Charges	-	-	-	-	-	-	35,000	18,325	16,675
Total Expenditures	28,500	12,157	16,343	5,832	2,435	3,397	290,000	19,429	270,571
REVENUES OVER (UNDER) EXPENDITURES	(13,500)	(2,703)	10,797	455,417	493,844	38,427	(228,664)	(4,043)	224,621
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	(548,117)	(548,117)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	(548,117)	(548,117)	-	-	-	-
Net Change in Fund Balances	\$ (13,500)	(2,703)	\$ 10,797	\$ (92,700)	(54,273)	\$ 38,427	\$ (228,664)	(4,043)	\$ 224,621
Fund Balance, Beginning of Year		56,186			76,351			(677,978)	
Fund Balance, End of Year		\$ 53,483			\$ 22,078			\$ (682,021)	

Continued

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds (Continued)
For Year Ended June 30, 2009**

	Parks and Trails			Agriculture Administration			Public Art Administration		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	-	-	-	60,000	54,052	(5,948)	145	1,302	1,157
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	222,985	41,586	(181,399)	5,000	1,000	(4,000)	110,000	11,343	(98,657)
Total Revenues	<u>222,985</u>	<u>41,586</u>	<u>(181,399)</u>	<u>65,000</u>	<u>55,052</u>	<u>(9,948)</u>	<u>110,145</u>	<u>12,645</u>	<u>(97,500)</u>
EXPENDITURES									
Current:									
General Government	-	-	-	356,000	207,510	148,490	100,961	6,223	94,738
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	429,251	286,016	143,235	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>429,251</u>	<u>286,016</u>	<u>143,235</u>	<u>356,000</u>	<u>207,510</u>	<u>148,490</u>	<u>100,961</u>	<u>6,223</u>	<u>94,738</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(206,266)</u>	<u>(244,430)</u>	<u>(38,164)</u>	<u>(291,000)</u>	<u>(152,458)</u>	<u>138,542</u>	<u>9,184</u>	<u>6,422</u>	<u>(2,762)</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	-	766,984	766,984	-	-	-	-	-	-
Transfers Out	(2,495,822)	(412,322)	2,083,500	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(2,495,822)</u>	<u>354,662</u>	<u>2,850,484</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (2,702,088)</u>	<u>110,232</u>	<u>\$ 2,812,320</u>	<u>\$ (291,000)</u>	<u>(152,458)</u>	<u>\$ 138,542</u>	<u>\$ 9,184</u>	<u>6,422</u>	<u>\$ (2,762)</u>
Fund Balance, Beginning of Year		<u>(716,270)</u>			<u>1,142,126</u>			<u>21,619</u>	
Fund Balance, End of Year		<u>\$ (606,038)</u>			<u>\$ 989,668</u>			<u>\$ 28,041</u>	

Continued

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds (Continued)
For Year Ended June 30, 2009**

	Public Art Acquisition			Arts Commission			Fire Fees		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	10,995	31,569	20,574	2,575	4,052	1,477	26,080	38,829	12,749
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	440,000	43,822	(396,178)	-	20,000	20,000	40,891	17,726	(23,165)
Total Revenues	450,995	75,391	(375,604)	2,575	24,052	21,477	66,971	56,555	(10,416)
EXPENDITURES									
Current:									
General Government	565	565	-	32,700	32,390	310	716	716	-
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Total Expenditures	565	565	-	32,700	32,390	310	716	716	-
REVENUES OVER (UNDER) EXPENDITURES	450,430	74,826	(375,604)	(30,125)	(8,338)	21,787	66,255	55,839	(10,416)
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	3,300	3,300	-	-	-	-
Transfers Out	(37,240)	(14,820)	22,420	-	-	-	(2,391,284)	-	2,391,284
Total Other Financing Sources (Uses)	(37,240)	(14,820)	22,420	3,300	3,300	-	(2,391,284)	-	2,391,284
Net Change in Fund Balances	\$ 413,190	60,006	\$ (353,184)	\$ (26,825)	(5,038)	\$ 21,787	\$ (2,325,029)	55,839	\$ 2,380,868
Fund Balance, Beginning of Year		559,126			93,776			696,651	
Fund Balance, End of Year		\$ 619,132			\$ 88,738			\$ 752,490	

Continued

City of Brentwood

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds (Continued)
For Year Ended June 30, 2009**

	Agriculture Land			Parking In Lieu			Lighting and Landscape Districts			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES												
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,230,739	\$ 3,187,882	\$ (42,857)
Uses of Money and Property	200,000	394,838	194,838	920	1,350	430	-	163,979	163,979	642,968	1,834,860	1,191,892
Intergovernmental	-	-	-	-	-	-	-	-	-	1,582,045	1,441,240	(140,805)
Fees and Other Revenues	25,000	4,000	(21,000)	-	-	-	4,534,284	4,510,049	(24,235)	10,405,028	9,920,026	(485,002)
Total Revenues	<u>225,000</u>	<u>398,838</u>	<u>173,838</u>	<u>920</u>	<u>1,350</u>	<u>430</u>	<u>4,534,284</u>	<u>4,674,028</u>	<u>139,744</u>	<u>15,860,780</u>	<u>16,384,008</u>	<u>523,228</u>
EXPENDITURES												
Current:												
General Government	3,747,000	2,742,131	1,004,869	30	25	5	-	-	-	6,333,890	3,962,474	2,371,416
Public Safety	-	-	-	-	-	-	-	-	-	242,905	39,256	203,649
Community Development	-	-	-	-	-	-	-	-	-	10	6	4
Parks and Recreation	-	-	-	-	-	-	-	-	-	2,811,956	2,594,818	217,138
Community Services	-	-	-	-	-	-	5,378,938	4,483,016	895,922	5,412,288	4,511,050	901,238
Debt Service:												
Principal	-	-	-	-	-	-	-	-	-	250,000	-	250,000
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	35,000	18,325	16,675
Total Expenditures	<u>3,747,000</u>	<u>2,742,131</u>	<u>1,004,869</u>	<u>30</u>	<u>25</u>	<u>5</u>	<u>5,378,938</u>	<u>4,483,016</u>	<u>895,922</u>	<u>15,086,049</u>	<u>11,125,929</u>	<u>3,960,120</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(3,522,000)</u>	<u>(2,343,293)</u>	<u>1,178,707</u>	<u>890</u>	<u>1,325</u>	<u>425</u>	<u>(844,654)</u>	<u>191,012</u>	<u>1,035,666</u>	<u>774,731</u>	<u>5,258,079</u>	<u>4,483,348</u>
OTHER FINANCING SOURCES (USES)												
Transfers In	-	7,359	7,359	-	-	-	-	-	-	566,846	3,367,063	2,800,217
Transfers Out	(12,641)	-	12,641	-	-	-	-	-	-	(20,211,182)	(6,541,818)	13,669,364
Total Other Financing Sources (Uses)	<u>(12,641)</u>	<u>7,359</u>	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(19,644,336)</u>	<u>(3,174,755)</u>	<u>16,469,581</u>
Net Change in Fund Balances	<u>\$ (3,534,641)</u>	<u>(2,335,934)</u>	<u>\$ 1,198,707</u>	<u>\$ 890</u>	<u>1,325</u>	<u>\$ 425</u>	<u>\$ (844,654)</u>	<u>191,012</u>	<u>\$ 1,035,666</u>	<u>\$ (18,869,605)</u>	<u>2,083,324</u>	<u>\$ 20,952,929</u>
Fund Balance, Beginning of Year		<u>8,640,669</u>			<u>24,376</u>			<u>3,104,841</u>			<u>25,041,117</u>	
Fund Balance, End of Year		<u>\$ 6,304,735</u>			<u>\$ 25,701</u>			<u>\$ 3,295,853</u>			<u>\$ 27,124,441</u>	

Combining Balance Sheet
All Debt Service Funds
June 30, 2009

	Redevelopment Debt	Capital Improvement Program 2001	2002 General Obligation Bond	TOTALS
ASSETS				
Current Assets:				
Cash and Investments	\$ 12,288,878	\$ 101,713	\$ 57,385	\$ 12,447,976
Restricted Cash and Investments	-	2,109,706	-	2,109,706
Receivables	4,282	17	74	4,373
Total Assets	<u>\$ 12,293,160</u>	<u>\$ 2,211,436</u>	<u>\$ 57,459</u>	<u>\$ 14,562,055</u>
LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 1,331,493	\$ 20	\$ 21	\$ 1,331,534
Total Liabilities	<u>1,331,493</u>	<u>20</u>	<u>21</u>	<u>1,331,534</u>
Fund Balances:				
Reserved for:				
Debt Service	10,961,667	2,211,416	57,438	13,230,521
Total Fund Balances	<u>10,961,667</u>	<u>2,211,416</u>	<u>57,438</u>	<u>13,230,521</u>
Total Liabilities and Fund Balances	<u>\$ 12,293,160</u>	<u>\$ 2,211,436</u>	<u>\$ 57,459</u>	<u>\$ 14,562,055</u>

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Debt Service Funds
For Year Ended June 30, 2009

	Redevelopment Debt	Capital Improvement Program 2001	2002 General Obligation Bond	TOTALS
REVENUES				
Taxes	\$ 6,135,680	\$ -	\$ 289,887	\$ 6,425,567
Uses of Money and Property	654,499	43,227	7,586	705,312
Total Revenues	<u>6,790,179</u>	<u>43,227</u>	<u>297,473</u>	<u>7,130,879</u>
EXPENDITURES				
Current:				
Community Development	1,599,785	10,133	4,940	1,614,858
Debt Service:				
Principal	450,000	275,000	180,000	905,000
Interest and Fiscal Charges	917,706	443,550	135,756	1,497,012
Total Expenditures	<u>2,967,491</u>	<u>728,683</u>	<u>320,696</u>	<u>4,016,870</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>3,822,688</u>	<u>(685,456)</u>	<u>(23,223)</u>	<u>3,114,009</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	680,400	-	680,400
Transfers Out	(1,160,933)	-	-	(1,160,933)
Total Other Financing Sources (Uses)	<u>(1,160,933)</u>	<u>680,400</u>	<u>-</u>	<u>(480,533)</u>
Net Change in Fund Balances	2,661,755	(5,056)	(23,223)	2,633,476
Fund Balance, Beginning of Year	<u>8,299,912</u>	<u>2,216,472</u>	<u>80,661</u>	<u>10,597,045</u>
Fund Balance, End of Year	<u>\$ 10,961,667</u>	<u>\$ 2,211,416</u>	<u>\$ 57,438</u>	<u>\$ 13,230,521</u>

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

Certain Debt Service Funds

For Year Ended June 30, 2009

	Redevelopment Debt		
	Budget	Actual	Variance
REVENUES			
Taxes	\$ 5,931,830	\$ 6,135,680	\$ 203,850
Uses of Money and Property	791,000	654,499	(136,501)
Total Revenues	6,722,830	6,790,179	67,349
EXPENDITURES			
Current:			
Community Development	2,400,000	1,599,785	800,215
Debt Service:			
Principal	450,000	450,000	-
Interest and Fiscal Charges	917,706	917,706	-
Total Expenditures	3,767,706	2,967,491	800,215
REVENUES OVER (UNDER) EXPENDITURES	2,955,124	3,822,688	867,564
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	(2,562,762)	(1,160,933)	1,401,829
Total Other Financing Sources (Uses)	(2,562,762)	(1,160,933)	1,401,829
Net Change in Fund Balances	\$ 392,362	2,661,755	\$ 2,269,393
Fund Balance, Beginning of Year		8,299,912	
Fund Balance, End of Year		\$ 10,961,667	



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City of Brentwood

Combining Balance Sheet

All Capital Project Funds

June 30, 2009

	Capital Improvement Financing Program 2000-1 <i>(2004 C Refi)</i>	Capital Improvement Financing Program 2002-1 <i>(2005 A&B Refi)</i>	Capital Improvement Financing Program 2005-1	Capital Improvement Financing Program 2006-1	2002 Series A & B	Randy Way District Improvements	City Capital Improvement Financing Program	Capital Project Administration
ASSETS								
Current Assets:								
Cash and Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,476,926	\$ -
Restricted Cash and Investments	22	10	9,717,569	3,737,535	398,785	4,274	-	-
Receivables	-	-	-	-	-	2	522	-
Prepays	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-
Total Assets	\$ 22	\$ 10	\$ 9,717,569	\$ 3,737,535	\$ 398,785	\$ 4,276	\$ 1,477,448	\$ -
LIABILITIES AND FUND BALANCES								
Current Liabilities:								
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ 393,813	\$ -	\$ -	\$ 1	\$ 267	\$ -
Due to Other Funds	-	-	-	-	-	-	-	-
Deposits Held	-	-	-	-	-	-	-	-
Total Liabilities	-	-	393,813	-	-	1	267	-
Fund Balances:								
Reserved for:								
Prepays	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-
Specific Projects and Programs	22	10	9,323,756	3,737,535	398,785	4,275	1,477,181	-
Unreserved, Reported in:								
Capital Projects	-	-	-	-	-	-	-	-
Total Fund Balances	22	10	9,323,756	3,737,535	398,785	4,275	1,477,181	-
Total Liabilities and Fund Balances	\$ 22	\$ 10	\$ 9,717,569	\$ 3,737,535	\$ 398,785	\$ 4,276	\$ 1,477,448	\$ -

Continued

Combining Balance Sheet
All Capital Project Funds (Continued)
 June 30, 2009

	Community Facilities Improvement Projects	Park Improvement Projects	Drainage Improvement Projects	Street Improvement Projects	Vineyards Projects	Redevelopment Projects	TOTALS
ASSETS							
Current Assets:							
Cash and Investments	\$ 18,733,283	\$ -	\$ 238,567	\$ 7,548,367	\$ 1,868,905	\$ 5,070,207	\$ 34,936,255
Restricted Cash and Investments	14,459	-	-	-	-	1,492,507	15,365,161
Receivables	71,069	109,973	-	174,964	661	10,524	367,715
Prepays	-	-	-	-	-	972	972
Due from Other Funds	3,524,106	-	-	-	-	-	3,524,106
Land Held for Resale	-	-	-	-	-	1,677,129	1,677,129
Total Assets	\$ 22,342,917	\$ 109,973	\$ 238,567	\$ 7,723,331	\$ 1,869,566	\$ 8,251,339	\$ 55,871,338
LIABILITIES AND FUND BALANCES							
Current Liabilities:							
Accounts Payable and Accrued Liabilities	\$ 281,849	\$ 291,377	\$ -	\$ 336,596	\$ 337	\$ 29,800	\$ 1,334,040
Due to Other Funds	64,000	3,524,106	-	-	-	-	3,588,106
Deposits Held	-	-	-	-	-	5,850	5,850
Total Liabilities	345,849	3,815,483	-	336,596	337	35,650	4,927,996
Fund Balances:							
Reserved for:							
Prepays	-	-	-	-	-	972	972
Land Held for Resale	-	-	-	-	-	1,677,129	1,677,129
Specific Projects and Programs	21,997,068	-	238,567	7,386,735	1,869,229	6,537,588	52,970,751
Capital Projects	-	(3,705,510)	-	-	-	-	(3,705,510)
Total Fund Balances	21,997,068	(3,705,510)	238,567	7,386,735	1,869,229	8,215,689	50,943,342
Total Liabilities and Fund Balances	\$ 22,342,917	\$ 109,973	\$ 238,567	\$ 7,723,331	\$ 1,869,566	\$ 8,251,339	\$ 55,871,338

City of Brentwood

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Capital Project Funds
For Year Ended June 30, 2009***

	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	Randy Way District Improvements	City Capital Improvement Financing Program	Capital Project Administration
REVENUES								
Uses of Money and Property	\$ 30	\$ 13	\$ 85,414	\$ 38,007	\$ 3,447	\$ 225	\$ 62,285	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	-	-	-	1,085,065	-
Total Revenues	30	13	85,414	38,007	3,447	225	1,147,350	-
EXPENDITURES								
Current:								
General Government	-	-	393,813	659,045	-	4	994	-
Capital Outlay	-	-	-	-	-	-	-	-
Total Expenditures	-	-	393,813	659,045	-	4	994	-
REVENUES OVER (UNDER) EXPENDITURES	30	13	(308,399)	(621,038)	3,447	221	1,146,356	-
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	-	58,039
Transfers Out	(2,956)	(1,299)	(135,454)	(139)	-	-	-	-
Total Other Financing Sources (Uses)	(2,956)	(1,299)	(135,454)	(139)	-	-	-	58,039
Net Change in Fund Balances	(2,926)	(1,286)	(443,853)	(621,177)	3,447	221	1,146,356	58,039
Fund Balance, Beginning of Year	2,948	1,295	9,767,609	4,358,712	395,338	4,054	330,825	(58,039)
Fund Balance, End of Year	\$ 22	\$ 9	\$ 9,323,756	\$ 3,737,535	\$ 398,785	\$ 4,275	\$ 1,477,181	\$ -

Continued

City of Brentwood

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Capital Project Funds (Continued)
For Year Ended June 30, 2009***

	Community Facilities Improvement Projects	Park Improvement Projects	Drainage Improvement Projects	Street Improvement Projects	Vineyards Projects	Redevelopment Projects	TOTALS
REVENUES							
Uses of Money and Property	\$ 1,134,464	\$ -	\$ -	\$ 65,570	\$ 98,161	\$ 402,035	\$ 1,889,651
Intergovernmental	-	109,973	-	844,477	-	-	954,450
Fees and Other Revenues	15,000	400,000	-	142,127	-	228	1,642,420
Total Revenues	<u>1,149,464</u>	<u>509,973</u>	<u>-</u>	<u>1,052,174</u>	<u>98,161</u>	<u>402,263</u>	<u>4,486,521</u>
EXPENDITURES							
Current:							
General Government	24,319	78,768	500,000	1,169,453	1,821	1,089,658	3,917,875
Capital Outlay	4,281,470	5,206,221	17,029	1,913,005	-	-	11,417,725
Total Expenditures	<u>4,305,789</u>	<u>5,284,989</u>	<u>517,029</u>	<u>3,082,458</u>	<u>1,821</u>	<u>1,089,658</u>	<u>15,335,600</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(3,156,325)</u>	<u>(4,775,016)</u>	<u>(517,029)</u>	<u>(2,030,284)</u>	<u>96,340</u>	<u>(687,395)</u>	<u>(10,849,079)</u>
OTHER FINANCING SOURCES (USES)							
Transfers In	7,742,198	1,432,459	-	1,682,268	-	1,160,933	12,075,897
Transfers Out	-	(622,322)	(7,359)	(1,329,085)	-	(100,000)	(2,198,614)
Total Other Financing Sources (Uses)	<u>7,742,198</u>	<u>810,137</u>	<u>(7,359)</u>	<u>353,183</u>	<u>-</u>	<u>1,060,933</u>	<u>9,877,283</u>
Net Change in Fund Balances	4,585,873	(3,964,879)	(524,388)	(1,677,101)	96,340	373,538	(971,796)
Fund Balance, Beginning of Year	17,411,195	259,369	762,956	9,063,836	1,772,889	7,842,151	51,915,138
Fund Balance, End of Year	<u>\$ 21,997,068</u>	<u>\$ (3,705,510)</u>	<u>\$ 238,568</u>	<u>\$ 7,386,735</u>	<u>\$ 1,869,229</u>	<u>\$ 8,215,689</u>	<u>\$ 50,943,342</u>

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

Certain Capital Project Funds

For Year Ended June 30, 2009

	City Capital Improvement Financing Program			Capital Project Administration		
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES						
Permits and Fines	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	116,300	62,285	(54,015)	-	-	-
Fees and Other Revenues	1,107,500	1,085,065	(22,435)	-	-	-
Total Revenues	1,223,800	1,147,350	(76,450)	-	-	-
EXPENDITURES						
Current:						
General Government	994	994	-	-	-	-
Total Expenditures	994	994	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	1,222,806	1,146,356	(76,450)	-	-	-
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	58,039	58,039
Transfers Out	(1,999,006)	-	1,999,006	-	-	-
Total Other Financing Sources (Uses)	(1,999,006)	-	1,999,006	-	58,039	58,039
Net Change in Fund Balances	\$ (776,200)	1,146,356	\$ 1,922,556	\$ -	58,039	\$ 58,039
Fund Balance, Beginning of Year		330,825			(58,039)	
Fund Balance, End of Year		\$ 1,477,181			\$ -	

Continued

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Certain Capital Projects Fund (Continued)
For Year Ended June 30, 2009**

	Vineyards Projects			Redevelopment Projects			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Permits and Fines	\$ 117,500	\$ -	\$ (117,500)	\$ -	\$ -	\$ -	\$ 117,500	\$ -	\$ (117,500)
Uses of Money and Property	20,164	98,161	77,997	2,808,924	402,035	(2,406,889)	2,945,388	562,481	(2,382,907)
Fees and Other Revenues	-	-	-	-	228	228	1,107,500	1,085,293	(22,207)
Total Revenues	<u>137,664</u>	<u>98,161</u>	<u>(39,503)</u>	<u>2,808,924</u>	<u>402,263</u>	<u>(2,406,661)</u>	<u>4,170,388</u>	<u>1,647,774</u>	<u>(2,522,614)</u>
EXPENDITURES									
Current:									
General Government	100,000	1,821	98,179	12,373,281	1,089,658	11,283,623	12,474,275	1,092,473	11,381,802
Total Expenditures	<u>100,000</u>	<u>1,821</u>	<u>98,179</u>	<u>12,373,281</u>	<u>1,089,658</u>	<u>11,283,623</u>	<u>12,474,275</u>	<u>1,092,473</u>	<u>11,381,802</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>37,664</u>	<u>96,340</u>	<u>58,676</u>	<u>(9,564,357)</u>	<u>(687,395)</u>	<u>8,876,962</u>	<u>(8,303,887)</u>	<u>555,301</u>	<u>(13,904,416)</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	2,562,762	1,160,933	(1,401,829)	2,562,762	1,218,972	(1,343,790)
Transfers Out	-	-	-	(100,000)	(100,000)	-	(2,099,006)	(100,000)	1,999,006
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,462,762</u>	<u>1,060,933</u>	<u>(1,401,829)</u>	<u>463,756</u>	<u>1,118,972</u>	<u>655,216</u>
Net Change in Fund Balances	<u>\$ 37,664</u>	<u>96,340</u>	<u>\$ 58,676</u>	<u>\$ (7,101,595)</u>	<u>373,538</u>	<u>\$ 7,475,133</u>	<u>\$ (7,840,131)</u>	<u>\$ 1,674,273</u>	<u>\$ (13,249,200)</u>
Fund Balance, Beginning of Year		<u>1,772,889</u>			<u>7,842,151</u>			<u>9,887,826</u>	
Fund Balance, End of Year		<u>\$ 1,869,229</u>			<u>\$ 8,215,689</u>			<u>\$ 11,562,099</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

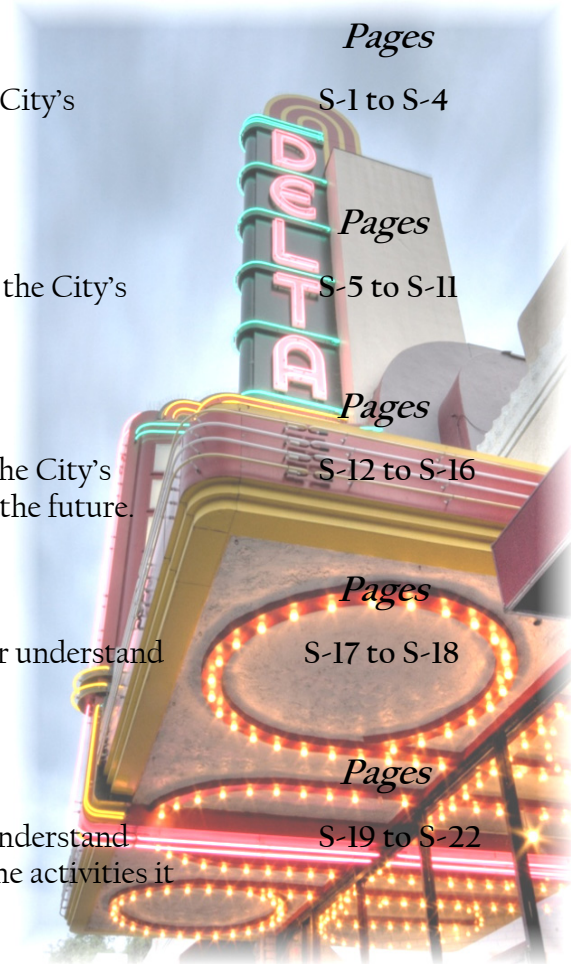
Operating Information

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 EIGHT FISCAL YEARS**

(Accrual Basis of Accounting)

(Unaudited)

	2002	2003	2004	2005	2006	2007	2008	2009
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	\$ 396,500,516
Restricted	47,295,121	43,163,510	48,177,025	34,678,623	81,395,898	79,233,723	80,452,738	84,103,392
Unrestricted	28,983,536	37,800,917	27,120,013	53,776,481	53,977,292	59,130,425	54,508,073	48,649,648
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	\$ 529,253,556
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	\$ 151,887,435
Restricted	27,949,628	34,664,252	12,359,754	27,021,249	30,182,173	31,204,635	28,721,075	26,202,644
Unrestricted	512,510	5,787,062	(5,426,178)	14,373,836	14,140,500	22,052,908	33,177,282	39,191,354
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	\$ 217,281,433
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	\$ 548,387,951
Restricted	75,244,749	77,827,762	60,536,779	61,699,872	111,578,071	110,438,358	109,173,813	110,306,036
Unrestricted	29,496,046	43,587,979	21,693,835	68,150,317	68,117,792	81,183,333	87,685,355	87,841,002
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	\$ 746,534,989

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 EIGHT FISCAL YEARS

(Accrual Basis of Accounting)

(Unaudited)

	2002	2003	2004	2005	2006	2007	2008	2009
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	\$ 14,258,630
Public Safety	5,681,464	6,750,947	9,970,436	9,563,065	10,952,967	12,768,274	13,770,801	15,024,872
Community Development	2,944,722	2,886,102	4,804,009	5,103,462	3,960,793	5,704,796	5,581,469	4,871,191
Engineering	1,577,558	1,618,876	2,469,775	3,821,479	4,063,792	2,332,730	2,420,953	2,500,979
Public Works	2,783,123	2,942,088	3,491,159	1,796,006	1,815,288	4,967,567	5,441,455	6,417,940
Parks and Recreation	744,725	806,336	1,613,411	2,442,686	6,965,572	8,129,353	9,312,868	8,721,904
Community Services	581,152	314,293	226,732	237,458	2,059,834	3,402,377	3,728,537	4,771,816
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	1,729,621
Total Expenses	25,239,464	36,826,397	44,772,218	47,941,498	52,430,992	65,247,235	68,380,749	58,296,953
Program Revenues								
Charges for Services:								
General Government	2,931,381	2,938,053	4,120,088	4,707,870	3,803,913	5,050,422	4,832,281	5,374,316
Public Safety	371,995	396,267	391,286	417,939	463,693	563,191	611,166	512,853
Community Development	4,851,821	6,071,912	7,048,216	7,541,354	5,992,652	3,371,910	2,021,118	870,595
Engineering	3,969,265	4,451,413	4,642,625	4,842,578	4,088,577	3,499,111	2,218,835	1,549,735
Public Works	6,650	4,861	15,953	20,260	36,618	53,474	87,670	84,910
Parks and Recreation	-	-	-	-	1,804,256	1,687,292	1,128,180	936,023
Operating Grants and Contributions	698,207	226,570	165,107	114,791	200,915	6,443,633	9,868,672	9,594,707
Capital Grants and Contributions	163,450	132,575	128,384	166,951	212,611	50,529,249	35,633,756	21,356,537
Total Program Revenues	12,992,769	14,221,651	16,511,659	17,811,743	16,603,235	71,198,282	56,401,678	40,279,676
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)	(18,017,277)
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	19,580,300
Sales Tax	2,661,107	2,998,922	3,644,368	4,442,764	5,411,724	4,661,529	4,827,706	4,803,716
Franchise Fees	498,202	668,657	738,525	851,237	1,021,258	1,230,265	1,362,484	1,057,537
Public Service Taxes	391,088	589,266	743,890	914,426	1,000,573	527,766	342,627	298,911
Measure C, TOT	449,654	448,498	457,883	480,838	532,035	598,358	635,411	674,000
Motor Vehicle Taxes	1,423,128	1,702,280	1,508,664	2,198,750	3,502,237	3,597,495	3,942,089	3,570,432
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	6,821,377
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	906,456
Transfers	(870,776)	7,349,207	3,810,805	(1,847,651)	57,512,251	2,111,311	144,482	1,645,610
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	39,358,339
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	\$ 21,341,062

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

	2002	2003	2004	2005	2006	2007	2008	2009
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	\$ 6,956,281
Solid Waste	2,703,827	3,060,101	3,833,171	4,266,665	6,018,649	6,259,740	6,620,638	6,870,616
Water	6,394,410	6,779,073	7,395,878	8,594,319	12,073,423	11,181,295	12,304,859	15,721,076
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	248,505
Housing	-	-	7,504	1,022,306	1,215,548	1,481,274	792,055	307,298
Total Expenses	15,056,364	16,565,889	23,781,756	23,885,902	26,031,461	25,917,010	27,106,940	30,103,776
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	7,666,143
Solid Waste	3,725,346	4,243,126	5,102,561	6,236,643	8,025,919	8,826,499	9,284,062	9,119,685
Water	5,414,427	6,528,611	9,406,429	10,231,960	12,264,649	15,348,469	16,279,479	16,201,887
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	421,957
Housing	-	-	-	1,000	30,290	117,601	174,368	188,137
Capital Grants and Contributions	-	-	-	-	6,287,482	22,969,310	11,971,155	12,590,057
Total Program Revenues	12,746,951	15,719,566	20,240,036	23,241,030	33,355,263	54,421,129	45,142,539	46,187,866
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	16,084,090
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	3,246,917
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)	(1,645,610)
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	1,601,307
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	17,685,397
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	\$ 39,026,459

Note: The City began to report accrual information in fiscal year 2002 when it implemented GASB Statement 3.

City of Brentwood

FUND BALANCES - GOVERNMENTAL FUNDS

LAST EIGHT FISCAL YEARS

(Modified Accrual Basis of Accounting)

(Unaudited)

	2002	2003	2004	2005	2006	2007	2008	2009
General Fund								
Reserved	\$ 4,343,805	\$ 454,599	\$ 728,885	\$ 122,935	\$ 204,076	\$ 124,588	\$ 69,008	\$ 115,603
Unreserved	4,616,741	18,847,893	22,101,506	19,377,628	22,310,261	25,274,977	23,942,011	15,469,215
Total General Fund	<u>\$ 8,960,546</u>	<u>\$ 19,302,492</u>	<u>\$ 22,830,391</u>	<u>\$ 19,500,563</u>	<u>\$ 22,514,337</u>	<u>\$ 25,399,565</u>	<u>\$ 24,011,019</u>	<u>\$ 15,584,818</u>
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	\$ 86,822,877
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	8,180,937
Capital Project Funds	-	-	-	-	-	(35,867)	(59,329)	(3,705,510)
Total All Other Governmental Funds	<u>\$ 62,871,709</u>	<u>\$ 51,138,866</u>	<u>\$ 45,573,338</u>	<u>\$ 52,565,675</u>	<u>\$ 96,975,847</u>	<u>\$ 92,241,115</u>	<u>\$ 87,553,300</u>	<u>\$ 91,298,304</u>

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 EIGHT FISCAL YEARS

(Modified Accrual Basis of Accounting)

(Unaudited)

	2002	2003	2004	2005	2006	2007	2008	2009
REVENUES								
Taxes	\$ 8,587,358	\$ 10,640,420	\$ 12,489,155	\$ 15,405,971	\$ 21,606,946	\$ 25,842,811	\$ 26,218,592	\$ 24,965,670
Licenses	66,810	124,823	325,143	405,246	471,668	509,618	454,678	530,025
Permits and Fines	7,041,625	9,354,198	10,184,552	11,361,424	9,647,761	6,130,221	3,311,232	1,699,070
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	5,714,526
Intergovernmental	2,629,058	2,396,451	4,339,487	3,727,774	5,537,709	5,022,850	8,072,443	6,559,025
Franchises	338,692	428,731	584,868	672,172	808,389	965,066	1,018,540	1,057,537
Charges for Other Services	825,618	531,791	570,455	546,251	1,580,198	776,584	515,471	407,429
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	5,507,561
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	12,630,551
Total Revenues	38,325,992	56,304,250	63,396,624	68,717,800	100,821,515	74,887,580	69,006,980	59,071,394
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	13,876,807
Public Safety	6,110,676	7,536,431	10,781,506	10,697,057	12,774,097	14,129,475	14,343,676	14,277,133
Community Development	3,131,617	3,644,373	5,074,939	5,418,378	4,415,273	6,092,241	5,756,412	4,803,810
Engineering	1,687,754	1,767,688	2,656,493	2,166,280	2,476,437	2,532,147	2,574,651	2,523,897
Public Works	1,398,012	1,305,993	1,821,818	2,208,201	2,292,826	2,486,963	2,676,479	2,385,896
Parks and Recreation	773,284	839,368	1,658,400	1,838,817	7,634,708	7,924,624	8,191,336	7,039,392
Community Services	581,152	314,293	226,732	237,458	2,073,780	3,414,448	3,739,616	4,777,007
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	11,417,725
Debt Service:								
Principal	294,847	808,325	1,933,865	1,655,889	1,817,780	832,754	967,369	1,003,379
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	1,515,337
Total Expenditures	49,095,229	65,873,117	72,611,981	63,015,823	59,747,942	76,456,654	75,871,104	63,620,383
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)	(4,548,989)
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	19,833,305
Transfers Out	(57,213,652)	(53,077,450)	(28,604,973)	(24,161,540)	(23,996,434)	(25,128,377)	(19,053,054)	(19,965,513)
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	(132,208)
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)	\$ (4,681,197)
Debt Service as a Percentage of Noncapital Expenditures	12.93%	7.70%	8.53%	7.37%	6.90%	3.81%	3.62%	4.82%

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
2009	\$ 6,028,251,325	\$ 653,859,546	\$ 117,670,976	\$ 717,049,367	\$ 112,118,379	\$ 7,404,712,835	1.0039%
2008	6,846,457,166	523,981,184	72,172,090	783,572,929	107,975,826	8,118,207,543	1.0038%
2007	6,113,626,591	470,049,609	59,128,465	626,092,781	96,882,748	7,172,014,698	1.0040%
2006	4,154,730,562	349,720,006	36,479,015	1,151,608,684	93,209,265	5,599,329,002	1.0051%
2005	3,515,069,389	287,458,470	40,651,651	736,390,251	82,710,234	4,496,859,527	1.0063%
2004	3,042,749,265	186,451,612	36,523,807	386,365,328	80,350,496	3,571,739,516	1.0095%
2003	2,287,079,944	165,902,523	44,072,038	412,113,848	62,211,396	2,846,956,957	1.0000%
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%

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
2009	1.00%	0.0039%	1.0039%	0.0289%	0.0587%	0.0256%
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%	0.0152%
2005	1.00%	0.0051%	1.0051%	0.0489%	0.0517%	0.0099%
2004	1.00%	0.0063%	1.0063%	0.0405%	0.0405%	0.0095%
2003	1.00%	0.0095%	1.0095%	0.0510%	0.0465%	0.0105%
2002	1.00%	0.0000%	1.0000%	0.0478%	0.0577%	0.0072%
2001	1.00%	0.0000%	1.0000%	0.0575%	0.0522%	0.0065%
2000	1.00%	0.0000%	1.0000%	0.0621%	0.0415%	0.0088%

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 2009			Fiscal Year 2000		
	Taxable Assessed Value	Rank	Percent of City's Total Taxable Value(1)	Taxable Assessed Value	Rank	Percent of City's Total Taxable Value (1)
Trilogy Vineyards LLC	\$ 71,374,977	1	0.96%	\$ -		0.00%
Sand Creek Crossing LLC	58,998,593	2	0.80%	-		0.00%
DS Lone Tree Plaza LLC	45,195,918	3	0.61%	-		0.00%
New Urban Comm Sciortino LLC	32,000,000	4	0.43%	-		0.00%
Discovery Builders Inc.	29,909,687	5	0.40%	-		0.00%
Prestige Homes Limited Partnership	27,813,200	6	0.38%	-		0.00%
Richmond American Home of California	27,768,132	7	0.38%	-		0.00%
Brentwood Specialty Center LLC	27,735,600	8	0.37%	-		0.00%
Pulte Home Corporation	26,604,870	9	0.36%	-		0.00%
WK LLC	26,070,748	10	0.35%	-		0.00%
Blackhawk Nunn Active Adult	-		0.00%	45,358,280	1	3.32%
Brookfield Brentwood Lakes Inc.	-		0.00%	25,107,376	2	1.84%
California Sun Properties	-		0.00%	23,575,000	3	1.72%
US Print Corporation	-		0.00%	16,590,860	4	1.21%
HPH Properties	-		0.00%	15,516,368	5	1.13%
Signature Properties	-		0.00%	11,367,163	6	0.83%
Greystone Homes	-		0.00%	8,162,890	7	0.60%
Safeway Stores Inc.	-		0.00%	7,455,221	8	0.54%
Morrison Homes	-		0.00%	6,736,596	9	0.49%
Ronald & Shirley Nunn	-		0.00%	5,900,120	10	0.43%
Total	\$ 373,471,725		5.04%	\$ 165,769,874		12.12%

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
2009	\$ 20,639,137	\$ 20,639,137	100.00%
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%

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)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Apparel Stores	\$ 898	\$ 1,015	\$ 948	\$ 4,230	\$ 13,172	\$ 21,115	\$ 30,140	\$ 32,314	\$ 32,875	\$ 37,468
General Merchandise	112	87	107	113	136	246	295	813	2,157	2,114
Food Stores	15,111	18,640	21,742	23,799	27,556	33,424	36,433	39,462	40,428	41,730
Eating & Drinking Establishments	16,175	18,300	20,509	22,476	25,885	29,466	39,548	44,538	49,796	50,957
Building Materials	15,579	18,331	21,534	19,074	19,551	57,860	72,917	64,761	58,670	50,897
Auto Dealers and Supplies	49,063	56,419	55,192	51,653	47,542	48,377	57,165	62,226	57,094	32,791
Service Stations	25,496	28,653	31,014	33,403	40,419	51,259	62,580	73,906	84,456	103,176
Other Retail Stores	13,847	18,460	20,150	24,860	33,388	39,931	55,263	57,824	74,612	87,311
All Other Outlets	36,104	43,848	52,971	57,504	59,426	90,820	95,745	97,382	93,714	88,098
Total	\$ 172,385	\$ 203,753	\$ 224,167	\$ 237,112	\$ 267,075	\$ 372,498	\$ 450,086	\$ 473,226	\$ 493,802	\$ 494,542
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 ¹	Total
2009	1.00%	1.25%	7.00%	9.25%
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%

Source: State Board of Equalization

1 - April 1, 2009 the State increased the State Rate 1%

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)

2009		2000	
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)				
2009	\$ 6,513,343	\$ 27,645,000	\$ -	\$ -	\$ -	\$ 1,528,112	\$ -	\$ -				
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	-				
Business-Type Activities												
Fiscal Year	2008 Water Revenue Bonds	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⁾		
2009	\$ 52,780,000	\$ -	\$ -	\$ -	\$ -	\$ 28,000,554	\$ 7,691,719	\$ 124,158,728	7.51%	\$ 2,392		
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		

Note: Details regarding the City's outstanding debt can be found in Note #6, found on pages 51 - 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
2009	\$ 6,513,343	\$ 6,513,343	0.09%	\$ 125
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%	-

Note: Details regarding the City's outstanding debt can be found in Note #6, found on pages 54 - 61 of this report.

Source: City of Brentwood Finance Department

City of Brentwood

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of June 30, 2009

(Unaudited)

	Total Debt 6/30/09	Percentage Applicable	City's Share of Debt 6/30/09
DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:			
Bay Area Rapid Transit	\$ 6,371,400	1.517%	\$ 96,654
Contra Costa Community College District	8,373,646	4.846%	405,787
Liberty Union High School District	27,073,869	49.416%	13,378,823
Brentwood Union School District	51,539,845	91.982%	47,407,380
Oakley Union School District	475	0.002%	-
City of Brentwood	6,513,343 ⁽¹⁾	100.000%	6,513,343
City of Brentwood 1915 Act Bonds	174,083,936	100.000%	174,083,936
California Statewide Communities Development Authority Assessment District No. 04-1& 05-1	9,750,075	100.000%	9,750,075
East Bay Regional Park District	2,815,265	2.237%	62,977
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT	\$ 286,521,854		\$ 251,698,976
DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:			
Contra Costa County General Fund Obligations	\$ 13,746,852	4.831%	\$ 664,110
Contra Costa County Pension Obligations	22,486,131	4.831%	1,086,305
Contra Costa County Board of Education Certificates of Participation	50,883	4.846%	2,466
Contra Costa Community College District Certificates of Participation	849,955	49.416%	420,014
Liberty Union High School District Certificates of Participation	2,984,816	91.982%	2,745,493
Brentwood Union School District Certificates of Participation	9,030,000	100.000%	9,030,000
TOTAL DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT	49,148,637		13,948,388
COMBINED TOTAL DEBT	\$ 335,670,491 ⁽²⁾		\$ 265,647,364

Source: California Municipal Statistics, Inc.

(1) Includes \$1,323,366 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)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt Limit	\$ 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	\$ 277,676,731
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	6,479,059	6,513,343
Legal Debt Margin	<u>\$ 51,301,704</u>	<u>\$ 57,523,787</u>	<u>\$ 76,079,227</u>	<u>\$ 100,505,115</u>	<u>\$ 127,528,661</u>	<u>\$ 162,247,930</u>	<u>\$ 203,538,600</u>	<u>\$ 262,471,492</u>	<u>\$ 297,953,724</u>	<u>\$ 271,163,388</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	9.45%	7.53%	5.86%	4.79%	3.79%	3.07%	2.41%	2.13%	2.35%

Legal Debt Margin Calculation for Fiscal Year 2009

Assessed Value ¹	\$ 7,404,712,835
Debt Limit (3.75% of Assessed Value) ²	277,676,731
Debt Applicable to Limit:	
General Obligation Bonds	6,513,343
Less: Amount set aside for repayment of general obligation debt	-
Total Net Debt Applicable to Limit	<u>6,513,343</u>
Legal Debt Margin	<u>\$ 271,163,388</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	Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2009	\$ 17,620,443	\$ 11,356,551	\$ 6,263,892	\$ 420,000	\$ 1,467,131	3.32%
2008	27,821,387	14,188,676	13,632,711	310,000	549,906	15.85%
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%

Source: City of Brentwood Finance Department

Note: Details regarding the City's outstanding debt can be found in Note #6, found on pages 54 - 61 of this report. Operating expenses do not include interest, depreciation or amortization expenses.

In FY 2008/09 the Wastewater portion was paid in full. The Water Enterprise refinanced the remaining balance and issued new debt.

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)
2009	51,908	\$ 1,654,204	\$ 31,868	32.8	15,615	8.0%
2008	50,614	1,612,005	31,868	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%

* 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; 2007 - Claritas, Inc. Data for 2009 unavailable at time of publication
 - (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	2009 ¹			2000		
	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 Planning/Economic Development Division

¹ Employment information for 2009 not available at time of publication, data reflects 2008 figures

City of Brentwood

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

(Unaudited)

Function/Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government	21	22	23	27	29	33	35	39	39	39
Public Safety	39	47	48	66	71	78	77	77	78	78
Community Development	18	24	25	30	34	37	38	39	29	26
Engineering	25	30	33	34	37	35	32	31	20	12
Public Works	7	10	12	14	15	19	19	19	20	20
Parks and Recreation	13	20	24	26	26	32	32	33	29	27
Wastewater	8	9	10	14	14	15	16	16	16	17
Solid Waste	12	13	12	14	18	20	20	22	23	23
Water	13	14	15	17	17	21	21	22	23	25
City Rentals	-	-	1	2	2	2	2	2	2	-
Housing	-	-	-	-	-	3	3	3	2	1
	156	189	203	244	263	295	295	303	281	268

Source: City of Brentwood Finance Department

City of Brentwood

OPERATING INDICATORS BY FUNCTION / PROGRAM

LAST EIGHT FISCAL YEARS

(Unaudited)

Function / Program	2002	2003	2004	2005	2006	2007	2008	2009
General Government								
Building Permits Issued	1,157	1,400	1,421	1,452	978	404	129	31
Accounts Payable Invoices Processed	14,872	15,224	15,855	15,357	15,686	15,255	15,093	13,695
Purchase Orders Issued	476	413	487	581	526	84	139	319
Checks Issued	13,721	14,710	16,624	17,215	18,058	17,628	16,968	15,043
Public Works								
Street Miles Swept	N/A	6,313	18,481	22,488	21,715	20,869	20,308	18,031
Debris Collected (tons)	N/A	608	1,987	2,265	2,215	2,215	2,017	2,047
Streetlights Maintenance Requests	N/A	235	656	576	438	570	834	871
Police								
Physical Arrests (est.)	1,100	1,086	1,202	1,339	1,314	1,500	1,852	1,603
Calls for Service (est.)	16,386	19,197	21,190	22,491	23,553	26,000	27,953	32,608
Case Files Taken (est.)	4,480	5,032	5,367	5,449	5,571	6,000	6,162	5,941
Parks and Recreation								
Total Programs Offered (est.)	699	972	1,214	1,464	1,975	2,123	2,231	945
Total Participants and Spectators at Events	N/A	334,177	539,276	640,137	980,300	1,071,658	937,187	749,922
Refuse Collection								
Refuse Collected (tons per day)	40	45	52	64	71	82	99	96
Yard Waste (tons per day)	10	12	14	17	18	23	29	29
Recyclables Collected (tons per day)	11	13	15	18	19	21	25	22
Residential Services	9,310	10,807	12,303	13,540	14,489	15,183	14,893	15,263
Commercial Services	425	525	624	541	546	475	463	453
Water								
New Connections	1,421	1,531	1,800	961	900	536	225	39
Average Daily Consumption (millions of gallons)	5	5	5	8	9	11	11	10
Peak Daily Consumption (millions of gallons)	10	10	14	15	15	17	17	16
Number of Utility Customers	9,644	11,022	12,581	13,995	15,289	16,078	16,324	16,442
Wastewater								
New Connections	1,400	1,500	1,916	886	830	1,049	225	39
Average Daily Sewage Treatment (millions of gallons)	2	3	3	3	3	4	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 EIGHT FISCAL YEARS

(Unaudited)

Function / Program	2002	2003	2004	2005	2006	2007	2008	2009
Police								
Stations	1	1	1	1	1	1	1	1
Substations	-	-	-	-	-	-	-	1
Patrol Vehicles	27	29	33	36	40	52	52	50
Parks and Recreation								
Neighborhood Park Acreage	76	95	148	171	194	228	256	256
Play Areas	20	22	25	32	40	40	43	43
Multi-Use Trails (miles)	N/A	N/A	13	15	15	15	16	16
Multi-Use Ball and Soccer Fields	14	14	17	20	23	23	23	23
Picnic Areas/Tables ⁽¹⁾	23	23	23	25	214	253	276	276
Refuse Collection								
Collection Trucks	8	9	12	12	13	14	14	14
Water								
Water Mains (miles)	100	120	149	164	173	173	173	173
Fire Hydrants	1,323	1,323	1,397	1,521	1,628	1,628	1,869	1,910
Number of Wells	7	8	8	9	10	10	9	9
Number of Reservoirs	4	4	4	5	5	6	6	6
Storage Capacity (millions of gallons)	11	11	11	15	15	19	19	19
Wastewater								
Sanitary Sewers (miles)	67	67	92	101	138	150	150	150
Lift Stations	4	4	3	3	3	2	3	2
Other Public Works								
Streets (miles)	119	119	145	161	168	168	168	190
Street Lights	2,858	2,858	3,614	3,873	3,882	4,255	5,299	5,836

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 2009:	51,908

<u>Number of Full-time Equivalent Positions</u>	<u>Year End</u>
268.22	2009
281.25	2008
302.75	2007
294.75	2006
294.75	2005
263.45	2004
245.14	2003
203.80	2002
190.45	2001
156.50	2000

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

<u>Miles of Streets</u>	
Miles of Streets	190
Miles of Sanitary Sewers	150
Miles of Water Mains	173
Number of Street Lights	5,836

<u>Municipal Wastewater System</u>	
Number of Lift Stations	2
Sanitary	3
Storm	1
Number of Connections	15,860
Average Daily Flow	3.5 MGD

<u>Municipal Water System</u>	
Number of Wells	9
Number of Reservoirs	6
Storage Capacity (gallons)	19 MG
Average Daily Consumption	10.1 MGD
Peak Daily Consumption	16.2 MGD
Number of Fire Hydrants	1,910
Number of Connections	16,392

<u>Municipal Solid Waste</u>	
Number of Residential Services	15,378
Number of Commercial Services	482

<u>Parks and Recreation</u>	
Neighborhood Parks	256 acres
Aquatic Complex	7.5 Acres
Skate Park	.50 acres
Play Areas	43
Sunset Park Athletic Complex	38 acres
Veterans Park	10.5 acres

<u>Parks Facilities</u>	
Multi-Use Trails	16 miles
Multi-Use Ball and Soccer Fields	23
Tennis Courts	2
Basketball Courts	13
Bocce Ball Courts	6
Volleyball Courts	3
Horseshoe Courts	2
Gazebos	3
Picnic Areas/Tables	276
BBQ Areas	19
Restrooms (Permanent)	8

<u>Police Protection</u>	
Sworn Officers	62
Non-Sworn	16
Reserves	0
Vehicles	50
Motorcycles	6

<u>East Diablo Fire District</u>	
Stations Located in Brentwood	2
Firefighters in Brentwood	12

Source: Various City Departments



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