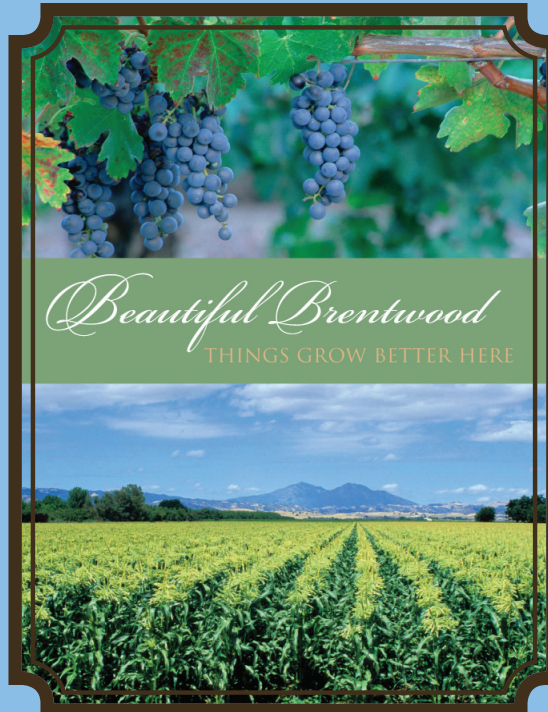


City of Brentwood

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2010



708 Third Street, Brentwood, CA 94513



Every year the City selects a theme for the covers of its major financial documents - the Capital Improvement Program (CIP), the Operating Budget, the Cost Allocation Plan, the General Fund Fiscal Model, the Comprehensive Annual Financial Report (CAFR) and the Public Facilities Fee Report. This year each of the covers will portray a “Snapshot of Brentwood” highlighting some of the many reasons visitors, businesses and residents are drawn to the City of Brentwood.

COVER: This year’s CAFR cover provides a “snapshot” of some of Brentwood’s biggest attractions - parks, agriculture and schools. The City has been recognized for it’s numerous parks and trails and awarded KaBoom!’s “Playful City USA” honor for the third year in a row. Over the past few years City staff and local farmers worked together to create the “Brentwood Grown” certification program to help local farmers with their marketing efforts and create additional value for their products. In 2009, Heritage High School (depicted on the cover) was the City’s third high school to be recognized as a California Distinguished School.



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED
JUNE 30, 2010

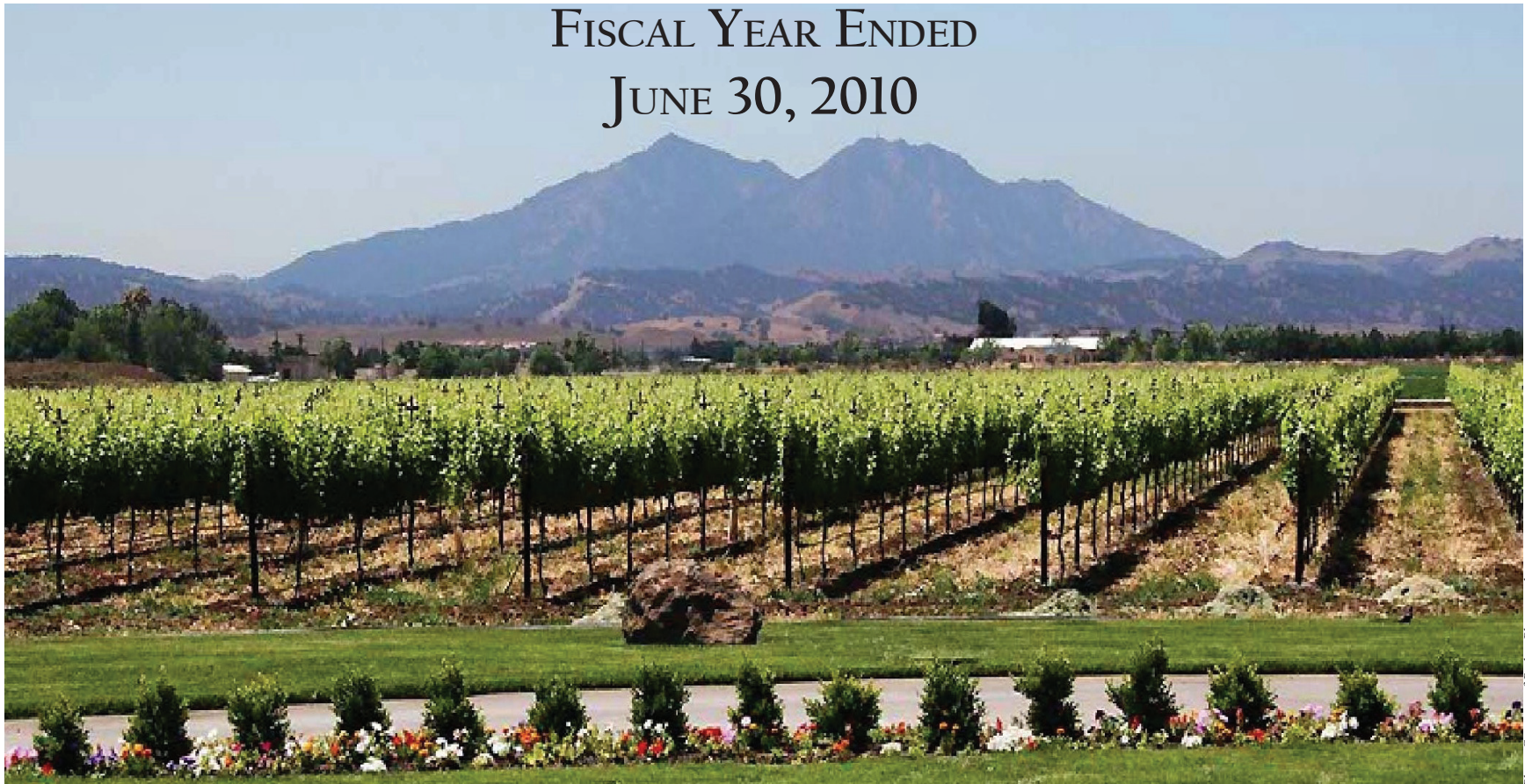


Photo Courtesy of Perkes Photography

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



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For Fiscal Year Ended June 30, 2010

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Letter of Transmittal



December 14, 2010

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, 2010. This is the tenth year the City's Finance Department has prepared this report and the ninth 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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Phone: (925) 516-5400 ~ Fax: (925) 516-5401

Letter of Transmittal

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 eleventh consecutive “Unqualified” Audit issued in 2010.

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. 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, 2010, the City had a population of approximately 52,492 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. In addition, the City is financially accountable for



Photo courtesy of Perkes Photography

Letter of Transmittal

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 30, 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 operating budget cycle. During the 2009/10 fiscal year, the City suspended the two year budget requirement until a more reliable longer-term visibility was restored. With the economy showing signs of stabilization, the City was able to resume utilizing a two year budget for the 2010/11 – 2011/12 fiscal years. We will continue to review and potentially amend the budget twice per year, at the beginning of each year and at our mid-year budget review in January, over the course of the two years.

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 Financing Programs; 2002 Series A&B; Randy Way Assessment District Improvements; Community Facilities Improvement Projects; Park Improvement Projects; Drainage Improvement Projects; Street Improvement Projects; Capital Improvement Program 2001; 2002 General Obligation Bond; and Civic Center Project Revenue Bond. See Note #2 – A on pages 42-43 for additional information.

Letter of Transmittal

ECONOMIC OUTLOOK

The City experienced a period of tremendous growth from the mid 1990's to the mid 2000's. During this time period, the population of the City more than tripled. Since that time, the City has seen very little residential development activity and property valuations have fallen substantially from their peak. In general, the recession has had far greater impacts in communities, such as Brentwood's, which experienced high growth rates and property appreciation during the previous decade. The General Fund's top revenue source, property tax, is expected to decline for the third consecutive year in FY 2010/11, with an estimated total three year decline of 33.2%.



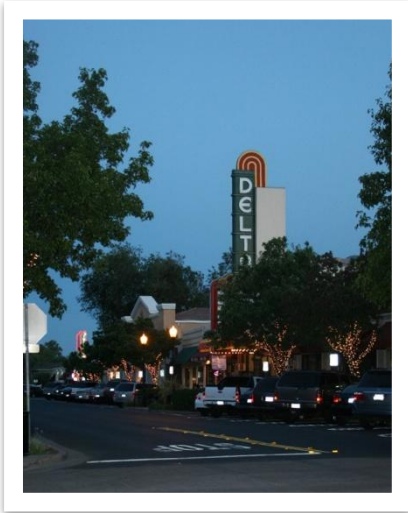
Photo courtesy of Perkes Photography

In addition to this decline, the City has learned that the Contra Costa County Assessor's office has settled a property tax appeal filed by Chevron, located in Richmond. As a result of the settlement, Chevron will receive a refund of \$16.0 million in overpaid property taxes and \$1.8 million in interest. The City, despite not being a beneficiary of the annual over assessments, may be required to share in the refund and could be responsible for the repayment amount of \$96,136 scheduled to be refunded over the next two fiscal years. Chevron's appeal included their assessed valuation amounts from FY 2004/05 – FY 2008/09. The settlement with the Assessor's office did not cover the FY 2008/09 valuation and City staff has been informed that the City may be responsible for an additional \$300,000 in payments for the Chevron refund.

Rising unemployment, stock market losses and home valuation declines have caused consumers to pull back on spending. This has impacted the City's sales tax revenue, which is the City's second largest General Fund revenue source. Despite these headwinds, the City has seen some of the strongest sales tax figures in the State over the past year. This is largely due to the October 2008 opening of the Streets of Brentwood Lifestyle Center which helped insulate the City from the severe declines in sales tax experienced by other cities. A second phase of the "Streets of Brentwood" project, including the development of another 100,000 square feet of new retail and restaurants, is planned within the next few years. As a result, the City has continued to report minor annual sales tax increases at a time when the State as a whole was down over 15% on a year-over-year basis.

Investment income has been another revenue source which has been impacted by the recession. Record low interest rates have served to reduce the City's expected investment income in the coming years. Low interest rates will have a more significant negative impact on Brentwood's finances than most other agencies. This is due to the City having more available funds to invest as a result of its 30% reserves and healthy internal service fund balances. Just a few years ago the City was able to earn nearly 5% on its cash reserves. Over the next two years a rate of return under 2% is expected.

Letter of Transmittal



Despite this difficult environment, there have been some signs that the worst of the recession may have passed. The City has seen both a slowdown in foreclosures and a drop in the inventory of homes for sale over the latter part of 2009 and into 2010. This has resulted in a slowdown in the decline of housing prices, with median prices increasing on a year over year basis for the first time in several years. This good news must be tempered, however, with the knowledge that what little recovery has been seen so far remains fragile, and conditions could still worsen.

Even if the economy stabilizes, the City will continue to face a challenging fiscal environment for years to come. With ongoing revenues projected to remain permanently lower, the City must continue to prudently manage the expenditure side of the budget. This challenge will be made much more difficult in the coming years, as substantial losses in the stock market will lead to significant increases in required City funded employee pension contributions. At the same time, the City's funding of Other Post Employment Benefits (OPEB) is expected to dramatically increase. See Note #15 on page 79 for subsequent events relating to the City's employee benefit cost structure.

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 March 2010, 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.

This long-range financial planning helped highlight the unsustainability of the costs of employee benefits, especially pensions and retiree medical health care. The dire predictions contained in the City's 10-year financial forecast prompted City management to negotiate with the City's non-public safety bargaining units for the adoption of a second Tier for retirement benefits, as discussed in greater detail below and in Note #15 on page 79.

The City also opened a Budget Stabilization Fund during the 2008/09 fiscal year. The fund is used to accumulate savings during good years in order to provide a source of funding for economically challenging years and as of June 30, 2010 had accumulated \$5.6 million. These funds are budgeted to be drawn down to help balance the General Fund over the next several years, as the financial savings associated with the newly implemented second tier retirement program require a great deal of time to accumulate. Over the next two fiscal years, a total of \$2.1 million is budgeted to be transferred from the Budget Stabilization Fund to the General Fund for this purpose. All the while, the General Fund is budgeted to maintain a 30% unassigned fund balance, as directed by City Council policy.

Letter of Transmittal

Other Post Employment Benefits (OPEB) – GASB 45 was established in 2004 and requires the City to report the costs of OPEB as the employee earns the benefit, rather than as the benefit is paid. While there is no requirement that the City prefund, or set aside the full Annual Required Contribution (ARC) on an annual basis, the City Council established a funding strategy which includes achieving 85% funding of the ARC on an annual basis in ten years. Estimated OPEB funding costs for the City as a whole are projected to rise from \$0.6 million in FY 2009/10 to \$5.0 million in FY 2018/19. The impacts of the prefunding have been incorporated into the City’s operating budget, and the accumulated liability of \$5.1 has been reported in the City’s financial statements.

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.



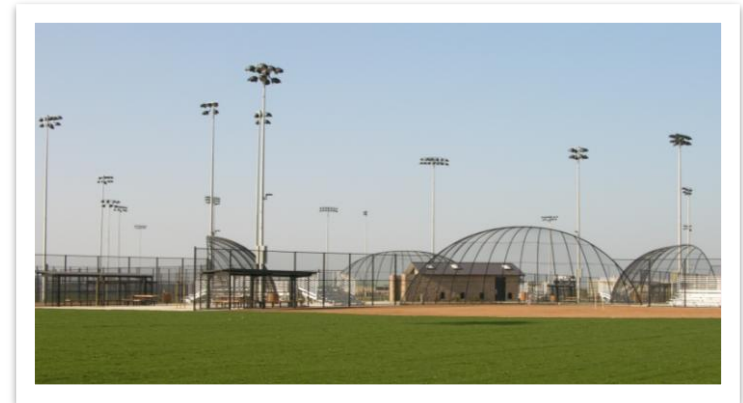
In January 2009, the City adopted a temporary deferral of certain residential development impact fees. The goal of the program is to assist developers with cash flow, allowing permits to be pulled and homes to be built that otherwise may not have been constructed due to economic factors. Several municipalities 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, 2010 the City had issued 126 permits under the fee deferral program. Since incorporation of the program, the City has deferred a total of \$2,012,039, of which \$1,716,333 has been subsequently paid.

Letter of Transmittal

MAJOR INITIATIVES – BRINGING BRENTWOOD’S VISION TO REALITY

Community and Neighborhood Improvement – *Commitment to maintain friendly, clean, safe neighborhoods*

- **Recreation Program:** The City of Brentwood Parks and Recreation Department offers a variety of sponsored and co-sponsored programs for the benefit of the community. Currently, City Council has established cost recovery goals for programs; however the Council has not made any policy recommendations related to the programs themselves. The recreation programs are currently being reviewed by the City Council Park Ad Hoc Committee to determine if any program reviews should be conducted as part of their overall recommendations for City Council consideration.



Customer Service – *Using proven technology to provide efficient and friendly professional service to our internal and external customers*

- **Community Outreach – New Methods:** Community Development’s CRW software and Public Work’s Maintenance Connect software both include a Customer Relationship Management (CRM) module which allows the public to enter service requests on the web. The CRW software has been installed on the City web server and is in the testing phase. The installation of this software on the City’s website will expand e-Government (accessing government services through the internet) to better serve the public. The City has investigated the use of social media in government and at this time has elected not to pursue its use.

Economic Development – *Attract, retain and expand jobs, goods, services, tax revenues and property values*

- **Agricultural Enterprise Implementation:** This project is in direct correlation with the adoption of Chapter 17.730 (Agricultural Preservation Program) of the Municipal Code that was adopted by the City Council on January 12, 2010. With the adoption of the ordinance, an Implementation Plan needs to be drafted in order to implement the agricultural preservation policies. The Implementation Plan will consist of the following programs: permanent easement transactions; temporary easement transactions; transferrable agricultural credits; agricultural enterprise marketing grants; Brentwood agricultural mitigation pool; Brentwood Grown; agricultural enterprise loan program; agricultural education program; and agricultural capital projects program. The City Council will review the initial concepts and activities of the Agricultural Preservation Program Implementation Plan and provide guidance to pursue the development of the plan. The final Plan will be a comprehensive manual for use on all the programs available under this new ordinance, and guidelines on how to spend the limited agricultural mitigation funds that best help the agricultural community.



Letter of Transmittal

- **LMC/Vineyards Project:** This project involves various amendments to the approved Trilogy at The Vineyards development in order to accommodate the Los Medanos College (LMC) campus in the southeast portion of the project site. The amendments include revisions to the development agreement, General Plan land use designations and zoning standards. Appropriate reviews will also be conducted to ensure that the project complies with the various requirements of the California Environmental Quality Act (CEQA). The City staff is working with the applicant on the various entitlements that are necessary, including the development agreement. This project is expected to result in an additional CEQA document and amended development agreement, a General Plan amendment and a rezone.



- **Website, Business Incentives, Employment Centers:** This project consists of the following items: 1) Redesign the Economic Development website to include business resources such as site location assistance; tools for success; recruitment and training; market data and programs; financing; and electronic newsletters 2) Create strategies to attract and retain businesses in the Brentwood region, assisting in the creation of jobs; recruitment and training; market data; financing; tours; fast track permitting; fee deferral program; small business workshops; business survey; and new business welcome packets 3) Partner with other County organizations to provide employment centers, developing employee recruitment and training in Brentwood. Currently, City staff is redesigning the Economic Development website to provide various resources for the business community. The remaining programs mentioned are concepts on how the City can position itself to target the website, incentives and employment centers. These programs will aid in the development of a strong business friendly Economic Development website that is a resource for the business community and potential businesses alike. This will develop strong programs that are being used by the business community, which can help them grow and expand their business in Brentwood. In addition, the programs will form relationships with the business community, which will help the City stay plugged into the current business environment.

Fiscal Stability – Provide the City with the financial capacity to continue offering top quality public service levels

- **Compensation Strategy:** This initiative is to develop a fiscally responsible cost reduction and containment strategy that will allow the City to remain competitive in recruiting and retaining valuable employees while allowing for long term fiscal sustainability for the City. The City is currently investigating options to best meet the goal of reducing costs while retaining our ability to remain competitive. Once this process is complete, management will incorporate the City’s desired employee concessions into the collective bargaining negotiation process. We expect that through the collective bargaining process we will be able to incorporate compensations strategies for employees which will reduce the City’s long term costs while allowing the City to remain a desirable location for top employees in the region.
- **Fee Study for Planning and Police Fees:** With this project the City will contract with an outside consultant to review and analyze the City’s Planning and Police fee structure to determine 1) an appropriate fee structure which will allow the City to recover the costs of providing specific services to the public, 2) that a proposed fee structure is reasonable when compared to other local agencies, and 3) that

Letter of Transmittal

we have established a fee for all provided services. In October 2010 the City finalized and executed an agreement with an outside consultant to perform the fee studies. We expect to bring a recommended fee structure for planning and police to the City Council.

- **Labor Negotiations:** The goal of this initiative is to develop a strategy for labor negotiations with the employee bargaining groups that will be fiscally responsible but will allow the City to remain competitive in recruiting and retaining valuable employees. Currently we are preparing options for the City Council's consideration with the goal of reducing costs while retaining our ability to remain competitive. We expect that through the collective bargaining process we will be able to incorporate compensation strategies for employees which will reduce the City's long term costs while allowing the City to remain a desirable location for top employees in the region.

Infrastructure – *Strive to complete the City's Master Plan for infrastructure and public facilities, including infrastructure for economic development inducement and support of businesses and residents through build-out of the City*

- **Downtown Infrastructure:** This project includes installation of new water and sewer facilities and the rehabilitation of existing infrastructure to correct current operational and maintenance constraints of the aged facilities. In addition, a \$7 million ***Downtown Brentwood Road to Revitalization*** consisting of reconfigured parking and roadway sections, surface restoration, pedestrian-friendly connections, special sidewalk treatments, wider sidewalks for outdoor dining and merchandise, decorative street lights, new street trees with tree lights, street furniture, planters, landscaped medians, gateway monument and arch, new fountain and undergrounding dry utilities. Phase I of ungraded utility infrastructure is complete. Phase II, streetscape revitalization was awarded to Bay Cities Paving and Grading in September 2010. Work will begin on October 25, 2010, with completion by Fall 2011. This project will allow the City to continue to attract and support economic development with the necessary infrastructure and create a beautiful setting for the City's historic and civic district.



- **Downtown/Redevelopment Agency:** We will investigate and study key sites in the Downtown to determine how/whether to expedite remediation activities to prepare the under-utilized parcels for future redevelopment opportunities and to facilitate the provision of parking facilities. Currently the City is gathering data and information. Results of ongoing investigations, studies and appraisals will be returned to the Agency to determine next steps. This project will create a functioning balance of retail, restaurants and parking facilities that will strengthen and revitalize the aesthetic, economic and social viability of the Downtown.
- **Park Master Plan Review:** The City Council Park Ad Hoc Committee has been established to hold a number of public meetings to accept feedback and information related to the review of the City of Brentwood Parks, Trails, and Recreation Master Plan. The Ad Hoc Committee has held three public meetings, and based on information received from the public and the Park and Recreation Commission, continues to return to City Council with reports/recommendations for consideration related to any needed revisions and or a possible Citywide bond/assessment for enhanced park and recreation facilities.

Letter of Transmittal


- **Residential Growth Management Program:** This project involves a comprehensive review of the Residential Growth Management Program (RGMP). Staff is currently analyzing a variety of scenarios, including a focus on infrastructure development for attracting and supporting economic growth, incorporation of employment generation opportunities for residents and alignment with the General Plan Economic Development Element jobs to housing ratio goal. City staff is preparing a recommendation for an update to the RGMP and will bring it to City Council in early 2011. This project is expected to result in an updated program that reflects the current needs of the City and the current state of the economy.
- **Solid Waste Transfer Station:** A new solid waste transfer station including, but not limited to: an expanded covered transfer floor area, transfer truck loading areas, cart, bin and roll off storage, equipment parking, administrative offices, and related facilities. This project will provide a facility with the ability to service the residential, commercial and industrial demands of the City through build-out while remaining in compliance with the facility's California Integrated Waste Management Board permit regulations and meeting or exceeding mandated solid waste diversion requirements.

Public Safety – *Maintaining a community where people feel safe and secure*

- **Citizen Police Academy:** This is a program that provides citizens insight to the operations of the Police Department. Citizens attend one evening per week for 12 weeks. They receive training and are able to do some fun activities. This is a great public relations tool utilized by many agencies across the country. The project is developing the curriculum, schedules and identifying participants. This will provide enhanced relations between the police department and the public.
- **Communication Alerts for Business:** In an effort to be more responsive to issues affecting Brentwood businesses, we are currently working on a new email alert program. This program will allow the Police Department to send broadcast e-mails to Brentwood businesses when there is public safety information which needs to get to them quickly. This will provide the business community with real-time crime alert information. We are currently identifying potential software programs. This will enhance the communication between the police department and our business community.
- **Emergency Operations Plan-Revisions:** This project will complete the updating of the City's emergency operations plan. In addition, the project will ensure compliance with State and Federal regulations and establish an on-going training program for City staff and community volunteers. The training will include yearly Emergency Operation Center (EOC) training for staff and yearly CERT training for community members. We are finalizing the written documents and developing future training curriculum and schedules. This project will provide a completed Emergency Operations Plan, a highly trained EOC staff and increased participation in our Community Response Team program.



Letter of Transmittal

- **Fire District Restructuring:** The Appointed Board assumed the leadership responsibility for the East Contra Costa Fire Protection District from the County Board of Supervisors in February 2010. The District is severely underfunded and operates under a deficit spending scenario. Expenditure and revenue projections confirm that the District will require voter approval of additional taxes or assessments to provide the desired level of service for Brentwood. Local control, restructuring of the District and financial accountability are the critical first steps in asking the voters to provide additional funding. City staff is working with the District staff to develop and implement new systems and procedures to provide the most cost effective and efficient operations. We anticipate the project will allow the District to be independent from the County for support services and will establish a predictable and stable level of service. The current structural deficit will be resolved either through revenue increases or expenditure decreases.
- 
- **Police Benchmarks - Clearance Rates:** Clearance rates refer to the number of criminal cases we are able to close through arrest or charges being filed. Though our clearance rate for violent crime is well above the national average, our clearance rate for property crime needs to improve. The main areas for improvement are burglary and theft. This project will develop a comprehensive strategy to increase all of our clearance rates, specifically those related to property crimes. We are forming a team to achieve an increase in our clearance rates for property crimes that meets or exceeds national averages for cities with similar populations.
 - **Report Writer System:** This project will allow patrol officers to write and submit their reports from their patrol car. This will eliminate wasted time driving back to the station to write reports, and it will enable officers to stay in their assigned patrol beats longer. This will provide more visibility to the community and should provide faster responses to 911 calls for service. This is a software enhancement to our existing Mobile Data Terminals (MDT). Once the reports are approved by the supervisor, they will be automatically downloaded into our Records Management System (RMS) eliminating the need for manual data entry. The program has been set up in one patrol vehicle for testing purposes. All patrol officers and supervisors are going through training on how to utilize the program. This will enhance the efficiency and streamline the workload for patrol officers and records clerks.
 - **Triad (Senior Citizens) Outreach Program:** Triad is a national model for establishing partnerships between police, social services and senior citizens living with a community. The purpose is to enhance the safety of our senior citizens and decrease their exposure to criminal activity. Once established, Triad meets on a regular basis to discuss issues of mutual concern and to share ideas and strategies to improve the quality of life for our elder population. Currently we are identifying participants and developing the Triad Board. This program will improve the communication and coordination with our senior community.

Technology – *Staying current with proven technology*

- **Detailed Telecommunications System Assessment:** The current trend of the phone switch (PBX) is moving towards Voice Over Internet Protocol (VOIP) where the phone system uses the data network for all voice traffic. In the past all voice traffic used separate phone lines. This will consolidate and standardize the network cabling and add additional functionality to the phone system. Information

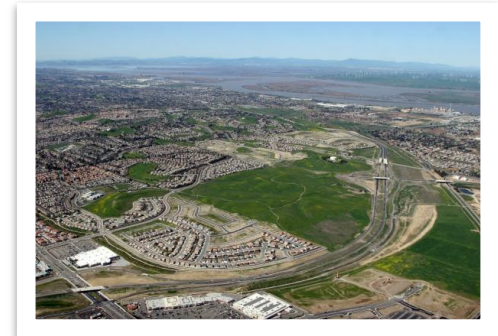
Letter of Transmittal

Systems staff hope to implement the VOIP in fiscal year 2011/12. This technology will continue to keep the City current with the state of the art technology.

- **Development of a Citywide Network Connectivity Master Plan:** The long term Plan is to create a Fiber Optic ring around the City. The fiber optic ring will be used to connect City facilities and position the City for future technology. Due to the cost of the project, there are multiple phases. The first phase of connecting the City Data Center located at the Police Department to City Hall has been completed. The second phase will start in fiscal year 2010/11 to connect Public Works Operations to the Data Center. Information Systems and Engineering is in the process of writing Request for Proposal to connect Public Works Operations to the Data Center. Future phases will include connecting the Aquatic Park/Senior Activity Center and ultimately completing the Fiber Optic ring around the City. A CIP project has been created for the second phase of the fiber optic project. The Fiber Optic network is very reliable and has enough bandwidth to push video, phone, data and any future technology that needs high bandwidth.

Transportation – Ensuring that people and goods move easily through the region and completing the long range transportation plan

- **Bypass Segment 2- Plan B Funding Strategies:** This project will continue the work with the Bypass Authority to prioritize the design and construction of the SR4 Bypass/Sand Creek Road interchange including securing the necessary funding to reduce the gap from declining development impact fees. We will encourage and participate in joint requests for available state and federal transportation funding highlighting a regional benefit approach for goods movement, job creation and economic development. The SR4 Bypass/Sand Creek Road interchange is a priority project per the Bypass Authority's Strategic Plan. The anticipated outcome of this project is a regionally coordinated approach of available funding sources allocated to the multiple East County transportation projects and continued prioritization of SR4 Bypass/Sand Creek Road interchange.



- **Bypass Segment 2 – Widening and Sand Creek Interchange:** This portion of the project is coordination with the Bypass Authority for ultimate design and construction of all segments of the SR4 Bypass from Lone Tree Way to Marsh Creek Road including Segment 2 widening and the interchanges at Sand Creek Road and Balfour Road. Design of future Segment 2 widening is near completion and the Balfour Road interchange is currently under conceptual design. Sand Creek Road interchange design and construction documents are complete, the project is waiting on funding to begin construction. The ultimate construction of the SR4 Bypass will create efficient movement of goods and people throughout the region and increased opportunities for economic development of Brentwood and the East County region while reducing pass-through traffic on local roads.
- **Highway 4 Relinquishment:** Upon completion of the State Route 4 Bypass by the Bypass Authority, Caltrans will acquire the Bypass into the State Highway system and existing State Highway 4 (Brentwood Blvd. and Main St.) will be relinquished to local jurisdictions (cities of Brentwood and Oakley) for permanent maintenance and operation. Coordination meetings have been on-going for the last few

Letter of Transmittal

years. The remaining Bypass work necessary for Caltrans acquisition is estimated to be completed by Fall 2010 and subsequent relinquishment of Highway 4 to the City is estimated for 2011. Relinquishment of Highway 4 by Caltrans to the City of Brentwood will lead to local control over the major thoroughfare and will allow the ability to assist with development of the Brentwood Boulevard Corridor.

- **Right-of-Way Transfers:** Transfer of land and rights-of-way between the Bypass Authority and the City necessary for ultimate design and construction of all segments of the SR4 Bypass from Lone Tree Way to Marsh Creek Road including the interchanges at Sand Creek Road and Balfour Road. Transfers have occurred between the City and the Authority for existing Segment 2 and areas near Lone Tree Way constructed with Segment 1. Segment 3, including transfer of old Concord Ave. to the Authority and new John Muir Parkway to the City is currently in the detailed design stage. Right-of-Way transfers for ultimate alignment of Segment 2 widening and Sand Creek and Balfour Road interchanges are in conceptual design. Transfer of rights-of-way between the City and Bypass Authority for ultimate construction of the Bypass will lead to reduced pass-through traffic on local roads. Acquisition of property by the City from the Bypass Authority will also assist the City in negotiating with surrounding property owners for local public road access.

Vision and Planning – *Looking ahead to anticipate the needs of the community in the future*

- **Affordable Housing Program - Restructure:** With this initiative the City will analyze and prepare options to reposition the City’s Affordable Housing Ordinance that will address current and anticipated local real estate market conditions while maintaining a certified housing element as required by the State Housing and Community Department and accommodating the City’s fair-share regional housing as allocated by Association of Bay Area Governments. The technical amendments for Planning Commission and Council are in queue.
- **Brentwood Boulevard Specific Plan:** This project involves creating a specific plan for the Brentwood Boulevard corridor, extending from Delta Road on the north to Second Street on the south. The plan will include a comprehensive and long-term vision for development and redevelopment of the corridor and will provide all of the regulations needed to evaluate development projects. Staff has been revising the specific plan in accordance with the direction from the Ad Hoc Committee.
- **Citywide Zoning – Massage, Tattoo Parlors:** Initiative to prepare a City-wide ordinance addressing the land use regulations to appropriately site massage, tattoo and body piercing salons, as well as requiring businesses to register with the Police Department and allow on-site inspections and monitoring. A preliminary ordinance draft has been prepared.
- **Civic Center:** The Civic Center project consists of a new three-story City Hall, new two-story Community Center, Civic Plaza with a fountain and gathering spaces, a 280 stall Parking Facility and the complete renovation of City Park.



Letter of Transmittal

The pricing and sale of the \$48 million 2009 Civic Center Lease Revenue Bonds was completed on October 16, 2009 and construction activities began in November 2009. The timing for the bidding of the Civic Center, and the issuance of the bonds, was very fortuitous for the City. Construction bids came in at 36% under the engineer's estimates allowing the City to take advantage of a competitive interest rate environment. In addition, the availability of Federal stimulus incentives allowed the City to further reduce the Civic Center's cost. After accounting for all of the bond issuance costs and the Federal rebates, the City was able to sell the bonds at an interest rate of 4.97%. This is the lowest yield the City has ever received on any bond issuance, and was approximately 100 basis points lower than the budgeted interest rate.



The Civic Center is designed to attract families and visitors for decades to come, and to make Downtown Brentwood the heart and soul of the community. The City Hall will house convenient services for residents and businesses. The Community Center will be available for public and private events such as weddings and other receptions. The City Park will be revamped with safe walkways and an updated sound system for the Summer Concerts in the Park, Corn Fest and the Art, Wine and Jazz Festival. The library will be tripled in size

to attract readers, young and old. Children will be able to play in the Tot Lot and cool off in a special water play area. Together with the completion of the streetscape improvements, the Civic Center and Downtown will become the central gathering place for the community.

- **Update Sign Ordinance:** This project involves an amendment to Chapter 17.640 of the Municipal Code related to sign regulations. This chapter of the code has not been significantly updated since 1987, but instead of a comprehensive update, the amendment will focus specifically on those regulations pertaining to billboard signs, banner signs, A-frame signs and real estate (both commercial and residential) signs. The intent is to make the regulations easier to understand and more business-friendly, while at the same time ensuring that the affected signs achieve their purposes and uphold the high design standards of the City. Staff, working with the Chamber of Commerce, presented a draft of the amended regulations to the business community. The anticipated outcome is an ordinance adopting revisions to Chapter 17.640 of the Municipal Code, after extensive outreach with the business community and receiving recommendations from both the Land Use and Development Committee and the Planning Commission.

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, 2009. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

Letter of Transmittal

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

ACKNOWLEDGEMENTS

We wish to thank the City Council for providing the clear policy direction and goals that have been used to prepare this Comprehensive Annual Financial Report. A great deal of effort and attention to detail, representing many hours of work by staff members throughout the organization, is required to produce a report of this quality. We would like to express our appreciation to all City of Brentwood staff members who have taken the time to participate in the development of this year's Comprehensive Annual Financial Report. Special recognition is given to the Finance Department and specifically the Business Services and Financial Services staff. Appreciation is also expressed to the Mayor and the City Council for their interest and support in planning and conducting the financial activities of the City in a responsible and responsive manner.

The City of Brentwood has a bright future due to its committed elected leadership and the talents and ingenuity of its City employees. One of the key components in securing this future is through a well-planned, long-term fiscal strategy based upon economic development that will generate high paying, long-term employment opportunities, new and stable sales tax revenue sources and improved inter-governmental relations. City Council and staff have taken steps to plan and implement this long-term strategy. Though the challenges are great, the City is firmly committed to meeting each and every challenge that comes our way. This Comprehensive Annual Financial Report is the next step towards meeting those challenges. By continuing to follow the financial policy set forth by the City Council, the City of Brentwood will deliver the highest level of service permitted by the available resources.

Respectfully submitted,



Donna Landeros
City Manager



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, 2009

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



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

President

A handwritten signature in black ink, reading "Jeffrey R. Enos".

Executive Director

Letter of Transmittal

LIST OF PRINCIPAL OFFICIALS

(As of June 30, 2010)

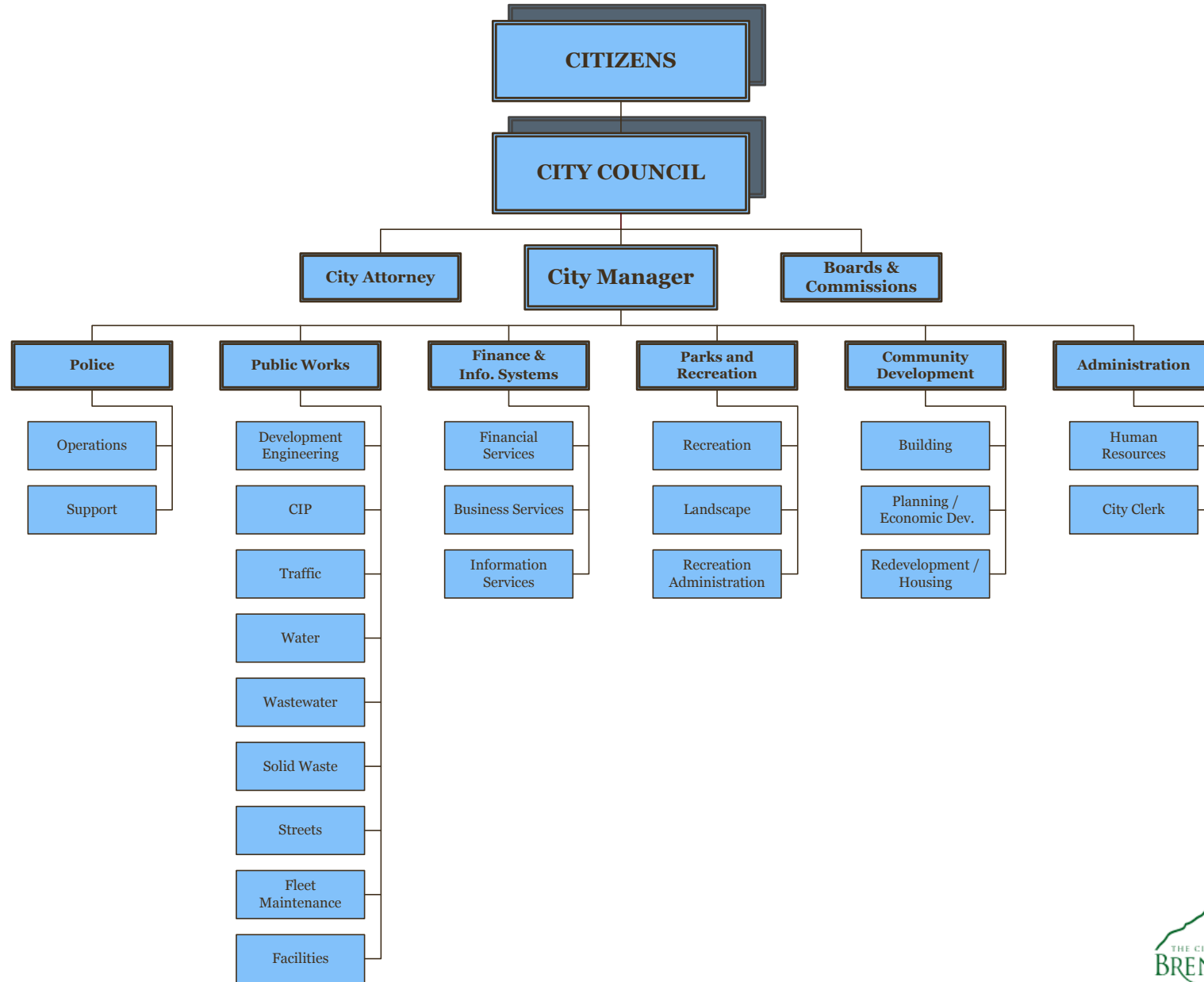
City Officials

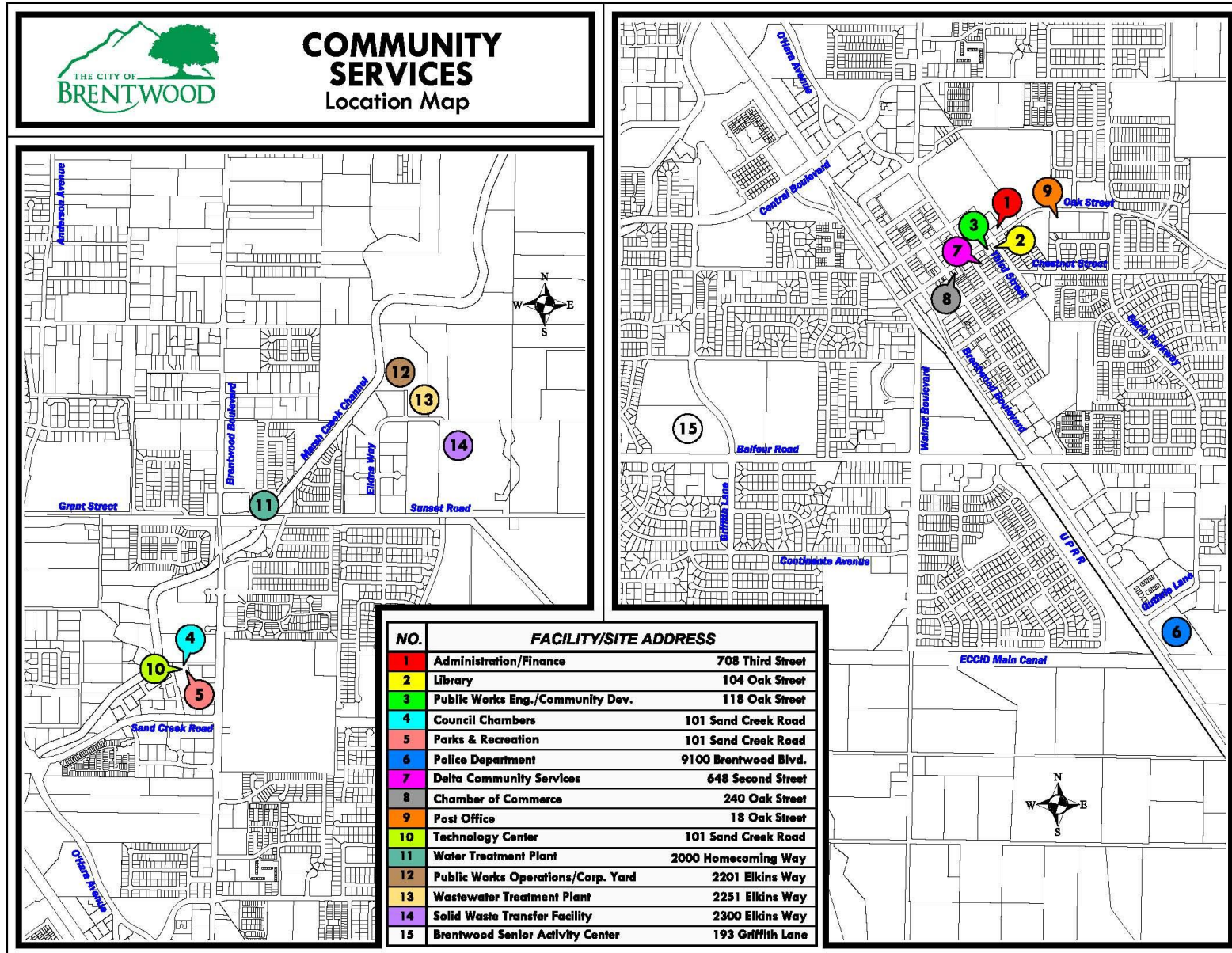
Robert Taylor Mayor
Erick Stonebarger Vice-Mayor
Chris Becnel Council Member
Robert Brockman Council Member
Brandon Richey Council Member

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

Letter of Transmittal





Mission Statement

Bringing Brentwood's Vision to Reality

Vision and Culture

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

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.

AWARDS

The City prides itself on providing quality services to the community. Following is a list of awards acknowledging these achievements in quality.

The City of Brentwood was named a **“Playful City USA”** community by KaBOOM!, a national non-profit dedicated to bringing play back into children’s lives.

The City of Brentwood received the California Park and Recreation Society’s District 3 **“Outstanding Facility”** Showcase Award for the Brentwood Senior Activity Center.

The City was recognized by Metropolitan Transportation Commission (MTC) for having the **“Best Bay Area Roads in 2009”**

The City received the Government Finance Officers Association (GFOA) Awards for **“Distinguished Budget Presentation for Fiscal Year 2009/10”** and **“Excellence in Financial Reporting for Fiscal Year 2008/09”**

The City received the California Society of Municipal Finance Officers (CSMFO) Awards for **“Excellence in Operational Budgeting Fiscal Year 2009/10”**, **“Excellence in Capital Budgeting for Fiscal Year 2009/10”**, and **“Meritorious Award for Public Communications”**





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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council
City of Brentwood, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brentwood, California as of and for the year ended June 30, 2010, 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, 2010, 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 15, 2010 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 2F, effective in fiscal 2009-10, the City early-implemented the provisions of GASB Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definitions.

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 15, 2010

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, 2010. 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 \$742.6 million. Of this amount, \$80.1 million may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets decreased \$4.0 million due primarily to the impacts of the recession.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$138.7 million, an increase of \$31.8 million in comparison to the prior year. This is primarily due to the issuance of the \$48 million 2009 Civic Center Project Lease Revenue Bond.
- The City's total long-term debt increased by \$46.2 million due to the issuance of the \$48.0 million 2009 Civic Center Project Lease Revenue Bond. The bond proceeds are being used to help pay for the construction of a new City Hall, Community Center, Senior Center and Library.
- Internal Service Funds have net assets of \$32.9 million at year end, which is an increase of \$0.9 million from the prior year. The increase is attributable to the addition of \$3.5 million to the Budget Stabilization Fund, although the \$2.6 million payoff of the CalPERS Safety Side Fund from the Emergency Preparedness Fund largely offset this increase.

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 Rentals 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 – 79 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 81 – 83 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 85 – 130 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 decreased 0.5% from \$746.5 million at June 30, 2009 to \$742.5 million at June 30, 2010. This decrease of \$4.0 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, decreased \$8.3 million during the year. The decline is largely attributable to the impacts from the challenging economy as the City's depreciation expenses have surpassed newly dedicated infrastructure. 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 \$122.4 million as of June 30, 2010. The remaining balance of unrestricted net assets, \$80.1 million as of June 30, 2010, may be used to meet the City's ongoing obligations to citizens and creditors.

	Governmental Activities		Business-Type Activities		Totals	
	2010	2009	2010	2009	2010	2009
Current Assets	\$ 178,573,618	\$ 144,954,327	\$ 72,291,837	\$ 68,588,654	\$ 250,865,455	\$ 213,542,981
Capital and Non-Current Assets	438,902,010	431,776,116	240,329,989	241,729,060	679,231,999	673,505,176
Total Assets	617,475,628	576,730,443	312,621,826	310,317,714	930,097,454	887,048,157
Current Liabilities	\$ 12,067,279	\$ 11,833,983	\$ 5,294,732	\$ 6,677,536	\$ 17,362,011	\$ 18,511,519
Long-Term Liabilities Outstanding	84,840,862	35,642,904	85,319,441	86,358,745	170,160,303	122,001,649
Total Liabilities	96,908,141	47,476,887	90,614,173	93,036,281	187,522,314	140,513,168
Net Assets:						
Invested in Capital Assets, Net of Related Debt	\$ 387,736,385	\$ 396,500,516	\$ 152,324,676	\$ 151,887,435	\$ 540,061,061	\$ 548,387,951
Restricted	90,938,293	84,103,392	31,503,932	26,202,644	122,442,225	110,306,036
Unrestricted	41,892,809	48,649,648	38,179,045	39,191,354	80,071,854	87,841,002
Total Net Assets	\$ 520,567,487	\$ 529,253,556	\$ 222,007,653	\$ 217,281,433	\$ 742,575,140	\$ 746,534,989

Governmental Activities – The City’s net assets from governmental activities decreased 1.6% from \$529.3 million to \$520.6 million. The decrease is primarily attributable to 1) an increase of \$2.0 million in OPEB liability accruals; 2) the retirement of \$1.5 million of capital assets in conjunction with the preparation of construction of the new Civic Center projects; 3) the expenditure of \$1.9 million for agricultural deed restrictions; 4) the Redevelopment Agency contribution of \$2.6 million to the Supplemental Educational Revenue Augmentation Fund (SERAF) as part of the State’s budget solutions; 5) the payoff of a \$2.6 million CalPERS retirement side fund for public safety and 6) the decline in development was such that new developer dedicated infrastructure fell \$4.0 million short of the annual depreciation expense recorded for the City’s capital assets.

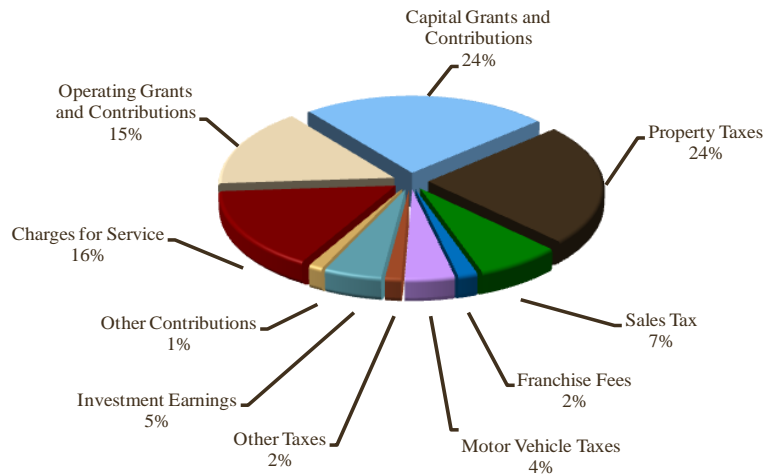
Business-Type Activities – The City’s net assets from Business-Type activities increased 2.2% from \$217.3 million to \$222.0 million. Investment in capital assets, net of related debt, increased \$0.4 million as long term debt continued to be repaid. Overall, the unrestricted net assets decreased by \$1.0 million.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program Revenues:						
Charges for Services	\$ 10,699,390	\$ 9,328,432	\$ 33,154,932	\$ 33,597,809	\$ 43,854,322	\$ 42,926,241
Operating Grants and Revenues	10,547,689	9,594,707	-	-	10,547,689	9,594,707
Capital Grants and Contributions	7,393,607	21,356,537	3,996,082	12,590,057	11,389,689	33,946,594
General Revenues:						
Taxes:						
Property Taxes	16,247,076	19,580,300	-	-	16,247,076	19,580,300
Sales Tax	5,038,880	4,803,716	-	-	5,038,880	4,803,716
Franchise Fees	1,168,412	1,057,537	-	-	1,168,412	1,057,537
Public Service Taxes	283,407	298,911	-	-	283,407	298,911
Measure C, TOT	676,635	674,000	-	-	676,635	674,000
Motor Vehicle Taxes	2,955,583	3,570,432	-	-	2,955,583	3,570,432
Investment Earnings	3,456,502	6,821,377	1,632,413	3,246,917	5,088,915	10,068,294
Miscellaneous	848,732	906,456	-	-	848,732	906,456
Total Revenues	59,315,915	77,992,405	38,783,427	49,434,783	98,099,342	127,427,188
Expenses:						
General Government	16,337,699	14,258,630	-	-	16,337,699	14,258,630
Public Safety	18,770,435	15,024,872	-	-	18,770,435	15,024,872
Community Development	5,688,738	4,871,191	-	-	5,688,738	4,871,191
Engineering	2,195,775	2,500,979	-	-	2,195,775	2,500,979
Public Works	6,702,090	6,417,940	-	-	6,702,090	6,417,940
Parks and Recreation	9,595,992	8,721,904	-	-	9,595,992	8,721,904
Community Services	5,665,988	4,771,816	-	-	5,665,988	4,771,816
Interest on Long-Term Debt	3,129,383	1,729,621	-	-	3,129,383	1,729,621
Wastewater	-	-	7,387,756	6,956,281	7,387,756	6,956,281
Solid Waste	-	-	7,530,880	6,870,616	7,530,880	6,870,616
Water	-	-	18,381,997	15,721,076	18,381,997	15,721,076
City Rentals	-	-	253,241	248,505	253,241	248,505
Housing	-	-	419,217	307,298	419,217	307,298
Total Expenses	68,086,100	58,296,953	33,973,091	30,103,776	102,059,191	88,400,729
Increase in Net Assets Before Transfers	(8,770,185)	19,695,452	4,810,336	19,331,007	(3,959,849)	39,026,459
Transfers	84,116	1,645,610	(84,116)	(1,645,610)	-	-
Increase in Net Assets	(8,686,069)	21,341,062	4,726,220	17,685,397	(3,959,849)	39,026,459
Net Assets 7/1	529,253,556	507,912,494	217,281,433	199,596,036	746,534,989	707,508,530
Net Assets 6/30	\$ 520,567,487	\$ 529,253,556	\$ 222,007,653	\$ 217,281,433	\$ 742,575,140	\$ 746,534,989

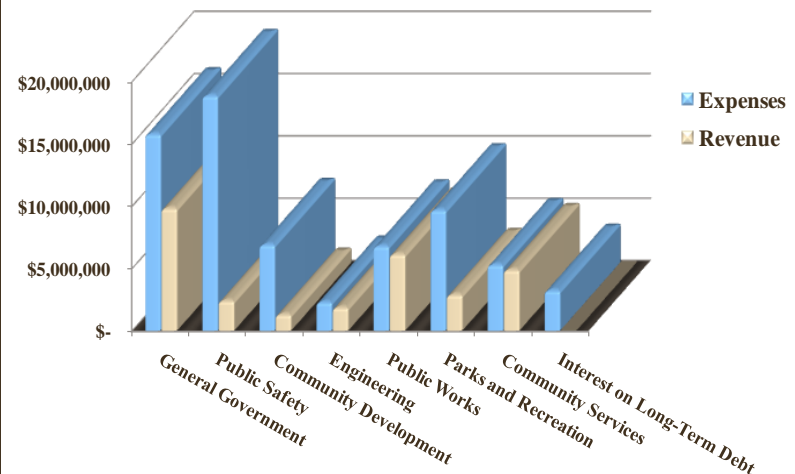
Governmental Activities – The cost of all Governmental activities this year was \$68.1 million. Net expenses, as shown in the Statement of Activities, were \$39.4 million. A portion of the cost for these activities was paid either by those who directly benefited from the programs (\$10.7 million), by other governments and organizations that subsidized certain programs with operating grants and contributions (\$10.5 million), or capital grants and contributions (\$7.4 million). Overall, the City's governmental program revenues were \$28.6 million.

Total resources available during the year to finance governmental operations were \$588.7 million consisting of net assets at July 1, 2009 of \$529.3 million, program revenues of \$28.6 million and general revenues and transfers of \$30.8 million. Total Governmental activities during the year were \$68.1 million, thus net assets were decreased by \$8.7 million to \$520.6 million.

Revenues by Source



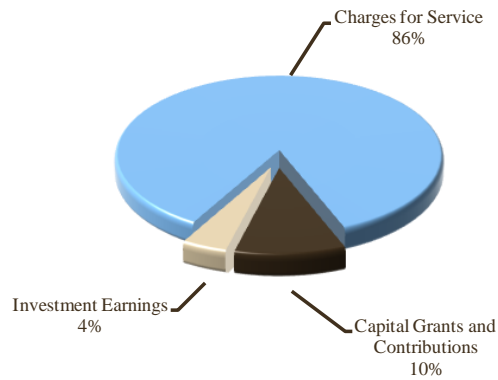
Program Revenues and Expenses



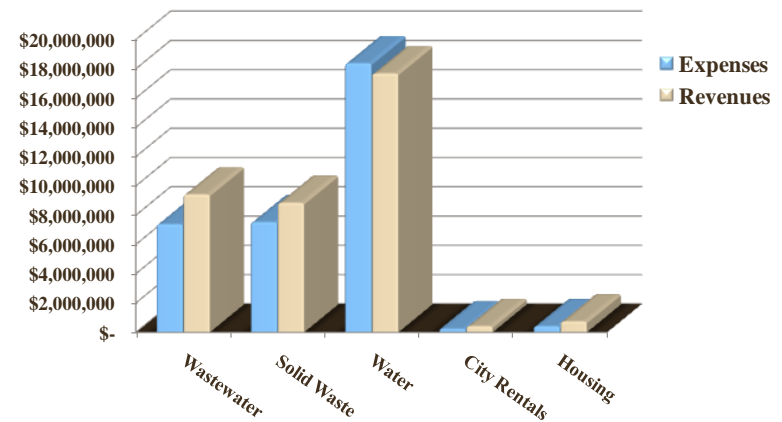
Business-Type Activities – The cost of all Business-Type activities this year was \$34.0 million. As shown in the Statement of Activities and Changes in Net Assets, the amounts paid by users of the systems were \$33.2 million. Capital Grants and Contributions totaled \$4.0 million and Investment earnings were \$1.6 million.

Total resources available during the year to finance Business-Type activities were \$256.0 million consisting of net assets at July 1, 2009 of \$217.3 million, charges for services of \$33.2 million, capital contributions of \$4.0 million and general revenues and net transfers of \$1.5 million. Total Business-Type activities during the year were \$34.0 million, thus net assets increased by \$4.7 million to \$222.0 million.

Revenues by Source



Program Revenues and Expenses



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

At year-end the City's General Fund had a fund balance of \$15,333,922. This is a decrease of \$250,896 compared to last year. The decrease is attributable to the transfer of \$3,500,000 to the Budget Stabilization Internal Service Fund. This transfer represented both an operating surplus of the General Fund in addition to savings from Capital Improvement Projects which had been previously funded by the General Fund.

Thoroughfares, which is reported as a Special Revenue fund, had a decrease in fund balance of \$5,749,423 as the City elected to discontinue consolidating the reporting of Thoroughfares with our Economic Infrastructure Projects Fund. A total of \$6,213,375 has been reported as a transfer to the Economic Infrastructure Projects Fund.

Agriculture Land, which is reported as a Special Revenue fund, had a decrease in fund balance of \$1,711,176. This decline was attributable to the use of \$1,852,002 which was used to fund a 140.56 acre agricultural conservation deed restriction.

Redevelopment Debt, which is reported as a Debt Service fund, had a decrease in fund balance of \$2,246,613 due to the Redevelopment Agency's required contribution of \$2,627,299 to the County Supplemental Educational Revenue Augmentation Fund (SERAF). This contribution was mandated by the State of California as part of the State's attempt at balancing its budget.

Civic Center Projects Revenue Bond, which is reported as a Debt Service fund, is a newly established fund which saw an ending fund balance of \$7,623,193. This fund accounts for debt service transactions relating to the 2009 Civic Center Revenue Bond. The ending fund balance is comprised primarily of capitalized interest and debt service reserve funds held with the bond trustee.

Community Facilities Improvement Projects, which is reported as a Capital Projects fund, had a decrease in fund balance of \$9,088,671. This decrease is attributable to expenditures associated with the construction of the Civic Center projects - \$5,563,468 was spent on the New City Hall Project and \$2,108,271 was spent on the New Community Center Project.

Redevelopment Projects, which is reported as a Capital Projects fund, had a decrease in fund balance of \$1,942,351. This decrease is attributable to funding for the Downtown Streetscape Projects (\$550,000), the Downtown Parking Solutions Project (\$532,500) and the City Park Project (\$1,024,088).

Emergency Preparedness, which is reported as an Internal Service fund, had a decrease of \$2,629,452. The cause of the decrease was the payoff of the City's CalPERS sworn retirement side fund of \$2,627,778.

Budget Stabilization, which is reported as an Internal Service fund, had an increase of \$3,512,776. 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 \$3,500,000 to this fund during the fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

Comparing the fiscal year 2009/10 original budget (or adopted) General Fund expenditures and transfers out in the amount of \$36,128,319 to the final budget amount of \$40,433,185 shows a net increase of \$4,304,866.

<u>Beginning Balance</u>	+	<u>Supplemental Changes</u>	=	<u>Final Budget</u>
\$36,128,319		\$4,304,866		\$40,433,185

During the fiscal year, the total revenues and transfers in for the General Fund were \$35,885,306. This was \$1,555,938 more than budgeted. The total expenditures and transfers out for the General Fund were \$36,136,202. This was \$4,296,983 less than budgeted.

The increase to the City’s expense budget was primarily attributable to increased transfers out. A total of \$4,440,997 was added to the original General Fund transfers budget, including \$3,500,000 for a transfer to the Budget Stabilization Fund. The remaining adjustments to the transfers out all involved the timing of the funding of Capital Improvement Program projects. Outside of these adjustments, there were very few budget amendments to the General Fund, as staff appropriately incorporated the negative impacts from the recession into the City’s original budget.

The City continued to remain vigilant in reducing costs wherever possible. This resulted in expenditure savings of \$1,627,199 in the supplies and services budget and \$616,082 in the personnel budget, as vacancies remained unfilled. An additional significant savings source included \$2,021,604 in transfers out due to savings on capital projects.

The General Fund’s revenue surplus of \$1,555,938 was entirely due to the transfer back of \$2,304,780 of unspent funds from overfunded capital improvement projects. Absent this surplus, the General Fund would have experienced a revenue shortfall of \$748,842. This shortfall was largely attributable to lower investment income returns (\$354,239).

Supplemental changes to the FY 2009/10 General Fund budget were:

- Increase of \$21,118 for personnel changes during the year
- Decrease of \$162,249 for supplies and services
- Increase of \$5,000 for capital outlay
- Increase of \$4,440,997 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, 2010, capital assets net of accumulated amortization and depreciation of the Governmental activities totaled \$437,695,895. Capital assets net of accumulated amortization and depreciation of the Business-Type activities totaled \$238,481,819. Amortization and depreciation on capital assets is recognized in the Government-Wide financial statements. Refer to Note #5, found on pages 56 – 58 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	\$ 6,258,156	\$ 496,134	\$ 5,762,022
Land	34,054,471	-	34,054,471
Buildings	18,696,020	2,464,097	16,231,923
Infrastructure	380,106,366	53,979,984	326,126,382
Machinery and Equipment	4,405,861	2,180,209	2,225,652
Vehicles	7,340,111	4,481,996	2,858,115
Land Improvements	27,108,975	1,771,896	25,337,079
Work in Progress – CIP & Infrastructure	25,100,251	-	25,100,251
Total Capital Assets – Governmental	\$ 503,070,211	\$ 65,374,316	\$ 437,695,895
Capital Assets – Business-Type:			
Intangible Assets	\$ 10,597,532	\$ 1,592,692	\$ 9,004,840
Land	2,034,202	-	2,034,202
Buildings	24,813,632	3,218,818	21,594,814
Infrastructure	215,717,103	22,625,592	193,091,511
Machinery and Equipment	1,155,185	812,292	342,893
Land Improvements	10,701,186	1,049,014	9,652,172
Work in Progress – CIP & Infrastructure	2,761,387	-	2,761,387
Total Capital Assets – Business-Type	\$ 267,780,227	\$ 29,298,408	\$ 238,481,819

Debt Administration – Debt, considered a liability of Governmental Activities, increased in fiscal year 2009/10 by \$47,896,437 as a result of the newly issued 2009 Civic Center Revenue Bonds. Per capita debt outstanding increased from \$746 to \$1,651 per capita compared to the prior fiscal year. Debt of the Business-Type activities decreased by \$1,741,893 in fiscal year 2009/10 as annual debt service payments were made.

Detailed information regarding long-term debt activity can be found in Note #6 on pages 58 – 66 in this report.

	Balance June 30, 2009	Incurred or Issued	Satisfied or Matured	Balance June 30, 2010
Governmental Activities				
Bonds Payable	\$ 34,158,343	\$ 48,226,440	\$ 960,000	\$ 81,424,783
Notes Payable	1,528,112	-	1,452,705	75,407
Net OPEB Obligation	1,907,585	2,039,740	-	3,947,325
Accumulated Compensated Absences	1,153,922	1,480,653	1,437,691	1,196,884
Total Governmental Activities	\$ 38,747,962	\$ 51,746,833	\$ 3,850,396	\$ 86,644,399
Business-Type Activities				
Bonds Payable	\$ 52,780,000	\$ -	\$ 280,000	\$ 52,500,000
Notes Payable	35,692,273	583,638	2,618,768	33,657,143
Net OPEB Obligation	553,372	597,803	-	1,151,175
Accumulated Compensated Absences	322,151	446,032	470,598	297,585
Total Business-Type Activities	\$ 89,347,796	\$ 1,627,473	\$ 3,369,366	\$ 87,605,903

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The key assumptions in the General Fund revenue forecast for fiscal year 2010/11 were:

1. Approximately 125 new housing units will be constructed, down from a peak of 1,400 units several years ago, yet up from the 31 units in FY 2008/09.
2. The State of California will not implement additional mid-year revenue takeaways from the City.
3. The Contra Costa County Assessor will continue to aggressively reduce assessed valuations.
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 2010/11 budget were:

- Building revenues, with slightly increasing development activity, will increase to \$1,000,000 in FY 2010/11. While this still represents a decline of 84% from our peak revenue year in FY 2004/05, it is an improvement from the trough of \$622,215 received in FY 2008/09.
- Property taxes, which declined 18% during the 2009/10 fiscal year, are budgeted to decrease by an additional 8% in FY 2010/11.
- Motor Vehicle-in-Lieu taxes, which declined 17% in the 2009/10 fiscal year, are budgeted to decrease by an additional 7% in FY 2010/11.
- The City's FY 2010/11 Operating Budget includes four new positions, with just one position being funded through the General Fund.
- The impacts of labor negotiations, which include a 0% cost of living adjustment for sworn employees and the implementation of a second tiered retirement pension benefit program for non-sworn employees has been included. Also included is a 2.5% cost of living increase for non-sworn employees, along with the savings associated with a 1% salary contribution by the non-sworn employees towards their retirement costs.

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, 2010

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Investments	\$ 113,678,641	\$ 62,613,263	\$ 176,291,904
Restricted Cash and Investments	60,396,433	4,007,903	64,404,336
Receivables	2,049,438	5,568,030	7,617,468
Prepays	81,618	44,141	125,759
Land Held for Resale	2,367,488	-	2,367,488
Notes Receivable	-	58,500	58,500
Total Current Assets	<u>178,573,618</u>	<u>72,291,837</u>	<u>250,865,455</u>
Non-Current Assets:			
Deferred Charges	957,675	931,261	1,888,936
Long-Term Notes Receivable	100,000	1,065,349	1,165,349
Internal Balances	148,440	(148,440)	-
Capital Assets, Net of Accumulated Depreciation & Amortization:			
Intangible Assets	5,762,022	9,004,840	14,766,862
Land	34,054,471	2,034,202	36,088,673
Buildings	16,231,923	21,594,814	37,826,737
Infrastructure	326,126,382	193,091,511	519,217,893
Machinery and Equipment	2,225,652	342,893	2,568,545
Vehicles	2,858,115	-	2,858,115
Land Improvements	25,337,079	9,652,172	34,989,251
Work in Progress	25,100,251	2,761,387	27,861,638
Total Non-Current Assets	<u>438,902,010</u>	<u>240,329,989</u>	<u>679,231,999</u>
Total Assets	<u>617,475,628</u>	<u>312,621,826</u>	<u>930,097,454</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	6,087,063	2,752,616	8,839,679
Unearned Revenue	570,676	175,500	746,176
Deposits Held	3,606,003	80,154	3,686,157
Long-Term Liabilities Due Within One Year	1,803,537	2,286,462	4,089,999
Total Current Liabilities	<u>12,067,279</u>	<u>5,294,732</u>	<u>17,362,011</u>
Non-Current Liabilities Due in More Than One Year:			
Bonds Payable	80,414,783	52,200,000	132,614,783
Notes Payable	-	31,849,231	31,849,231
Net OPEB Obligation	3,947,325	1,151,175	5,098,500
Compensated Absences Payable	478,754	119,035	597,789
Total Non-Current Liabilities	<u>84,840,862</u>	<u>85,319,441</u>	<u>170,160,303</u>
Total Liabilities	<u>96,908,141</u>	<u>90,614,173</u>	<u>187,522,314</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	387,736,385	152,324,676	540,061,061
Restricted for:			
Debt Service	18,624,470	-	18,624,470
Specific Projects and Programs	72,313,823	31,503,932	103,817,755
Unrestricted	41,892,809	38,179,045	80,071,854
Total Net Assets	<u>\$ 520,567,487</u>	<u>\$ 222,007,653</u>	<u>\$ 742,575,140</u>

City of Brentwood

Statement of Activities and Changes in Net Assets
 For Year Ended June 30, 2010

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	\$ 16,337,699	\$ 6,137,930	\$ 1,431,094	\$ 2,165,775	\$ 9,734,799	\$ (6,602,900)	\$ -	\$ (6,602,900)
Public Safety	18,770,435	555,434	1,585,026	171,484	2,311,944	(16,458,491)	-	(16,458,491)
Community Development	5,688,738	1,204,973	-	-	1,204,973	(4,483,765)	-	(4,483,765)
Engineering	2,195,775	1,760,861	-	-	1,760,861	(434,914)	-	(434,914)
Public Works	6,702,090	119,960	2,742,910	3,184,601	6,047,472	(654,618)	-	(654,618)
Parks and Recreation	9,595,992	920,233	-	1,871,747	2,791,980	(6,804,012)	-	(6,804,012)
Community Services	5,665,988	-	4,788,658	-	4,788,658	(877,330)	-	(877,330)
Interest on Long-Term Debt	3,129,383	-	-	-	-	(3,129,383)	-	(3,129,383)
Total Governmental Activities	68,086,100	10,699,390	10,547,689	7,393,607	28,640,686	(39,445,414)	-	(39,445,414)
Business-Type Activities								
Wastewater	7,387,756	7,936,737	-	1,491,327	9,428,064	-	2,040,308	2,040,308
Solid Waste	7,530,880	8,856,687	-	-	8,856,687	-	1,325,807	1,325,807
Water	18,381,997	15,760,490	-	1,931,860	17,692,350	-	(689,647)	(689,647)
City Rentals	253,241	425,832	-	-	425,832	-	172,591	172,591
Housing	419,217	175,186	-	572,895	748,081	-	328,864	328,864
Total Business-Type Activities	33,973,091	33,154,932	-	3,996,082	37,151,014	-	3,177,923	3,177,923
Total Primary Government	\$ 102,059,191	\$ 43,854,322	\$ 10,547,689	\$ 11,389,689	\$ 65,791,700	\$ (39,445,414)	\$ 3,177,923	\$ (36,267,491)
General Revenues:								
Taxes:								
Property Taxes						16,247,076	-	16,247,076
Sales Tax						5,038,880	-	5,038,880
Franchise Fees						1,168,412	-	1,168,412
Public Service Taxes						283,407	-	283,407
Measure C / J, TOT						676,635	-	676,635
Motor Vehicle Taxes						2,955,583	-	2,955,583
Investment Earnings						3,456,502	1,632,413	5,088,915
Miscellaneous						848,732	-	848,732
Transfers						84,116	(84,116)	-
Total General Revenues and Transfers						30,759,345	1,548,297	32,307,642
Change in Net Assets						(8,686,069)	4,726,220	(3,959,849)
Net Assets - Beginning of Year						529,253,556	217,281,433	746,534,989
Net Assets - End of Year						\$ 520,567,487	\$ 222,007,653	\$ 742,575,140

City of Brentwood

Balance Sheet
Governmental Funds
June 30, 2010

	Debt Service		Capital Projects			Total Governmental Funds
	General Fund	Redevelopment Debt	Civic Center Projects	Community Facilities Improvement Projects	Other Governmental Funds	
ASSETS						
Cash and Investments	\$ 19,134,672	\$ 9,681,554	\$ -	\$ 11,677,447	\$ 44,049,241	\$ 84,542,914
Restricted Cash and Investments	-	-	36,081,126	478,483	23,836,824	60,396,433
Receivables	1,337,430	1,074	1	3,724	2,818,865	4,161,094
Prepays	69,383	-	-	-	3,576	72,959
Due from Other Funds	-	-	-	3,716,801	-	3,716,801
Land Held for Resale	-	-	-	-	2,367,488	2,367,488
Interfund Advance Receivable	-	-	-	-	148,440	148,440
Total Assets	\$ 20,541,485	\$ 9,682,628	\$ 36,081,127	\$ 15,876,455	\$ 73,224,434	\$ 155,406,129
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable and Accrued Liabilities	\$ 1,037,622	\$ 967,574	\$ 234	\$ 2,968,058	\$ 1,003,861	\$ 5,977,349
Due to Other Funds	-	-	-	-	3,716,801	3,716,801
Deferred Revenue	569,788	-	-	-	2,859,845	3,429,633
Deposits Held	3,600,153	-	-	-	5,850	3,606,003
Total Liabilities	5,207,563	967,574	234	2,968,058	7,586,357	16,729,786
Fund Balances:						
Nonspendable	69,383	-	-	-	2,371,064	2,440,447
Restricted	-	8,715,054	36,080,893	12,908,397	61,376,507	119,080,851
Committed	600,000	-	-	-	4,477,489	5,077,489
Assigned	2,200,000	-	-	-	-	2,200,000
Unassigned	12,464,539	-	-	-	(2,586,983)	9,877,556
Total Fund Balances	15,333,922	8,715,054	36,080,893	12,908,397	65,638,077	138,676,343
Total Liabilities and Fund Balances	\$ 20,541,485	\$ 9,682,628	\$ 36,081,127	\$ 15,876,455	\$ 73,224,434	\$ 155,406,129

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

June 30, 2010

Total Fund Balances - Total Governmental Funds \$ 138,676,343

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. 433,426,271

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. 32,851,755

The long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds. 829,123

Governmental Funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. 957,675

Long-term liabilities are not due and payable in the current period; therefore, they are not reported in the Governmental Funds Balance Sheet:

Bonds	(81,424,783)
Notes Payable	(75,407)
Net OPEB Obligation	(3,606,387)
Compensated Absences	(1,067,103)
Total Long Term Liabilities	(86,173,680)

Net Assets of Governmental Activities \$ 520,567,487

City of Brentwood

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For Year Ended June 30, 2010**

	General Fund	Debt Service		Capital Projects		Other Governmental Funds	Total Governmental Funds
		Redevelopment Debt	Civic Center Projects	Community Facilities Improvement Projects			
REVENUES							
Taxes	\$ 13,670,774	\$ 4,976,783	\$ -	\$ -	\$ -	\$ 3,245,287	\$ 21,892,844
Licenses	494,958	-	-	-	-	-	494,958
Permits and Fines	2,419,184	-	-	-	-	-	2,419,184
Uses of Money and Property	841,953	363,651	55,471	397,852	1,280,091	2,939,018	
Intergovernmental	3,597,583	-	-	197,000	2,696,778	6,491,361	
Franchises	1,168,412	-	-	-	-	-	1,168,412
Charges for Other Services	437,338	-	-	-	-	-	437,338
Charges to Other Funds	6,101,449	-	-	-	-	-	6,101,449
Fees and Other Revenues	1,110,596	-	-	-	11,661,905	12,772,501	
Total Revenues	29,842,247	5,340,434	55,471	594,852	18,884,061	54,717,065	
EXPENDITURES							
Current:							
General Government	5,050,152	-	431	789,690	8,063,585	13,903,858	
Public Safety	14,851,292	-	-	-	177,770	15,029,062	
Community Development	2,679,783	3,836,188	-	-	14,423	6,530,394	
Engineering	2,124,818	-	-	-	-	2,124,818	
Public Works	2,342,121	-	-	-	-	2,342,121	
Parks and Recreation	4,094,709	-	-	-	3,293,237	7,387,946	
Community Services	522,597	-	-	-	5,145,841	5,668,438	
Capital Outlay	-	-	-	8,616,056	918,126	9,534,182	
Debt Service:							
Principal	86,131	470,000	-	-	1,856,574	2,412,705	
Interest and Fiscal Charges	-	899,869	-	-	2,003,074	2,902,943	
Total Expenditures	31,751,603	5,206,057	431	9,405,746	21,472,630	67,836,467	
REVENUES OVER (UNDER) EXPENDITURES	(1,909,356)	134,377	55,040	(8,810,894)	(2,588,569)	(13,119,402)	
OTHER FINANCING SOURCES (USES)							
Issuance of Debt	-	-	-	-	48,000,000	48,000,000	
Premium on Bonds Issued	-	-	-	-	129,172	129,172	
Transfers In	6,043,059	-	40,525,853	8,707,674	34,338,146	89,614,732	
Transfers Out	(4,384,599)	(2,380,990)	(4,500,000)	(8,985,451)	(72,580,241)	(92,831,281)	
Total Other Financing Sources (Uses)	1,658,460	(2,380,990)	36,025,853	(277,777)	9,887,077	44,912,623	
NET CHANGE IN FUND BALANCES	(250,896)	(2,246,613)	36,080,893	(9,088,671)	7,298,508	31,793,221	
Fund Balance, Beginning of Year	15,584,818	10,961,667	-	21,997,068	58,339,569	106,883,122	
Fund Balance, End of Year	\$ 15,333,922	\$ 8,715,054	\$ 36,080,893	\$ 12,908,397	\$ 65,638,077	\$ 138,676,343	

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, 2010

Net Changes in Fund Balances - Total Governmental Funds	\$	31,793,221
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.		9,534,182
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.		(6,569,706)
The net effect of various miscellaneous transactions involving Capital Assets (e.g. sales, trade-ins and contributions) is to increase net assets.		2,567,141
To record the net change in compensated absences in the Statement of Activities.		(28,918)
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 bond proceeds.		(48,000,000)
This amount represents long-term debt repayments.		2,412,705
This amount represents the increase in Net OPEB Obligations.		(1,855,500)
This amount represents accretion interest.		(226,440)
This amount represents deferred bond issuance costs and unamortized bond premiums		957,675
Revenues in the Governmental Funds that have been previously recognized in the Statement of Activities.		(216,754)
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.		946,325
		946,325
Changes in Net Assets of Governmental Activities	\$	(8,686,069)

City of Brentwood

Statement of Net Assets
Proprietary Funds
June 30, 2010

	Business-Type Activities - Enterprise Funds						Governmental
	Wastewater	Solid Waste	Water	City Rentals	Housing	Totals	Activities - Internal Service Funds
ASSETS							
Current Assets:							
Cash and Investments	\$ 25,333,296	\$ 11,898,796	\$ 17,749,336	\$ -	\$ 7,631,835	\$ 62,613,263	\$ 29,135,727
Restricted Cash and Investments	-	-	4,007,903	-	-	4,007,903	-
Receivables	1,546,195	1,540,454	2,370,037	88,204	23,140	5,568,030	19,066
Prepays	12,575	8,433	20,709	2,263	161	44,141	8,659
Due from Other Funds	-	-	32,396	-	-	32,396	-
Notes Receivable	-	-	58,500	-	-	58,500	-
Total Current Assets	26,892,066	13,447,683	24,238,881	90,467	7,655,136	72,324,233	29,163,452
Non-Current Assets:							
Deferred Charges	-	-	931,261	-	-	931,261	-
Long-Term Notes Receivable	-	-	117,000	-	948,349	1,065,349	-
Interfund Advance Receivable	35,331	-	45,516	-	-	80,847	-
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	89,106,016	696,851	125,914,236	-	-	215,717,103	-
Machinery and Equipment	544,281	94,126	516,778	-	-	1,155,185	3,104,499
Vehicles	-	-	-	-	-	-	7,340,111
Land Improvements	58,494	1,000,000	9,642,692	-	-	10,701,186	-
Work in Progress	244,037	1,155,500	1,361,850	-	-	2,761,387	-
Less Accumulated Depreciation and Amortization	(11,645,686)	(796,657)	(16,743,865)	-	(112,200)	(29,298,408)	(6,174,986)
Total Capital Assets, Net of Accumulated Depreciation	81,612,160	2,418,240	151,755,470	-	2,695,949	238,481,819	4,269,624
Total Non-Current Assets	81,647,491	2,418,240	152,849,247	-	3,644,298	240,559,276	4,269,624
Total Assets	108,539,557	15,865,923	177,088,128	90,467	11,299,434	312,883,509	33,433,076
LIABILITIES AND NET ASSETS							
Current Liabilities:							
Accounts Payable and Accrued Liabilities	431,402	556,331	1,753,915	8,275	2,693	2,752,616	109,714
Due to Other Funds	-	-	-	32,396	-	32,396	-
Unearned Revenue	-	-	175,500	-	-	175,500	888
Deposits Held	-	10,290	47,500	-	22,364	80,154	-
Long-Term Debt Due Within One Year	1,807,912	-	300,000	-	-	2,107,912	-
Compensated Absences Payable	40,421	61,320	73,588	-	3,221	178,550	77,869
Total Current Liabilities	2,279,735	627,941	2,350,503	40,671	28,278	5,327,128	188,471
Non-Current Liabilities Due in More Than One Year:							
Interfund Advance Payable	-	-	-	-	229,287	229,287	-
Bonds Payable	-	-	52,200,000	-	-	52,200,000	-
Notes Payable	24,416,786	-	7,432,445	-	-	31,849,231	-
Net OPEB Obligation	291,843	409,879	437,209	-	12,244	1,151,175	340,938
Compensated Absences Payable	26,948	40,880	49,059	-	2,148	119,035	51,912
Total Non-Current Liabilities	24,735,577	450,759	60,118,713	-	243,679	85,548,728	392,850
Total Liabilities	27,015,312	1,078,700	62,469,216	40,671	271,957	90,875,856	581,321
Net Assets:							
Invested in Capital Assets, Net of Related Debt	55,387,462	2,418,240	91,823,025	-	2,695,949	152,324,676	4,269,624
Restricted for:							
Special Projects and Programs	14,946,509	1,000,038	6,845,819	-	8,711,566	31,503,932	-
Unrestricted	11,190,274	11,368,945	15,950,068	49,796	(380,038)	38,179,045	28,582,131
Total Net Assets	\$ 81,524,245	\$ 14,787,223	\$ 114,618,912	\$ 49,796	\$ 11,027,477	\$ 222,007,653	\$ 32,851,755

Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For Year Ended June 30, 2010

	Business-Type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Wastewater	Solid Waste	Water	City Rentals	Housing	Totals	
Operating Revenues:							
Charges for Services	\$ 7,766,341	\$ 8,856,420	\$ 15,526,347	\$ 425,832	\$ 175,186	\$ 32,750,126	\$ 6,124,907
Other Income	170,396	267	234,143	-	-	404,806	151,473
Total Operating Revenues	7,936,737	8,856,687	15,760,490	425,832	175,186	33,154,932	6,276,380
Operating Expenses:							
Personnel Services	2,171,453	2,971,075	3,296,093	-	111,235	8,549,856	5,165,617
Repairs and Maintenance	50,981	65,807	641,942	111,487	25,364	895,581	78,056
Materials, Supplies and Services	3,227,269	4,423,095	7,938,454	141,754	249,481	15,980,053	3,127,859
Depreciation and Amortization	1,448,335	70,903	2,848,781	-	31,331	4,399,350	972,864
Total Operating Expenses	6,898,038	7,530,880	14,725,270	253,241	417,411	29,824,840	9,344,396
Operating Income (Loss)	1,038,699	1,325,807	1,035,220	172,591	(242,225)	3,330,092	(3,068,016)
Non-Operating Revenues (Expenses):							
Interest Income	654,799	290,730	456,459	41	230,384	1,632,413	713,676
Interest Expense	(489,718)	-	(2,915,363)	-	(1,806)	(3,406,887)	-
Connection Fees Paid	-	-	(583,638)	-	-	(583,638)	-
Loss on Disposal of Capital Assets	-	-	(157,726)	-	-	(157,726)	-
Total Non-Operating Revenues (Expenses)	165,081	290,730	(3,200,268)	41	228,578	(2,515,838)	713,676
Income (Loss) before Contributions and Transfers	1,203,780	1,616,537	(2,165,048)	172,632	(13,647)	814,254	(2,354,340)
Contributions - Impact Fees and Credits	422,416	-	379,185	-	572,895	1,374,496	-
Capital Asset Contributions	1,068,911	-	1,552,675	-	-	2,621,586	-
Transfers In	10,155	-	876,289	133,000	-	1,019,444	3,840,917
Transfers Out	(703,895)	(50,800)	(50,800)	(298,065)	-	(1,103,560)	(540,252)
Change in Net Assets	2,001,367	1,565,737	592,301	7,567	559,248	4,726,220	946,325
Net Assets, Beginning of Year	79,522,878	13,221,486	114,026,611	42,229	10,468,229	217,281,433	31,905,430
Net Assets, End of Year	\$ 81,524,245	\$ 14,787,223	\$ 114,618,912	\$ 49,796	\$ 11,027,477	\$ 222,007,653	\$ 32,851,755

City of Brentwood

**Statement of Cash Flows
Proprietary Funds
For Year Ended June 30, 2010**

	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	\$ 7,988,680	\$ 9,065,881	\$ 15,521,417	\$ 398,504	\$ 176,749	\$ 33,151,231	\$ 69,210
Cash Received from Interfund Services	-	-	-	-	-	-	6,227,365
Cash Payments to Suppliers of Goods and Services	(3,099,377)	(3,319,518)	(8,757,003)	(199,384)	(351,994)	(15,727,276)	(5,552,201)
Cash Payments to Employees for Services	(2,018,964)	(2,757,807)	(3,070,397)	-	(104,885)	(7,952,053)	(2,353,599)
Cash Payments for Interfund Services	(294,115)	(1,038,463)	(439,861)	(58,592)	(14,613)	(1,845,644)	(340,567)
Other Receipts/Payments	(70,857)	267	104,076	31,845	(265,334)	(200,003)	58,406
Net Cash Provided By (Used for) Operating Activities	2,505,367	1,950,360	3,358,232	172,373	(560,077)	7,426,255	(1,891,386)
Cash Flows from Non-Capital Financing Activities							
Transfers Received	10,155	-	876,289	133,000	-	1,019,444	3,840,917
Transfers Paid	(703,895)	(50,800)	(50,800)	(298,065)	-	(1,103,560)	(540,252)
Due to Other Funds	-	-	-	(7,351)	-	(7,351)	-
Due from Other Funds	710,295	-	7,351	-	-	717,646	-
Net Cash Provided By (Used for) Non-Capital Financing Activities	16,555	(50,800)	832,840	(172,416)	-	626,179	3,300,665
Cash Flows from Capital and Related Financing Activities							
Contributions - Impact Fees and Credits	422,416	-	379,185	-	572,895	1,374,496	-
Interest Paid on Debt	(489,718)	-	(2,915,363)	-	(1,806)	(3,406,887)	-
Principal Paid on Debt	(1,775,856)	-	(1,122,912)	-	-	(2,898,768)	-
Acquisition and Construction of Assets	(11,735)	(467,245)	(509,881)	-	-	(988,861)	(950,172)
Net Cash Provided By (Used for) Capital and Related Financing Activities	(1,854,893)	(467,245)	(4,168,971)	-	571,089	(5,920,020)	(950,172)
Cash Flows from Investing Activities							
Interest on Investments	660,802	291,200	460,674	43	232,234	1,644,953	720,022
Net Cash Provided By Investing Activities	660,802	291,200	460,674	43	232,234	1,644,953	720,022
Net Increase (Decrease) in Cash and Cash Equivalents	1,327,831	1,723,515	482,775	-	243,246	3,777,367	1,179,129
Cash and Cash Equivalents - Beginning of Year	24,005,465	10,175,281	21,274,464	-	7,388,589	62,843,799	27,956,598
Cash and Cash Equivalents - End of Year	\$ 25,333,296	\$ 11,898,796	\$ 21,757,239	\$ -	\$ 7,631,835	\$ 66,621,166	\$ 29,135,727
Reconciliation of Operating Income to Net Cash Provided By (Used for) Operating Activities:							
Operating Income (Loss)	\$ 1,038,699	\$ 1,325,807	\$ 1,035,220	\$ 172,591	\$ (242,225)	\$ 3,330,092	\$ (3,068,016)
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used for) Operating Activities :							
Depreciation and Amortization	1,448,335	70,903	2,848,781	-	31,331	4,399,350	972,864
Receivables, Net	(18,916)	205,030	(123,101)	1,864	(263,790)	(198,913)	57,626
Inventories	-	29	(11,895)	2,654	19	(9,193)	-
Accounts Payable and Other Payables	37,249	346,749	(494,699)	(4,736)	(83,849)	(199,286)	146,140
Accrued Expenses	-	-	94,676	-	-	94,676	-
Deposits	-	1,842	9,250	-	(1,563)	9,529	-
Net Cash Provided By (Used for) Operating Activities	\$ 2,505,367	\$ 1,950,360	\$ 3,358,232	\$ 172,373	\$ (560,077)	\$ 7,426,255	\$ (1,891,386)
Noncash Capital Activities:							
Capital Assets Contributed	\$ 1,068,911	\$ -	1,552,676	\$ -	\$ -	\$ 2,621,587	\$ -



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Statement of Fiduciary Net Assets
Agency Funds
June 30, 2010

ASSETS

Cash and Investments	\$	11,044,384
Restricted Cash and Investments		6,622,876
Interest Receivable		<u>21,587</u>
Total Assets	\$	<u><u>17,688,847</u></u>

LIABILITIES

Accounts Payable and Accrued Liabilities	\$	835,601
Due to Others		69,704
Due to Bondholders		<u>16,783,542</u>
Total Liabilities	\$	<u><u>17,688,847</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, Civic Center Projects 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.
- *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 as well as the replacement Proposition 42 monies resulting from the State’s Gasoline Excise Tax Swap which will become effective July 1, 2010.
- *Police Grants* – This fund accounts for all Police, Federal, State and County grants requiring segregated fund accounting.
- *Other Grants* – This fund accounts for miscellaneous Federal, State and County grants requiring segregated fund accounting.
- *Citywide Parks Districts* – This fund accounts for special benefit assessments levied on property owners for citywide park maintenance.
- *Community Facilities Districts* – This fund accounts for special benefit assessments levied on property owners for police services, fire services, joint use school facilities and the construction, acquisition and maintenance of open spaces, flood drains and storm drains.
- *Community Facilities* – This fund accounts for development fees collected for the design and construction of public facilities within the City of Brentwood.
- *Vehicle Abatement* – This fund accounts for monies which can only be used for the abatement, removal and disposal, as public nuisances, of any abandoned, wrecked, dismantled or inoperative vehicles, or parts thereof, from private or public property.

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

- Infrastructure Improvements – This fund accounts for economic development infrastructure projects and any related costs.
- 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 / J – 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 build out of the City.
- Agriculture Land – This fund accounts for 80% of the Agriculture Preservation fees collected from developers. The monies are used for farmland mitigation purposes.
- Parking In Lieu – This fund accounts for development fees collected for off street parking facilities located within the Downtown area.
- Lighting and Landscape Districts – This fund accounts for special benefit assessments levied on property owners for street lighting and landscape maintenance.

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

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

- Redevelopment Debt – This fund accounts for transactions related to proceeds from tax allocation bonds.
- Capital Improvement Program 2001 – This fund accounts for debt service transactions, including revenue collections and payments of principal and interest, on long-term obligations. This bond refinanced the Roadway Bonds and the Tax Allocation Bond, and financed the 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.
- Civic Center Projects Revenue Bond – This fund accounts for debt service transactions relating to the 2009 Civic Center Revenue Bonds.

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 and the Civic Center Projects funds are the only major Capital Project Funds included in the major Governmental Funds. Below are specific descriptions of the Capital Project Funds:

- Capital Improvement Financing Program 2000-1 (2004 C Refi) – This fund accounts for transactions related to proceeds from assessment bonds and other resources and their use to acquire and construct certain capital facilities and infrastructure. CIFP 2004 C refinanced CIFP 2000-1.
- Capital Improvement Financing Program 2002-1 (2005 A&B Refi) – This fund accounts for transactions related to proceeds from assessment bonds and other resources and their use to acquire and construct certain capital facilities and infrastructure. CIFP 2005 A&B refinanced CIFP 2002-1.
- Capital Improvement Financing Program 2005-1 – This fund accounts for transactions related to proceeds from assessment bonds and other resources and their use to acquire and construct certain capital facilities and infrastructures.
- Capital Improvement Financing Program 2006-1 – This fund accounts for transactions related to proceeds from assessment bonds and other resources and their use to acquire and construct certain capital facilities and infrastructures.
- 2002 Series A&B – This fund accounts for transactions related to proceeds from assessment bonds and other resources and their use to acquire and construct certain capital facilities and infrastructures.
- 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.

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

- 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.
- Civic Center Projects – This fund accounts for transactions related to proceeds from the 2009 Civic Center Bonds and other resources and their use to acquire and construct certain capital facilities and infrastructure.
- 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.
- Economic Infrastructure Projects – This fund accounts for loans to be used for Economic Development infrastructure projects and related costs that will be repaid from another source.
- 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 impact 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.
- 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.

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

- 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 or the replacement of 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, 2010.

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

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

vii. Compensated Absences Payable

The following totals may be accumulated by employees each year:

- A total of 11 to 28 vacation days
- Up to either 60, 80 or 120 hours of compensatory time off, depending on employee’s classification, or 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 paid 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, Redevelopment Low Income Housing Fund, Redevelopment Projects Fund or the Citywide Parks District Fund.

viii. Property Tax

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

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

ix. Deferred Compensation Plan

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

x. New GASB Pronouncements

In 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 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, however, the City has elected to implement this Statement for the presentation of the 2009/10 financial statements.

In December 2009, GASB issued GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plan*. This Statement addresses issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other post employment benefit (OPEB) plans (that is, agent employers). The requirements of this Statement are effective for fiscal periods beginning after June 15, 2011. The City does not anticipate that Statement No. 57 will have a significant impact on its financial statements.

In December 2009, GASB issued GASB Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*. This Statement establishes accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. The requirements of this Statement were effective for fiscal periods beginning after June 15, 2009 and have been implemented by the City with no resulting impact.

In June 2010, GASB issued GASB Statement No. 59, *Financial Instruments Omnibus*. This Statement updates and improves existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. The requirements of this Statement are effective for fiscal periods beginning after June 15, 2010. The City does not anticipate that Statement No. 59 will have a significant impact on its financial statements.

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

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 on the following page 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
Civic Center Projects Revenue Bond

B. DEFICIT FUND EQUITY

The following funds have either a deficit fund or accumulated deficit balance as of June 30, 2010. The deficit in Parks and Trails is due to prefunding of parks projects in advance of receiving funding from development. The deficits in the Internal Service funds are related to Other Post Employment Benefit (OPEB) liability accruals. In response to increasing OPEB liabilities, the City has adopted a long term OPEB pre-funding strategy which ultimately calls for 85% of the actuarial required contribution (ARC) to be funded annually. The Internal Service funds will continue to maintain a positive cash balance. Coverage of these funds was also addressed in the fiscal year 2010/11 Operating Budget.

Special Revenue:

Parks and Trails	\$ 2,586,983
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Internal Service:

Information Services	\$ 136,319
Fleet Maintenance	\$ 18,991

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, 2010, is shown below. These amounts are due to timing issues and are expected to be paid during the next fiscal year.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Community Facilities Improvement Projects	Parks and Trails	\$ 2,586,984
Community Facilities Improvement Projects	Civic Center Projects Revenue Bond	1,129,817
Water Enterprise	City Rentals Enterprise	<u>32,396</u>
	Total	<u><u>\$ 3,749,197</u></u>

The interfund advance payable from Housing Enterprise is related to development fees from the construction of housing units which have 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>Interfund Advance</u>		
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Thoroughfares	Housing Enterprise	\$ 97,069
Parks and Trails	Housing Enterprise	51,371
Wastewater Enterprise	Housing Enterprise	35,331
Water Enterprise	Housing Enterprise	<u>45,516</u>
	Total	<u><u>\$ 229,287</u></u>

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

Interfund Transfers

Fund Description	General Fund	Community Facilities Improvement Projects		Internal Service Funds	Non-Major Governmental Funds	Wastewater Enterprise	Water Enterprise	City Rentals Enterprise	Total Transfers Out
		Civic Center Projects	Projects						
General Fund	\$ -	\$ 342,420	\$ -	\$ 3,749,999	\$ 159,180	\$ -	\$ -	\$ 133,000	\$ 4,384,599
Redevelopment Debt	-	-	-	-	2,380,990	-	-	-	2,380,990
Community Facilities Improvement Projects	2,304,780	-	-	90,918	6,589,753	-	-	-	8,985,451
Civic Center Projects	-	-	4,250,000	-	250,000	-	-	-	4,500,000
Non-Major Governmental Funds	3,555,459	40,183,433	4,232,207	-	24,255,793	10,155	343,194	-	72,580,241
Internal Service Funds	182,820	-	73,067	-	284,365	-	-	-	540,252
Wastewater Enterprise	-	-	50,800	-	120,000	-	533,095	-	703,895
Solid Waste Enterprise	-	-	50,800	-	-	-	-	-	50,800
Water Enterprise	-	-	50,800	-	-	-	-	-	50,800
City Rentals Enterprise	-	-	-	-	298,065	-	-	-	298,065
Total Transfers In	\$ 6,043,059	\$ 40,525,853	\$ 8,707,674	\$ 3,840,917	\$ 34,338,146	\$ 10,155	\$ 876,289	\$ 133,000	\$ 94,475,093

Transfers are indicative of funding for either capital projects, 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
General Fund	\$ 2,649,131	Community Facilities District revenue to provide a subsidy for public safety costs.
Capital Projects	452,210	Provide a subsidy to cover a portion of the costs for the Pavement Management Program.
Capital Projects	700,000	Provide a subsidy to cover a portion of the costs for the Civic Center Plaza project.
Capital Projects	1,149,706	Provide a subsidy to cover a portion of the costs for the Library Relocation - Phase I project.
Capital Projects	4,000,000	Provide a subsidy to cover a portion of the costs for the New Community Center project.
Capital Projects	216,000	Provide a subsidy to cover a portion of the costs for the Computerized Maintenance Management System project.
Capital Projects	9,314,549	Provide a subsidy to cover a portion of the costs for the Civic Center Parking Facility project.
Capital Projects	265,099	Provide a subsidy to cover a portion of the costs for the City Park project.
Capital Projects	29,698,343	Provide a subsidy to cover a portion of the costs for the Civic Center project.
Capital Projects	533,095	Provide a subsidy to cover a portion of the costs for the Downtown Infrastructure project.
Capital Projects	173,500	Provide a subsidy to cover a portion of the costs for the Wastewater Treatment Plant Solid Systems Expansion project.
Capital Projects	126,371	Provide a subsidy to cover a portion of the costs for the Bio-Filter Media Replacement project.
Capital Projects	6,213,375	Reclassification of the Economic Infrastructure Projects Fund which was previously consolidated with the Thoroughfares Fund. This fund is more appropriately classified as a Capital Projects Fund rather than as a Special Revenue Fund.

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

D. STABILIZATION ARRANGEMENTS

On April 28, 2009, the City Council adopted a resolution establishing a Budget Stabilization Fund. At the close of each fiscal year, General Fund savings in excess of the minimum Fund Balance requirements described in the above paragraph are to be transferred to the Budget Stabilization Fund. The maximum allowable accumulation of unassigned fund balance in the Budget Stabilization Fund is set at 15% of annual General Fund appropriations. The use of the Budget Stabilization Fund is restricted to 1) funding General Fund grant costs including local matching requirements; 2) offsetting temporary reductions in General Fund revenues from local, state, or federal sources; 3) providing an alternate source of funding for General Fund debt service requirements including debt retirement; 4) providing a source of funds for General Fund legal settlements or claims against the City that would not otherwise be paid from the City's Insurance Fund; 5) providing a source of funds for General Fund one-time equipment or capital spending requirements; 6) providing a source of funds for required General Fund staff training or education or 7) providing a source of funds to mitigate the effects to the General Fund during a prolonged economic downturn. As of June 30, 2010, the City's Budget Stabilization Fund, which is reported as an internal service fund, had a fund balance of \$5,612,776.

E. MINIMUM FUND BALANCE POLICIES

The City's Budget and Fiscal Policy requires the City to strive to maintain 1) 30% of annual appropriations in the General Fund's Unassigned Fund Balance and 2) 30% cash reserves in each of the enterprise funds. While this requirement does not mandate that the 30% thresholds be attained, the City has continued to achieve the 30% General Fund reserve target on an annual basis, including for the fiscal year ended June 30, 2010. The ability of the City to maintain 30% cash reserves in the Enterprise funds depends upon the timing of infrastructure projects.

F. FUND BALANCES

The City's fund balances are classified in accordance with Governmental Accounting Standards Board Statement Number 54 (GASB 54). Nonspendable fund balances are not expected to be converted to cash and are comprised of prepaid items and land held for resale by the Redevelopment Agency. Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires that these resources be used only for a specific purpose. Committed fund balances have constraints imposed by formal action of the City Council of the City of Brentwood which may be altered only by formal action of the City Council. Assigned fund balances are amounts constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the City Council of the City of Brentwood and may be changed at the discretion of the City Council. Unassigned fund balance represents amounts that have not been restricted, committed, or assigned.

The City considers restricted amounts to have been spent prior to unrestricted amounts when an expenditure is incurred for purposes for which both are available. Committed, assigned, and unassigned amounts, in this order, are considered to be spent when an expenditure is incurred for purposes for which either is available. Detailed classifications of the City's Fund Balances, as of June 30, 2010, are shown on the next page.

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

	Debt Service		Capital Projects			Total
	General Fund	Redevelopment Debt	Civic Center Projects	Community Facilities Improvement Projects	Other Governmental Funds	
Fund Balances:						
Nonspendable:						
Prepaid Expenses	\$ 69,383	\$ -	\$ -	\$ -	\$ 3,576	\$ 72,959
Land Held for Resale	-	-	-	-	2,367,488	2,367,488
Total Nonspendable Fund Balances	69,383	-	-	-	2,371,064	2,440,447
Restricted for:						
Debt Service	-	8,715,054	-	-	9,909,416	18,624,470
Community Facilities Projects	-	-	-	12,908,397	-	12,908,397
Civic Center Projects	-	-	36,080,893	-	-	36,080,893
Redevelopment Projects	-	-	-	-	4,944,461	4,944,461
Redevelopment Low Income Housing	-	-	-	-	5,668,595	5,668,595
Vineyards Development Projects	-	-	-	-	1,918,048	1,918,048
Infrastructure Projects	-	-	-	-	6,382,194	6,382,194
Streets and Roadways	-	-	-	-	6,163,144	6,163,144
Drainage Projects	-	-	-	-	188,972	188,972
Parks and Trails	-	-	-	-	1,556,835	1,556,835
CIFP Projects	-	-	-	-	12,529,758	12,529,758
Sand Creek Widening - Phase II	-	-	-	-	399,892	399,892
Randy Way Improvements	-	-	-	-	4,387	4,387
Lighting and Landscaping Districts	-	-	-	-	3,516,722	3,516,722
Off Street Parking Facilities in Downtown	-	-	-	-	26,372	26,372
Agricultural/Farmland Mitigation	-	-	-	-	5,352,524	5,352,524
Fire Facilities	-	-	-	-	839,152	839,152
Arts Commission	-	-	-	-	31,662	31,662
Public Art	-	-	-	-	646,433	646,433
Developer Facility Fee Program	-	-	-	-	94,336	94,336
Drug Prevention Programs	-	-	-	-	107,420	107,420
Public Safety	-	-	-	-	200,811	200,811
Bicycle Safety	-	-	-	-	13,213	13,213
PEG Television Media	-	-	-	-	882,160	882,160
Total Restricted Fund Balances	-	8,715,054	36,080,893	12,908,397	61,376,507	119,080,851
Committed to:						
Village Community Resource Center	600,000	-	-	-	-	600,000
Infrastructure Projects	-	-	-	-	5,805	5,805
Public Nuisance Abatement	-	-	-	-	36,828	36,828
Community Facilities	-	-	-	-	1,015,650	1,015,650
Public Safety	-	-	-	-	33,098	33,098
Parks Maintenance	-	-	-	-	359,791	359,791
Streets and Roadways	-	-	-	-	3,026,317	3,026,317
Total Committed Fund Balances	600,000	-	-	-	4,477,489	5,077,489
Assigned to:						
Capital Projects	1,800,000	-	-	-	-	1,800,000
Property Tax Assessment Refund	400,000	-	-	-	-	400,000
Total Assigned Fund Balances	2,200,000	-	-	-	-	2,200,000
Unassigned:	12,464,539	-	-	-	(2,586,983)	9,877,556
Total Fund Balances	\$ 15,333,922	\$ 8,715,054	\$ 36,080,893	\$ 12,908,397	\$ 65,638,077	\$ 138,676,343

NOTE # 3 – CASH AND INVESTMENTS

A. CASH AND DEPOSITS

The City of Brentwood maintains a cash investment pool that is available for all funds. The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by outside fiscal agents, under the provisions of bond indentures. Each fund type balance in the pool is reflected on the combined balance sheet as Cash and Investments.

The carrying amounts of the City’s cash deposits were (\$1,810,447) at June 30, 2010. The bank balance, before reconciling items, was \$299,663. 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	\$ (1,810,447)
Petty Cash	7,990
Pooled Investments	<u>260,165,957</u>
Total Cash and Investments	<u><u>\$ 258,363,500</u></u>

Cash and investments appear on the financial statements as follows:

Cash and Investments	
Governmental Activities	\$ 113,678,641
Business-Type Activities	62,613,263
Fiduciary Funds	<u>11,044,384</u>
	<u>187,336,288</u>
Restricted Cash and Investments	
Governmental Activities	60,396,433
Business-Type Activities	4,007,903
Fiduciary Funds	<u>6,622,876</u>
	<u>71,027,212</u>
Total Cash and Investments	<u><u>\$ 258,363,500</u></u>

NOTE # 3 – CASH AND INVESTMENTS (Continued)

B. INVESTMENTS

The City apportions interest earnings to all funds based on their monthly cash balance in accordance with California Government Code Section 53635. The table below identifies the investment types authorized for the City by the City’s investment policy, which is more restrictive than California Government Code 53635. The table also identifies certain provisions of the City’s investment policy which address interest rate risk, credit risk and concentration of risk. This table includes permitted investments for the management of the City’s cash. In addition, these guidelines are used for the investments of debt proceeds held by bond trustees, which are governed by the provision of the City’s debt agreements.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker’s Acceptances	180 days	40%	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	\$50M/Account	\$50M/Account
California Asset Management Program	N/A	N/A	N/A
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 87% 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, 2010, 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	\$ 9,545,563	A+	5%
Medium Term Corporate Notes	6,533,870	AA+	3%
Medium Term Corporate Notes	4,471,530	AA-	2%
Commercial Paper	20,775,667	AAA	11%
Federal Agency Bonds / Notes	83,112,373	AAA	42%
Federal Agency Bonds / Notes	5,068,721	A-1+	3%
Money Market Mutual Funds	21,975,203	AAAm	11%
California Asset Management Program	44,827,592	AAAm	23%
Total Rated Investments	<u>196,310,519</u>		
U.S. Treasury Bonds / Notes	42,591,007	Not Rated	
Local Agency Investment Fund	16,781,355	Not Rated	
Money Market Funds	3,577,838	Not Rated	
Guaranteed Investment Contracts	905,238	Not Rated	
Total Unrated Investments	<u>63,855,438</u>		
Total Investments	<u>\$ 260,165,957</u>		

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

Issuers*	Fair Value	% of Portfolio
Federal Home Loan Mortgage Corp.	\$ 39,991,723	15.37
Federal Home Mortgage Association	34,358,790	13.21
Federal Home Loan Bank	13,830,581	5.32

* 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, 83% 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	\$ 42,591,007	\$ 7,643,280	\$ -	\$ 30,681,390	\$ 4,266,337	16.37
Medium-Term Corporate Notes	20,550,963	-	1,000,533	-	19,550,430	7.90
Federal Agency Bonds/Notes**	88,181,094	15,227,257	9,053,624	42,787,701	21,112,512	33.89
Commercial Paper	20,775,667	-	-	20,775,667	-	7.99
Local Agency Investment Funds	16,781,355	16,781,355	-	-	-	6.45
California Asset Management Program	44,827,592	44,827,592	-	-	-	17.23
Money Market Mutual Funds	21,975,203	21,975,203	-	-	-	8.44
Money Market Funds	3,577,838	3,577,838	-	-	-	1.38
Guaranteed Investments Contracts	905,238	905,238	-	-	-	0.35
Totals	\$ 260,165,957	\$ 110,937,763	\$ 10,054,157	\$ 94,244,758	\$ 44,929,279	
% of Portfolio		42.64	3.87	36.22	17.27	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.

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, 2010, the amortized cost of the pool was \$69,441,630,091. The fair value was \$69,555,776,576. 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.

NOTE # 3 – CASH AND INVESTMENTS (Continued)

D. CALIFORNIA ASSET MANAGEMENT PROGRAM

The City is a participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the “Trust”). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California Government Code Sections 6500 et seq., or the “Act”) for the purpose of exercising the common power of its Participants to invest certain proceeds of debt issues and surplus funds. The Pool’s investments are limited to investments permitted by subdivisions (a) to (n), inclusive, of Section 53601 of the California Government Code. The City reports its investments in CAMP at the fair market value amounts provided by CAMP, which is the same as the value of the pool share. At June 30, 2010 the fair market value approximated is the City’s cost.

E. 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.

F. 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 \$16,781,355 whose pro-rata share of fair value was estimated by the State Treasurer to be \$16,808,940. 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, 2010 were comprised of the following:

	Taxes	Accounts	Inter- Governmental	Interest	Utilities	Loans	Total Receivables
Governmental Activities:							
General Fund	\$ 243,751	\$ 1,090,867	\$ -	\$ 2,812	\$ -	\$ -	\$ 1,337,430
Internal Services	-	16,515	-	2,551	-	-	19,066
Special Revenue	-	583,259	25,994	2,323	-	2,130,722	2,742,298
Debt Service	-	-	-	1,105	-	-	1,105
Capital Projects	-	76,745	-	3,516	-	-	80,261
Total Governmental Activities	<u>\$ 243,751</u>	<u>\$ 1,767,386</u>	<u>\$ 25,994</u>	<u>\$ 12,307</u>	<u>\$ -</u>	<u>\$ 2,130,722</u>	<u>\$ 4,180,160</u>
Business - Type Activities:							
Wastewater	\$ -	\$ 221,063	\$ -	\$ 2,520	\$ 1,322,612	\$ -	\$ 1,546,195
Solid Waste	-	4,419	-	1,179	1,534,856	-	1,540,454
Water	-	454,774	-	1,760	1,913,503	175,500	2,545,537
City Rentals	-	88,204	-	-	-	-	88,204
Housing	-	22,363	-	777	-	948,349	971,489
Total Business-Type Activities	<u>\$ -</u>	<u>\$ 790,823</u>	<u>\$ -</u>	<u>\$ 6,236</u>	<u>\$ 4,770,971</u>	<u>\$ 1,123,849</u>	<u>\$ 6,691,879</u>

NOTE # 4 – ACCOUNTS, NOTES AND LOANS RECEIVABLE (Continued)

Loans Receivable at June 30, 2010 were comprised of the following:

Government - Type Activities:	
PEG Media	\$ 100,000
Loans Under Redevelopment Agency Programs	<u>2,030,722</u>
Subtotal Governmental Funds	2,130,722
Less: Reservation for Loans Expected to be Forgiven	<u>2,030,722</u>
Net Notes Receivable	<u><u>\$ 100,000</u></u>
Business - Type Activities:	
Diablo Water District	\$ 175,500
Down Payment Assistance Loans	<u>948,349</u>
Net Notes Receivable	<u><u>\$ 1,123,849</u></u>

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 \$750,000 in funding through June 30, 2010. The remaining \$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 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. These balances have 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, 2010.

NOTE # 4 – ACCOUNTS, NOTES AND LOANS RECEIVABLE (Continued)

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 \$175,500, with \$58,500 due within one year.

Down Payment Assistance and GAP Loans – The City has established a first time homebuyers down payment assistance program for the benefit of first time homebuyers in the City of Brentwood 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 \$948,349, 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, 2010 are as follows:

	Balance July 1, 2009	Increases	Decreases	Transfers	Balance June 30, 2010
Governmental Activities :					
Capital Assets, Not Being Depreciated or Amortized:					
Land	\$ 33,058,115	\$ -	\$ -	\$ 996,356	\$ 34,054,471
Work in Progress - CIP	46,237,055	9,534,182	-	(30,670,986)	25,100,251
Total Capital Assets, Not Being Depreciated or Amortized	79,295,170	9,534,182	-	(29,674,630)	59,154,722
Capital Assets, Being Depreciated and Amortized:					
Intangible Assets	5,745,000	513,156	-	-	6,258,156
Buildings	20,457,194	-	(2,541,110)	779,936	18,696,020
Infrastructure	347,653,817	3,563,615	-	28,888,934	380,106,366
Machinery and Equipment	3,984,302	477,713	(56,154)	-	4,405,861
Vehicles	7,177,561	472,459	(309,909)	-	7,340,111
Land Improvements	27,138,715	-	(35,500)	5,760	27,108,975
Total Capital Assets Being Depreciated and Amortized	412,156,589	5,026,943	(2,942,673)	29,674,630	443,915,489
Less Accumulated Depreciation and Amortization for:					
Intangible Assets	273,539	222,595	-	-	496,134
Buildings	3,108,848	408,298	(1,053,049)	-	2,464,097
Infrastructure	48,631,464	5,348,520	-	-	53,979,984
Machinery and Equipment	1,925,820	304,060	(49,671)	-	2,180,209
Vehicles	4,047,995	743,910	(309,909)	-	4,481,996
Land Improvements	1,277,122	515,187	(20,413)	-	1,771,896
Total Accumulated Depreciation and Amortization	59,264,788	7,542,570	(1,433,042)	-	65,374,316
Total Capital Assets, Being Depreciated and Amortized, Net	352,891,801	(2,515,627)	(1,509,631)	29,674,630	378,541,173
Governmental Activities Capital Assets, Net	\$ 432,186,971	\$ 7,018,555	\$ (1,509,631)	\$ -	\$ 437,695,895
Business-Type Activities :					
Capital Assets, Not Being Depreciated or Amortized:					
Land	\$ 2,034,202	\$ -	\$ -	\$ -	\$ 2,034,202
Work in Progress - CIP	2,487,021	988,861	-	(714,495)	2,761,387
Total Capital Assets, Not Being Depreciated or Amortized	4,521,223	988,861	-	(714,495)	4,795,589
Capital Assets, Being Depreciated and Amortized:					
Intangible Assets	10,597,532	-	-	-	10,597,532
Buildings	24,813,632	-	-	-	24,813,632
Infrastructure	212,725,054	2,621,587	(344,033)	714,495	215,717,103
Machinery and Equipment	1,160,407	-	(5,222)	-	1,155,185
Land Improvements	10,701,186	-	-	-	10,701,186
Total Capital Assets Being Depreciated and Amortized	259,997,811	2,621,587	(349,255)	714,495	262,984,638
Less Accumulated Depreciation and Amortization for:					
Intangible Assets	1,333,499	259,193	-	-	1,592,692
Buildings	2,723,615	495,203	-	-	3,218,818
Infrastructure	19,529,874	3,282,025	(186,307)	-	22,625,592
Machinery and Equipment	736,139	81,375	(5,222)	-	812,292
Land Improvements	800,327	248,687	-	-	1,049,014
Total Accumulated Depreciation and Amortization	25,123,454	4,366,483	(191,529)	-	29,298,408
Total Capital Assets, Being Depreciated and Amortized, Net	234,874,357	(1,744,896)	(157,726)	714,495	233,686,230
Business-Type Activities Capital Assets, Net	\$ 239,395,580	\$ (756,035)	\$ (157,726)	\$ -	\$ 238,481,819

NOTE # 5 – CAPITAL ASSETS (Continued)

For the year ended June 30, 2010, depreciation expense on capital assets was charged to the governmental function as follows:

Governmental Activities:	
General Government	\$ 810,856
Public Safety	322,890
Community Development	4,780
Public Works	4,257,541
Parks and Recreation	1,173,639
Internal Service	972,864
Total Depreciation and Amortization Expense - Governmental Activities	<u><u>\$ 7,542,570</u></u>
Business-Type Activities:	
Wastewater	\$ 1,448,335
Solid Waste	70,903
Water	2,815,914
Housing	31,331
Total Depreciation and Amortization Expense - Business-Type Activities	<u><u>\$ 4,366,483</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, 1993, \$513,156 for the BUSD Gym located at Bristow Middle School.
- 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, 2009	Additions	Payments Adjustments	Balance June 30, 2010	Amounts Due Within One Year
Bonds					
2002 General Obligation Bonds	\$ 6,513,343	\$ 226,440 ⁽¹⁾	\$ (205,000)	\$ 6,534,783	\$ 230,000
CIP 2001 Revenue Bonds	27,645,000		(755,000)	26,890,000	780,000
Civic Center Project Lease Revenue Bonds	-	48,000,000	-	48,000,000	-
Total Bonds	<u>34,158,343</u>	<u>48,226,440</u>	<u>(960,000)</u>	<u>81,424,783</u>	<u>1,010,000</u>
Notes Payable					
Village Community Resource Center	161,538	-	(86,131)	75,407	75,407
Heritage High Joint Use Pool	1,366,574	-	(1,366,574)	-	-
Total Notes Payable	<u>1,528,112</u>	<u>-</u>	<u>(1,452,705)</u>	<u>75,407</u>	<u>75,407</u>
Other					
Net OPEB Obligation	1,907,585	2,039,740	-	3,947,325	-
Accumulated Compensated Absences	1,153,922	1,480,653	(1,437,691)	1,196,884	718,130
Total Other	<u>3,061,507</u>	<u>3,520,393</u>	<u>(1,437,691)</u>	<u>5,144,209</u>	<u>718,130</u>
Total General Long-Term Debt	<u>\$ 38,747,962</u>	<u>\$ 51,746,833</u>	<u>\$ (3,850,396)</u>	<u>\$ 86,644,399</u>	<u>\$ 1,803,537</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
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	360,000	63,262	423,262
2016-2020	1,460,684	997,041	2,457,725
2021-2025	961,214	2,173,786	3,135,000
2026-2030	918,813	3,086,187	4,005,000
2031	179,265	745,735	925,000
Sub-total	4,984,976	<u>\$ 7,468,311</u>	<u>\$ 12,453,287</u>
Accretion to date	<u>1,549,807</u>		
	<u>\$ 6,534,783</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 3.00 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 \$29,858,572 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 2010, tax increment revenue amounted to \$4,976,783, which represented coverage of 3.63 times \$1,369,869 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 June 30	Principal	Interest	Total
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	925,000	1,156,106	2,081,106
2016-2020	5,295,000	5,070,491	10,365,491
2021-2025	6,815,000	3,520,431	10,335,431
2026-2030	7,395,000	1,682,875	9,077,875
2031-2032	3,135,000	158,625	3,293,625
Total	\$ 26,890,000	\$ 16,591,143	\$ 43,481,143

NOTE # 6 – LONG-TERM OBLIGATIONS (Continued)

- **Civic Center Project Lease Revenue Bond**

On October 16, 2009, the Brentwood Infrastructure Financing Authority (BIFA) issued \$48,000,000 in Civic Center Project Lease Revenue Bonds, Series 2009A \$4,055,000 and Taxable Series 2009B \$43,945,000 to finance the construction of a new City Hall, Community Center, Senior Center, library improvements and other public capital improvements. Total annual debt service payments, including interest at 3.00 percent to 7.647 percent (prior to Federal interest rebates as described below) range from \$3,130,976 to \$4,350,204.

The Civic Center Project Lease Revenue Bonds, Series 2009A&B, are secured by a lien on and pledge of revenues under the Trust Agreement. “Revenues” means all amounts received by the Trustee as payment on principal and interest. The City’s revenue sources, as described in the Official Statement, are from the Redevelopment Agency that has pledged payments pursuant to the reimbursement agreement, pledged payments from the CFD local obligations and pledged payments from the CIFP revenues. However, should these revenue sources not be sufficient to cover the principal and interest payments due in any year, the City is obligated under the facilities lease to pay such shortfall from the General Fund.

The taxable 2009B portion of the bonds were sold as “Build America Bonds” pursuant to the American Recovery and Reinvestment Act of 2009. The interest on Build America Bonds is not tax-exempt and therefore the bonds carry a higher interest rate. However, this higher interest rate will be offset by a subsidy payable by the United States Treasury to BIFA or its designee equal to 35 percent of the interest payable on the bonds. Such subsidy will be payable on or about the date that the City makes its debt service payments and the total subsidy received in fiscal year 2009/10 was \$482,885.

Year Ending	Principal	Interest	Total
June 30			
2011	\$ -	\$ 3,374,704	\$ 3,374,704
2012	-	3,374,704	3,374,704
2013	625,000	3,365,329	3,990,329
2014	645,000	3,346,279	3,991,279
2015	665,000	3,323,305	3,988,305
2016-2020	5,630,000	15,892,842	21,522,842
2021-2025	6,895,000	13,954,679	20,849,679
2026-2030	8,625,000	11,189,754	19,814,754
2031-2035	10,955,000	7,511,880	18,466,880
2036-2039	13,960,000	2,772,802	16,732,802
Total	\$ 48,000,000	\$ 68,106,278	\$ 116,106,278

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 annual payment of \$75,407 shall be made on or before June 30, 2011.

• 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 agreed to pay \$2,500,000 to the school district for these joint facilities no later than July 31, 2009. The final remaining payment of \$1,366,574 was paid to Liberty Union High School District on July 29, 2009.

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 71 – 75.

iv. Accumulated Compensated Absences

The long-term compensated absences balances at June 30, 2010 are:

Governmental	\$ 478,754
Business-Type	\$ 119,035

NOTE # 6 – LONG-TERM OBLIGATIONS (Continued)

B. BUSINESS-TYPE ACTIVITIES

	Balance June 30, 2009	Additions	Payments Adjustments	Balance June 30, 2010	Amounts Due Within One Year
Bonds					
Water Revenue Bond 2008	\$ 52,780,000	\$ -	\$ (280,000)	\$ 52,500,000	\$ 300,000
Total Bonds	52,780,000	-	(280,000)	52,500,000	300,000
Notes Payable					
CCWD Water Connection Fee	7,691,719	583,638	(842,912)	7,432,445	-
State Water Resources Loan (Wastewater)	28,000,554	-	(1,775,856)	26,224,698	1,807,912
Total Notes Payable	35,692,273	583,638	(2,618,768)	33,657,143	1,807,912
Other					
Net OPEB Obligation	553,372	597,803	-	1,151,175	-
Accumulated Compensated Absences	322,151	446,032	(470,598)	297,585	178,550
Total Other	875,523	1,043,835	(470,598)	1,448,760	178,550
Total All Business-Type Funds	\$ 89,347,796	\$ 1,627,473	\$ (3,369,366)	\$ 87,605,903	\$ 2,286,462

NOTE # 6 – LONG-TERM OBLIGATIONS (Continued)

i. Bonds

• **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, 2010 is \$52,500,000. Future payments for these bonds are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,255,000	2,728,238	3,983,238
2016-2020	7,345,000	12,578,175	19,923,175
2021-2025	9,625,000	10,301,175	19,926,175
2026-2030	9,700,000	7,574,000	17,274,000
2031-2035	11,910,000	4,695,163	16,605,163
2036-2038	8,920,000	1,044,775	9,964,775
Total	<u>\$ 52,500,000</u>	<u>\$ 50,341,550</u>	<u>\$ 102,841,550</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 \$102,841,550. The Water Fund’s principal and interest paid for the current year was \$3,195,363 and the total customer net revenues paid for the current year was \$4,340,460.

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, 2010, was \$3,433 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 \$842,912 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, 2010, the City’s gross repayment obligation totaled \$29,656,835 and is being reported in the accompanying financial statement net of the unamortized discount of \$3,432,137. During FY 2009/10, the City repaid \$1,775,856 on the obligation and amortized \$505,439 of the discount which was reported as interest expense.

Year Ending	Principal	Interest	Total
June 30			
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	1,942,028	339,267	2,281,295
2016-2020	10,248,803	1,157,672	11,406,475
2021-2023	6,604,043	239,842	6,843,885
Total	<u>\$ 26,224,698</u>	<u>\$ 3,432,137</u>	<u>\$ 29,656,835</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)

Special Assessment District Bonds	Assessment District Debt
Brentwood Infrastructure Financing Authority - 1996 Reassessment Bonds, Series A and B • Dated December 20, 1996 • Annual debt service payments, including interest at 4.05 percent to 6.80 percent, range from \$707,720 to \$763,230 • Final payment due September 2017	\$ 9,250,000
Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2002 A & B (Refinancing of CIPF's 98-1 and 99-1) • Dated June 20, 2002 • Annual debt service payments, including interest at 2.50 percent to 6.15 percent, range from \$636,000 to \$1,332,718 • Final payment due September 2029	15,992,000
Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2004 A & B (Refinancing of CIPF 94-1) • Dated February 12, 2004 • Annual debt service payments, including interest at 2.00 percent to 5.50 percent, range from \$826,735 to \$2,407,520 • Final payment due September 2029	29,364,000
Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2004 C (Refinancing of CIPF 2000-1) • Dated November 19, 2004 • Annual debt service payments, including interest at 2.00 percent to 4.75 percent, range from \$796,706 to \$818,338 • Final payment due September 2030	10,695,000
Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2005 A & B (Refinancing of CIPF 2002-1) • Dated June 16, 2005 • Annual debt service payments, including interest at 2.50 percent to 5.15 percent, range from \$1,046,784 to \$1,057,496 • Final payment due September 2032	14,582,000
Brentwood Infrastructure Financing Authority - CIPF 2005-1 Infrastructure Revenue Bonds, Series 2005 • Dated August 3, 2005 • Annual debt service payments, including interest at 3.00 percent to 5.15 percent, range from \$2,616,165 to \$2,621,171 • Final payment due September 2035	37,415,000
Brentwood Infrastructure Financing Authority - CIPF 2006-1 Infrastructure Revenue Bonds, Series 2006 • Dated August 16, 2006 • Annual debt service payments, including interest at 3.90 percent to 5.20 percent, range from \$1,134,205 to \$1,139,455 • Final payment due September 2036	16,010,000
Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2006 A&B (Refinancing of CIPF 2003-1 & 2004-1) • Dated January 11, 2007 • Annual debt service payments, including interest at 3.63 percent to 5.00 percent, range from \$825,608 to \$1,905,000 • Final payment due September 2034	34,215,000
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	815,000
Total Assessment District Debt	\$ 168,338,000

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. FUNDING 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 2009/10 was 14.403 percent for miscellaneous employees and 27.463 percent for safety employees. The contribution requirements of the plan members are established by State Statute and the employer contribution rate is established and may be amended by CalPERS. For fiscal year 2009/10, the City of Brentwood paid both the member contribution amounts and the employer contribution amounts for all full-time, benefited, active plan members.

NOTE # 9 – DEFINED BENEFIT PENSION PLAN (Continued)

C. ANNUAL PENSION COST

For fiscal year 2009/10, the City of Brentwood’s annual pension cost was \$5,686,960. This amount equals the City’s required and actual contributions. The required contribution for fiscal year 2009/10 was determined as part of the June 30, 2007 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
6/30/2008	\$ 3,447,472	100%	\$ -
6/30/2009	\$ 3,607,586	100%	\$ -
6/30/2010	\$ 3,488,116	100%	\$ -

Safety:

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2008	\$ 1,879,249	100%	\$ -
6/30/2009	\$ 2,028,573	100%	\$ -
6/30/2010	\$ 2,198,844	100%	\$ -

E. FUNDING STATUS

As of the June 30, 2008 valuation date, the most recent available, the funding status of the Miscellaneous Plan is 82.9% and the Safety Plan is 85.8%. Multi-year trend information about the actuarial value of plan assets can be found in the Defined Benefit Pension Plan section of the Required Supplementary Information.

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 (\$29 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 as of June 30, 2010 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, 65 retirees are receiving these benefits. The City pays up to \$1,084.89 per month for health insurance for miscellaneous retirees and up to \$1,108.92 per month for safety retirees. During fiscal year 2009/10, expenditures of \$570,457 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 chose 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 increase pre-funding annually, beginning in fiscal year 2010/11, until 85% of the full ARC is reached in 2017/18. There are no employee contributions. For fiscal year 2009/10, the City paid \$570,457 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	\$ 3,303,000
Interest on Net OPEB Obligation	105,000
Adjustment to Annual Required Contribution	<u>(200,000)</u>
Annual OPEB Cost (Expense)	3,208,000
Contributions (Benefit Payments)	<u>570,457</u>
Increase in Net OPEB Obligation	2,637,543
Net OPEB Obligation – July 1, 2009	<u>2,460,957</u>
Net OPEB Obligation – June 30, 2010	<u><u>\$ 5,098,500</u></u>

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for the last two fiscal years 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
6/30/2010	\$ 3,208,000	17.8%	\$ 5,098,500

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)	\$ 22,885,000
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>22,885,000</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	106%

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.

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

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 3.00% annual 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, PASS-THROUGH PAYMENTS, AND SUPPLEMENTAL EDUCATION REVENUE AUGMENTATION FUND

A. TAX SHARING AGREEMENTS

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

The Brentwood Redevelopment Agency entered into tax-sharing agreements for the North Brentwood Redevelopment Project Area with the Contra Costa Community College District, the East Bay Regional Park District and the Byron/Brentwood/Knightsen Union Cemetery District. The agreements call for a pass-through of their negotiated share of the tax increment revenue. The pass-through amounts from these agreements are currently subordinated to other Agency debt. All payments due to date have been paid annually.

NOTE # 12 – BRENTWOOD REDEVELOPMENT AGENCY TAX SHARING AGREEMENTS, PASS-THROUGH PAYMENTS, AND SUPPLEMENTAL EDUCATION REVENUE AUGMENTATION FUND (Continued)

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

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

The Brentwood Redevelopment Agency paid a total of \$967,575 in negotiated pass-through payments for the 2009/10 fiscal year.

B. 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 \$241,314 in statutory pass-through payments for the 2009/10 fiscal year.

NOTE # 12 – BRENTWOOD REDEVELOPMENT AGENCY TAX SHARING AGREEMENTS, PASS-THROUGH PAYMENTS, AND SUPPLEMENTAL EDUCATION REVENUE AUGMENTATION FUND (Continued)

C. SUPPLEMENTAL EDUCATIONAL REVENUE AUGMENTATION FUND

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 two fiscal years, with \$1.7 billion paid in FY 2009/10 and \$350 million being paid in FY 2010/11. The Brentwood Redevelopment Agency paid \$2,627,299 in FY 2009/10 and is required to pay \$540,397 in FY 2010/11. The State Department of Finance determines 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. The California Redevelopment Association has filed for an appeal against the SERAF payments mandated by Assembly Bill x4-26. The outcome of the appeal is uncertain at this time.

NOTE # 13 – PROPOSITION 1A BORROWING BY THE STATE OF CALIFORNIA

Under the provisions of Proposition 1A and as a part of the fiscal year 2009/10 budget package passed by the California state legislature on July 28, 2009, the State of California borrowed 8% of the amount of property tax revenue, including those property taxes associated with the in-lieu motor vehicle license fee, the triple flip in-lieu sales tax, and supplemental property tax, apportioned to cities, counties and special districts (excluding redevelopment agencies). The State is required to repay this borrowing plus interest by June 30, 2013. After repayment of this initial borrowing, the California legislature may consider only one additional borrowing within a ten year period. The amount of this borrowing pertaining to the City of Brentwood was \$1,161,368.

Authorized with the fiscal year 2009/10 State budget package, the Proposition 1A Securitization Program was instituted by the California Statewide Communities Development Authority (California Communities), a joint powers authority sponsored by the California State Association of Counties and the League of California Cities, to enable local governments to sell their Proposition 1A receivables to California Communities.

Under the Securitization Program, California Communities simultaneously purchased the Proposition 1A receivables and issued bonds (Prop 1A Bonds) to provide local agencies with cash proceeds in two equal installments, on January 15, 2010 and May 3, 2010. The purchase price paid to the local agencies equaled 100% of the amount of the property tax reduction. All transaction costs of issuance and interest were paid by the State of California. Participating local agencies have no obligation on the bonds and no credit exposure to the State. The City participated in the securitization program and accordingly property taxes have been recorded in the same manner as if the State had not exercised its rights under Proposition 1A. The receivable sale proceeds were equal to the book value and, as a result, no gain or loss was recorded.

NOTE # 14 – 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, 2010 which is likely to have a material adverse affect on the financial position of the City.

B. FEDERAL GRANTS

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

C. DEVELOPER FEE CREDITS

The City entered into several agreements with various developers and merchant builders who are developing residential and commercial projects throughout the City. The City agreed to grant the developer’s impact fee credits since the developers constructed certain improvements beyond what was needed to serve their specific projects. The value of credits does not increase for inflation nor do they accrue interest. Any unused credits may be used by the developers on other projects located elsewhere in the City. The value of the credits as of June 30, 2010 was \$29,005,415, after a total of \$1,543,667 was used as credits through fiscal year 2009/10. 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, 2010, the City had the following commitments with respect to unfinished capital projects:

<u>Project Name</u>	<u>Outstanding Commitment</u>
Civic Center Plaza	\$ 645,234
New Community Center	7,708,390
New City Hall	14,328,446
Civic Center Parking Facility	5,395,937
John Marsh Home Rehabilitation	522,713
City Park	1,041,401
	<u>\$ 29,642,121</u>

NOTE # 15 – SUBSEQUENT EVENTS

In August 2010, the City Council authorized an amendment to the contract between the City and the California Public Employees' Retirement System in order to establish a Tier 2 retirement benefits structure. The newly established Tier 2 became effective for new Miscellaneous employees hired on or after October 1, 2010. The amended benefits for the Tier 2 structure include: 1) Changing the retirement benefit plan from 2.7% at 55 to 2% at 60; 2) Amending the time period used to calculate pension benefits from highest one year salary to an average of the three year final compensation; 3) Lowering the annual cost of living allowance increase from 5% to 2%; and 4) Requiring that all employees in Tier 2 pay the entire portion of the CalPERS employee required contribution.

The City estimates that the savings associated from this action will be minor for the next several years, however, will become substantial over the longer term as current employees turn over and are replaced by new employees with the reduced benefit structure.



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Budgetary Comparison Schedule, General Fund
 For Year Ended June 30, 2010

	Budget Amounts		Actual	Variance
	Original Budget	Final Budget		
REVENUES				
Taxes	\$ 13,706,026	\$ 13,706,026	\$ 13,670,774	\$ (35,252)
Licenses	538,000	538,000	494,958	(43,042)
Permits and Fines	2,025,805	2,025,805	2,419,184	393,379
Uses of Money and Property	1,169,439	1,169,439	841,953	(327,486)
Intergovernmental	4,240,003	3,691,426	3,597,583	(93,843)
Franchises	1,141,492	1,141,492	1,168,412	26,920
Charges for Other Services	406,077	406,077	437,338	31,261
Charges to Other Funds	6,201,293	6,201,293	6,101,449	(99,844)
Fees and Other Revenues	1,460,570	1,460,570	1,110,596	(349,974)
Total Revenues	30,888,705	30,340,128	29,842,247	(497,881)
EXPENDITURES				
Current:				
General Government	5,746,958	5,624,460	5,050,152	574,308
Public Safety	15,079,931	15,079,931	14,851,292	228,639
Community Development	2,922,129	2,922,129	2,679,783	242,346
Engineering	2,673,616	2,673,616	2,124,818	548,798
Public Works	2,404,648	2,404,648	2,342,121	62,527
Parks and Recreation	4,677,222	4,663,589	4,094,709	568,880
Community Services	572,478	572,478	522,597	49,881
Debt Service:				
Principal	86,131	86,131	86,131	-
Total Expenditures	34,163,113	34,026,982	31,751,603	2,275,379
REVENUES OVER (UNDER) EXPENDITURES	(3,274,408)	(3,686,854)	(1,909,356)	1,777,498
OTHER FINANCING SOURCES (USES)				
Transfers In	3,989,240	3,989,240	6,043,059	2,053,819
Transfers Out	(1,965,206)	(6,406,203)	(4,384,599)	2,021,604
Total Other Financing Sources (Uses)	2,024,034	(2,416,963)	1,658,460	4,075,423
NET CHANGE IN FUND BALANCES	\$ (1,250,374)	\$ (6,103,817)	(250,896)	\$ 5,852,921
Fund Balance, Beginning of Year			15,584,818	
Fund Balance, End of Year			\$ 15,333,922	



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 Funds and Proprietary Funds. 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
6/30/2006	\$ 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%
6/30/2008	\$ 49,977,718	\$ 41,409,270	\$ 8,568,448	82.9%	\$ 16,346,454	52.4%

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
6/30/2006	\$ 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%
6/30/2008	\$ 8,700,467,733	\$ 7,464,927,716	\$ 1,235,540,017	85.8%	\$ 914,840,596	135.1%

The City's Safety Plan represents approximately 0.63%, 0.62% and 0.63% of the State-wide pool for the years ended June 30, 2008, 2007 and 2006 respectively, based on covered payroll of \$5,724,198, \$5,161,651 and \$4,719,000 for those years.



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City of Brentwood

Combining Balance Sheet
Non-Major Governmental Funds
 June 30, 2010

Special Revenue Funds

	Thoroughfares	Gas Tax	Police Grants	Other Grants	Citywide Parks Districts	Community Facilities Districts	Community Facilities	Vehicle Abatement
ASSETS								
Cash and Investments	\$ 3,028,832	\$ 4,554	\$ 175,422	\$ 13,192	\$ 537,421	\$ 33,097	\$ 1,016,988	\$ 36,828
Restricted Cash and Investments	-	-	-	-	-	-	-	-
Receivables	348,161	-	26,014	21	90	1	170,794	2
Prepays	-	-	-	-	817	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-
Interfund Advance Receivable	97,069	-	-	-	-	-	-	-
Total Assets	\$ 3,474,062	\$ 4,554	\$ 201,436	\$ 13,213	\$ 538,328	\$ 33,098	\$ 1,187,782	\$ 36,830
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts Payable and Accrued Liabilities	\$ 2,811	\$ -	\$ 625	\$ -	\$ 177,720	\$ -	\$ 1,424	\$ 2
Due to Other Funds	-	-	-	-	-	-	-	-
Deferred Revenue	444,934	-	-	-	-	-	170,708	-
Deposits Held	-	-	-	-	-	-	-	-
Total Liabilities	447,745	-	625	-	177,720	-	172,132	2
Fund Balances:								
Nonspendable	-	-	-	-	817	-	-	-
Restricted	-	4,554	200,811	13,213	-	-	-	-
Committed	3,026,317	-	-	-	359,791	33,098	1,015,650	36,828
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balances	3,026,317	4,554	200,811	13,213	360,608	33,098	1,015,650	36,828
Total Liabilities and Fund Balances	\$ 3,474,062	\$ 4,554	\$ 201,436	\$ 13,213	\$ 538,328	\$ 33,098	\$ 1,187,782	\$ 36,830

Continued

Combining Balance Sheet
Non-Major Governmental Funds (Continued)
 June 30, 2010

Special Revenue Funds (Continued)

	Infrastructure Improvements	Storm Drainage	RDA Low Income Housing	PEG Media	Asset Forfeiture	Measure C / J	Facility Fee Administration	Parks and Trails
ASSETS								
Cash and Investments	\$ 5,805	\$ -	\$ 5,680,247	\$ 882,225	\$ 108,115	\$ 23,062	\$ 94,339	\$ -
Restricted Cash and Investments	-	-	-	-	-	-	-	-
Receivables	-	-	2,031,292	100,089	11	6	30,531	8,926
Prepays	-	-	411	-	-	-	-	-
Land Held for Resale	-	-	1,040,359	-	-	-	-	-
Interfund Advance Receivable	-	-	-	-	-	-	-	51,371
Total Assets	\$ 5,805	\$ -	\$ 8,752,309	\$ 982,314	\$ 108,126	\$ 23,068	\$ 124,870	\$ 60,297
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ 12,222	\$ 154	\$ 706	\$ 33	\$ 12	\$ -
Due to Other Funds	-	-	-	-	-	-	-	2,586,984
Deferred Revenue	-	-	2,030,722	100,000	-	-	30,522	60,296
Deposits Held	-	-	-	-	-	-	-	-
Total Liabilities	-	-	2,042,944	100,154	706	33	30,534	2,647,280
Fund Balances:								
Nonspendable	-	-	1,040,770	-	-	-	-	-
Restricted	-	-	5,668,595	882,160	107,420	23,035	94,336	-
Committed	5,805	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	(2,586,983)
Total Fund Balances	5,805	-	6,709,365	882,160	107,420	23,035	94,336	(2,586,983)
Total Liabilities and Fund Balances	\$ 5,805	\$ -	\$ 8,752,309	\$ 982,314	\$ 108,126	\$ 23,068	\$ 124,870	\$ 60,297

Continued

Combining Balance Sheet
Non-Major Governmental Funds (Continued)
 June 30, 2010

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								
Cash and Investments	\$ 776,490	\$ 40,152	\$ 606,335	\$ 31,666	\$ 839,219	\$ 4,593,949	\$ 26,374	\$ 3,854,486
Restricted Cash and Investments	-	-	-	-	-	-	-	-
Receivables	80	4	63	3	6,790	462	3	18,955
Prepays	-	-	-	600	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-
Interfund Advance Receivable	-	-	-	-	-	-	-	-
Total Assets	\$ 776,570	\$ 40,156	\$ 606,398	\$ 32,269	\$ 846,009	\$ 4,594,411	\$ 26,377	\$ 3,873,441
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts Payable and Accrued Liabilities	\$ 17,605	\$ 6	\$ 115	\$ 7	\$ 151	\$ 852	\$ 5	\$ 340,762
Due to Other Funds	-	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	6,706	-	-	15,957
Deposits Held	-	-	-	-	-	-	-	-
Total Liabilities	17,605	6	115	7	6,857	852	5	356,719
Fund Balances:								
Nonspendable	-	-	-	600	-	-	-	-
Restricted	758,965	40,150	606,283	31,662	839,152	4,593,559	26,372	3,516,722
Committed	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balances	758,965	40,150	606,283	32,262	839,152	4,593,559	26,372	3,516,722
Total Liabilities and Fund Balances	\$ 776,570	\$ 40,156	\$ 606,398	\$ 32,269	\$ 846,009	\$ 4,594,411	\$ 26,377	\$ 3,873,441

Continued

Combining Balance Sheet
Non-Major Governmental Funds (Continued)
 June 30, 2010

	Debt Service Funds			Capital Project Funds					
	Capital Improvement Program 2001	2002 General Obligation Bond	Civic Center Projects Revenue 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									
Cash and Investments	\$ 95,214	\$ 43,853	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Cash and Investments	2,147,175	-	8,753,010	-	-	8,763,438	3,737,604	399,892	4,388
Receivables	10	21	-	-	-	-	-	-	1
Prepays	-	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-	-
Interfund Advance Receivable	-	-	-	-	-	-	-	-	-
Total Assets	\$ 2,242,399	\$ 43,874	\$ 8,753,010	\$ -	\$ -	\$ 8,763,438	\$ 3,737,604	\$ 399,892	\$ 4,389
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts Payable and Accrued Liabilities	\$ 18	\$ 32	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2
Due to Other Funds	-	-	1,129,817	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-	-	-	-
Deposits Held	-	-	-	-	-	-	-	-	-
Total Liabilities	18	32	1,129,817	-	-	-	-	-	2
Fund Balances:									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	2,242,381	43,842	7,623,193	-	-	8,763,438	3,737,604	399,892	4,387
Committed	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balances	2,242,381	43,842	7,623,193	-	-	8,763,438	3,737,604	399,892	4,387
Total Liabilities and Fund Balances	\$ 2,242,399	\$ 43,874	\$ 8,753,010	\$ -	\$ -	\$ 8,763,438	\$ 3,737,604	\$ 399,892	\$ 4,389

Continued

City of Brentwood

Combining Balance Sheet
Non-Major Governmental Funds (Continued)
 June 30, 2010

Capital Project Funds (Continued)

	City Capital Improvement Financing Program	Park Improvement Projects	Drainage Improvement Projects	Street Improvement Projects	Economic Infrastructure Projects	Vineyards Projects	Redevelopment Projects	Total Non-Major Governmental Funds
ASSETS								
Cash and Investments	\$ -	\$ 1,729,133	\$ 196,222	\$ 6,288,570	\$ 6,381,551	\$ 1,918,210	\$ 4,987,690	\$ 44,049,241
Restricted Cash and Investments	28,719	2,598	-	-	-	-	-	23,836,824
Receivables	2	186	23	73,010	643	193	2,478	2,818,865
Prepays	-	-	-	-	-	-	1,748	3,576
Land Held for Resale	-	-	-	-	-	-	1,327,129	2,367,488
Interfund Advance Receivable	-	-	-	-	-	-	-	148,440
Total Assets	\$ 28,721	\$ 1,731,917	\$ 196,245	\$ 6,361,580	\$ 6,382,194	\$ 1,918,403	\$ 6,319,045	\$ 73,224,434
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts Payable and Accrued Liabilities	\$ 5	\$ 175,082	\$ 7,273	\$ 226,025	\$ -	\$ 355	\$ 39,857	\$ 1,003,861
Due to Other Funds	-	-	-	-	-	-	-	3,716,801
Deferred Revenue	-	-	-	-	-	-	-	2,859,845
Deposits Held	-	-	-	-	-	-	5,850	5,850
Total Liabilities	5	175,082	7,273	226,025	-	355	45,707	7,586,357
Fund Balances:								
Nonspendable	-	-	-	-	-	-	1,328,877	2,371,064
Restricted	28,716	1,556,835	188,972	6,135,555	6,382,194	1,918,048	4,944,461	61,376,507
Committed	-	-	-	-	-	-	-	4,477,489
Unassigned	-	-	-	-	-	-	-	(2,586,983)
Total Fund Balances	28,716	1,556,835	188,972	6,135,555	6,382,194	1,918,048	6,273,338	65,638,077
Total Liabilities and Fund Balances	\$ 28,721	\$ 1,731,917	\$ 196,245	\$ 6,361,580	\$ 6,382,194	\$ 1,918,403	\$ 6,319,045	\$ 73,224,434



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Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
 For Year Ended June 30, 2010

	Special Revenue Funds							
	Throughfares	Gas Tax	Police Grants	Other Grants	Citywide Parks Districts	Community Facilities Districts	Community Facilities	Vehicle Abatement
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,680,267	\$ -	\$ -	\$ -
Uses of Money and Property	72,445	301	5,181	1,842	11,704	2,981	14,026	214
Intergovernmental	-	845,715	171,484	-	-	-	-	-
Fees and Other Revenues	1,549,375	-	-	-	16,255	2,828,012	416,639	71,619
Total Revenues	1,621,820	846,016	176,665	1,842	1,708,226	2,830,993	430,665	71,833
EXPENDITURES								
Current:								
General Government	1,528,840	-	-	-	-	-	20,705	-
Public Safety	-	-	177,764	-	-	-	-	6
Community Development	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	2,398,892	-	-	-
Community Services	-	-	-	-	-	496,546	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Total Expenditures	1,528,840	-	177,764	-	2,398,892	496,546	20,705	6
REVENUES OVER (UNDER) EXPENDITURES	92,980	846,016	(1,099)	1,842	(690,666)	2,334,447	409,960	71,827
OTHER FINANCING SOURCES (USES)								
Issuance of Debt	-	-	-	-	-	20,210,526	-	-
Premium on Bonds Issued	-	-	-	-	-	54,388	-	-
Transfers In	1,458,162	-	-	-	638,546	-	5,954,081	-
Transfers Out	(7,300,565)	(867,200)	-	-	-	(22,674,173)	(5,490,380)	(35,000)
Total Other Financing Sources (Uses)	(5,842,403)	(867,200)	-	-	638,546	(2,409,259)	463,701	(35,000)
Net Change in Fund Balances	(5,749,423)	(21,184)	(1,099)	1,842	(52,120)	(74,812)	873,661	36,827
Fund Balance, Beginning of Year	8,775,740	25,738	201,910	11,371	412,728	107,910	141,989	1
Fund Balance, End of Year	\$ 3,026,317	\$ 4,554	\$ 200,811	\$ 13,213	\$ 360,608	\$ 33,098	\$ 1,015,650	\$ 36,828

Continued

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
 For Year Ended June 30, 2010

Special Revenue Funds (Continued)

	Infrastructure Improvements	Storm Drainage	RDA Low Income Housing	PEG Media	Asset Forfeiture	Measure C / J	Facility Fee Administration	Parks and Trails
REVENUES								
Taxes	\$ -	\$ -	\$ 1,244,196	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	154	65	133,828	20,815	1,802	5,244	1,451	-
Intergovernmental	-	-	-	-	-	450,256	-	-
Fees and Other Revenues	-	-	-	150,000	53,865	-	65,377	502,200
Total Revenues	154	65	1,378,024	170,815	55,667	455,500	66,828	502,200
EXPENDITURES								
Current:								
General Government	-	-	502,260	836	1,730	2,333	(709,529)	-
Public Safety	-	-	-	-	-	-	-	-
Community Development	6	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	894,345
Community Services	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	1,366,574
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Total Expenditures	6	-	502,260	836	1,730	2,333	(709,529)	2,260,919
REVENUES OVER (UNDER) EXPENDITURES	148	65	875,764	169,979	53,937	453,167	776,357	(1,758,719)
OTHER FINANCING SOURCES (USES)								
Issuance of Debt	-	-	-	-	-	-	-	-
Premium on Bonds Issued	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	38,539
Transfers Out	-	(3,820)	-	-	-	(452,210)	-	(260,765)
Total Other Financing Sources (Uses)	-	(3,820)	-	-	-	(452,210)	-	(222,226)
Net Change in Fund Balances	148	(3,755)	875,764	169,979	53,937	957	776,357	(1,980,945)
Fund Balance, Beginning of Year	5,657	3,755	5,833,601	712,181	53,483	22,078	(682,021)	(606,038)
Fund Balance, End of Year	\$ 5,805	\$ -	\$ 6,709,365	\$ 882,160	\$ 107,420	\$ 23,035	\$ 94,336	\$ (2,586,983)

Continued

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
 For Year Ended June 30, 2010

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	22,990	839	16,685	966	21,199	147,533	698	88,863
Intergovernmental	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	14,071	35,834	-	66,261	-	-	4,781,301
Total Revenues	22,990	14,910	52,519	966	87,460	147,533	698	4,870,164
EXPENDITURES								
Current:								
General Government	253,693	2,801	624	58,447	798	1,858,709	27	-
Public Safety	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	4,649,295
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Total Expenditures	253,693	2,801	624	58,447	798	1,858,709	27	4,649,295
REVENUES OVER (UNDER) EXPENDITURES	(230,703)	12,109	51,895	(57,481)	86,662	(1,711,176)	671	220,869
OTHER FINANCING SOURCES (USES)								
Issuance of Debt	-	-	-	-	-	-	-	-
Premium on Bonds Issued	-	-	-	-	-	-	-	-
Transfers In	-	-	-	1,005	-	-	-	-
Transfers Out	-	-	(64,744)	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	(64,744)	1,005	-	-	-	-
Net Change in Fund Balances	(230,703)	12,109	(12,849)	(56,476)	86,662	(1,711,176)	671	220,869
Fund Balance, Beginning of Year	989,668	28,041	619,132	88,738	752,490	6,304,735	25,701	3,295,853
Fund Balance, End of Year	\$ 758,965	\$ 40,150	\$ 606,283	\$ 32,262	\$ 839,152	\$ 4,593,559	\$ 26,372	\$ 3,516,722

Continued

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
 For Year Ended June 30, 2010

	Debt Service Funds			Capital Project Funds					
	Capital Improvement Program 2001	2002 General Obligation Bond	Civic Center Projects Revenue 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
REVENUES									
Taxes	\$ -	\$ 320,824	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	59,219	3,277	11,034	-	-	270	99	1,107	116
Intergovernmental	-	-	482,885	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	-	-	-	-	-	-
Total Revenues	59,219	324,101	493,919	-	-	270	99	1,107	116
EXPENDITURES									
Current:									
General Government	-	-	-	-	-	559,540	-	-	4
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	9,129	5,941	(653)	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	285,000	205,000	-	-	-	-	-	-	-
Interest and Fiscal Charges	432,694	126,756	1,443,624	-	-	-	-	-	-
Total Expenditures	726,823	337,697	1,442,971	-	-	559,540	-	-	4
REVENUES OVER (UNDER) EXPENDITURES	(667,604)	(13,596)	(949,052)	-	-	(559,270)	99	1,107	112
OTHER FINANCING SOURCES (USES)									
Issuance of Debt	-	-	-	-	-	-	-	-	-
Premium on Bonds Issued	-	-	-	-	-	-	-	-	-
Transfers In	698,569	-	8,576,373	-	-	-	-	-	-
Transfers Out	-	-	(4,128)	(22)	(10)	(1,048)	(30)	-	-
Total Other Financing Sources (Uses)	698,569	-	8,572,245	(22)	(10)	(1,048)	(30)	-	-
Net Change in Fund Balances	30,965	(13,596)	7,623,193	(22)	(10)	(560,318)	69	1,107	112
Fund Balance, Beginning of Year	2,211,416	57,438	-	22	10	9,323,756	3,737,535	398,785	4,275
Fund Balance, End of Year	\$ 2,242,381	\$ 43,842	\$ 7,623,193	\$ -	\$ -	\$ 8,763,438	\$ 3,737,604	\$ 399,892	\$ 4,387

Continued

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
 For Year Ended June 30, 2010

Capital Project Funds (Continued)

	City Capital Improvement Financing Program	Park Improvement Projects	Drainage Improvement Projects	Street Improvement Projects	Economic Infrastructure Projects	Vineyards Projects	Redevelopment Projects	Total Non-Major Governmental Funds
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,245,287
Uses of Money and Property	21,200	38,539	6,335	184,641	168,819	50,771	162,838	1,280,091
Intergovernmental	-	17,623	-	728,815	-	-	-	2,696,778
Fees and Other Revenues	1,078,452	-	8,500	24,144	-	-	-	11,661,905
Total Revenues	1,099,652	56,162	14,835	937,600	168,819	50,771	162,838	18,884,061
EXPENDITURES								
Current:								
General Government	354,368	110,743	-	1,263,099	-	1,952	2,251,605	8,063,585
Public Safety	-	-	-	-	-	-	-	177,770
Community Development	-	-	-	-	-	-	-	14,423
Parks and Recreation	-	-	-	-	-	-	-	3,293,237
Community Services	-	-	-	-	-	-	-	5,145,841
Capital Outlay	-	586,873	58,095	273,158	-	-	-	918,126
Debt Service:								
Principal	-	-	-	-	-	-	-	1,856,574
Interest and Fiscal Charges	-	-	-	-	-	-	-	2,003,074
Total Expenditures	354,368	697,616	58,095	1,536,257	-	1,952	2,251,605	21,472,630
REVENUES OVER (UNDER) EXPENDITURES	745,284	(641,454)	(43,260)	(598,657)	168,819	48,819	(2,088,767)	(2,588,569)
OTHER FINANCING SOURCES (USES)								
Issuance of Debt	15,157,896	-	-	-	-	-	12,631,578	48,000,000
Premium on Bonds Issued	40,791	-	-	-	-	-	33,993	129,172
Transfers In	1,500,000	5,942,338	-	936,168	6,213,375	-	2,380,990	34,338,146
Transfers Out	(18,892,436)	(38,539)	(6,335)	(1,588,691)	-	-	(14,900,145)	(72,580,241)
Total Other Financing Sources (Uses)	(2,193,749)	5,903,799	(6,335)	(652,523)	6,213,375	-	146,416	9,887,077
Net Change in Fund Balances	(1,448,465)	5,262,345	(49,595)	(1,251,180)	6,382,194	48,819	(1,942,351)	7,298,508
Fund Balance, Beginning of Year	1,477,181	(3,705,510)	238,567	7,386,735	-	1,869,229	8,215,689	58,339,569
Fund Balance, End of Year	\$ 28,716	\$ 1,556,835	\$ 188,972	\$ 6,135,555	\$ 6,382,194	\$ 1,918,048	\$ 6,273,338	\$ 65,638,077



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Combining Statement of Net Assets
All Internal Service Funds
 June 30, 2010

	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	\$ 3,238,299	\$ 127,318	\$ 8,254,438	\$ 1,079,008	\$ 1,511,927	\$ 8,342	\$ 119,951	\$ 405,444	\$ 3,551,597	\$ 5,226,840	\$ 5,612,563	\$ 29,135,727
Receivables	327	13	829	3,644	1,066	1	901	41	337	11,694	213	19,066
Prepays	-	2,570	-	-	-	-	5,289	800	-	-	-	8,659
Total Current Assets	3,238,626	129,901	8,255,267	1,082,652	1,512,993	8,343	126,141	406,285	3,551,934	5,238,534	5,612,776	29,163,452
Non-Current Assets:												
Machinery and Equipment	-	-	2,876,681	227,818	-	-	-	-	-	-	-	3,104,499
Vehicles	-	-	7,340,111	-	-	-	-	-	-	-	-	7,340,111
Less Accumulated Depreciation	-	-	(5,949,978)	(225,008)	-	-	-	-	-	-	-	(6,174,986)
Total Capital Assets, Net of Accumulated Depreciation	-	-	4,266,814	2,810	-	-	-	-	-	-	-	4,269,624
Total Non-Current Assets	-	-	4,266,814	2,810	-	-	-	-	-	-	-	4,269,624
Total Assets	3,238,626	129,901	12,522,081	1,085,462	1,512,993	8,343	126,141	406,285	3,551,934	5,238,534	5,612,776	33,433,076
LIABILITIES AND NET ASSETS												
Current Liabilities:												
Accounts Payable and Accrued Liabilities	55	14,729	3,531	4,538	272	3	32,208	40,186	13,319	873	-	109,714
Unearned Revenue	-	-	-	-	-	-	888	-	-	-	-	888
Compensated Absences Payable	-	46,858	-	-	-	-	17,581	13,430	-	-	-	77,869
Total Current Liabilities	55	61,587	3,531	4,538	272	3	50,677	53,616	13,319	873	-	188,471
Non-Current Liabilities Due in More Than One Year:												
Net OPEB Obligation	-	173,394	-	-	-	-	82,735	84,809	-	-	-	340,938
Compensated Absences Payable	-	31,239	-	-	-	-	11,720	8,953	-	-	-	51,912
Total Non-Current Liabilities	-	204,633	-	-	-	-	94,455	93,762	-	-	-	392,850
Total Liabilities	55	266,220	3,531	4,538	272	3	145,132	147,378	13,319	873	-	581,321
Net Assets:												
Invested in Capital Assets	-	-	4,266,814	2,810	-	-	-	-	-	-	-	4,269,624
Restricted for:												
Unrestricted	3,238,571	(136,319)	8,251,736	1,078,114	1,512,721	8,340	(18,991)	258,907	3,538,615	5,237,661	5,612,776	28,582,131
Total Net Assets	\$ 3,238,571	\$ (136,319)	\$ 12,518,550	\$ 1,080,924	\$ 1,512,721	\$ 8,340	\$ (18,991)	\$ 258,907	\$ 3,538,615	\$ 5,237,661	\$ 5,612,776	\$ 32,851,755

Combining Statement of Activities and Changes in Net Assets
All Internal Service Funds
 For Year Ended June 30, 2010

	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	\$ -	\$ 1,674,998	\$ 348,176	\$ 532,156	\$ 127,756	\$ 12,000	\$ 911,211	\$ 821,981	\$ 936,210	\$ 760,419	\$ -	\$ 6,124,907
Other Income	-	776	72,618	-	900	-	81	484	27,598	49,016	-	151,473
Total Operating Revenues	-	1,675,774	420,794	532,156	128,656	12,000	911,292	822,465	963,808	809,435	-	6,276,380
Operating Expenses:												
Personnel Services	2,627,778	1,403,640	-	-	-	-	583,212	550,987	-	-	-	5,165,617
Repairs and Maintenance	-	46	-	-	3,250	-	3,010	71,750	-	-	-	78,056
Materials, Supplies and Services	654	533,141	27,044	162,737	6,190	31,459	454,871	337,151	256,253	1,318,359	-	3,127,859
Depreciation and Amortization	-	-	967,945	4,919	-	-	-	-	-	-	-	972,864
Total Operating Expenses	2,628,432	1,936,827	994,989	167,656	9,440	31,459	1,041,093	959,888	256,253	1,318,359	-	9,344,396
Operating Income (Loss)	(2,628,432)	(261,053)	(574,195)	364,500	119,216	(19,459)	(129,801)	(137,423)	707,555	(508,924)	-	(3,068,016)
Non-Operating Revenue (Expenses):												
Interest Income	136,908	5,811	224,059	22,342	46,041	553	4,489	11,734	84,015	120,975	56,749	713,676
Total Non-Operating Revenues (Expenses)	136,908	5,811	224,059	22,342	46,041	553	4,489	11,734	84,015	120,975	56,749	713,676
Income (Loss) before Contributions and Transfers	(2,491,524)	(255,242)	(350,136)	386,842	165,257	(18,906)	(125,312)	(125,689)	791,570	(387,949)	56,749	(2,354,340)
Transfers In	918	-	-	90,000	-	-	-	-	249,999	-	3,500,000	3,840,917
Transfers Out	(138,846)	-	-	-	(73,067)	-	-	-	(284,366)	-	(43,973)	(540,252)
Change in Net Assets	(2,629,452)	(255,242)	(350,136)	476,842	92,190	(18,906)	(125,312)	(125,689)	757,203	(387,949)	3,512,776	946,325
Net Assets, Beginning 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
Net Assets, End of Year	\$ 3,238,571	\$ (136,319)	\$ 12,518,550	\$ 1,080,924	\$ 1,512,721	\$ 8,340	\$ (18,991)	\$ 258,907	\$ 3,538,615	\$ 5,237,661	\$ 5,612,776	\$ 32,851,755

Combining Statement of Cash Flows
All Internal Service Funds
For Year Ended June 30, 2010

	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	\$ -	\$ -	\$ -	\$ 12,432	\$ 61,839	\$ -	\$ (5,076)	\$ 15	\$ -	\$ -	\$ -	\$ 69,210
Cash Received from Interfund Services	-	1,675,774	420,794	532,156	128,656	12,000	911,292	822,465	963,808	760,420	-	6,227,365
Cash Payments to Suppliers of Goods and Services	(2,628,889)	(292,792)	(25,652)	(220,827)	(9,417)	(35,315)	(406,331)	(368,096)	(243,331)	(1,321,551)	-	(5,552,201)
Cash Payments to Employees for Services	-	(1,310,657)	-	-	-	-	(540,304)	(502,638)	-	-	-	(2,353,599)
Cash Payments for Interfund Services	-	(247,718)	-	9	-	-	(44,480)	(48,378)	-	-	-	(340,567)
Other Receipts/Payments	-	7,190	-	-	-	-	2,895	10,482	-	37,839	-	58,406
Net Cash Provided By (Used for) Operating Activities	(2,628,889)	(168,203)	395,142	323,770	181,078	(23,315)	(82,004)	(86,150)	720,477	(523,292)	-	(1,891,386)
Cash Flows from Non-Capital Financing Activities												
Transfers Received	918	-	-	90,000	-	-	-	-	249,999	-	3,500,000	3,840,917
Transfers Paid	(138,846)	-	-	-	(73,067)	-	-	-	(284,366)	-	(43,973)	(540,252)
Net Cash Provided By (Used for) Non-Capital Financing Activities	(137,928)	-	-	90,000	(73,067)	-	-	-	(34,367)	-	3,456,027	3,300,665
Cash Flows from Capital and Related Financing Activities												
Acquisition and Construction of Assets	-	-	(950,172)	-	-	-	-	-	-	-	-	(950,172)
Net Cash Provided By (Used for) Capital and Related Financing Activities	-	-	(950,172)	-	-	-	-	-	-	-	-	(950,172)
Cash Flows from Investing Activities												
Interest on Investments	138,697	5,908	226,268	22,445	46,364	563	4,547	11,861	84,588	122,245	56,536	720,022
Net Cash Provided By Investing Activities	138,697	5,908	226,268	22,445	46,364	563	4,547	11,861	84,588	122,245	56,536	720,022
Net Increase (Decrease) in Cash and Cash Equivalents	(2,628,120)	(162,295)	(328,762)	436,215	154,375	(22,752)	(77,457)	(74,289)	770,698	(401,047)	3,512,563	1,179,129
Cash and Cash Equivalents - Beginning 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
Cash and Cash Equivalents - End of Year	\$ 3,238,299	\$ 127,318	\$ 8,254,438	\$ 1,079,008	\$ 1,511,927	\$ 8,342	\$ 119,951	\$ 405,444	\$ 3,551,597	\$ 5,226,840	\$ 5,612,563	\$ 29,135,727
Reconciliation of Operating Income to Net Cash Provided By (Used for) Operating Activities:												
Operating Income (Loss)	\$ (2,628,432)	\$ (261,053)	\$ (574,195)	\$ 364,500	\$ 119,216	\$ (19,459)	\$ (129,801)	\$ (137,423)	\$ 707,555	\$ (508,924)	\$ -	\$ (3,068,016)
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used for) Operating Activities:												
Depreciation	-	-	967,945	4,919	-	-	-	-	-	-	-	972,864
Change in Assets and Liabilities:												
Receivables, Net	-	(408)	-	12,432	61,839	-	(5,076)	15	-	(11,176)	-	57,626
Accounts Payable and Other Payables	(457)	93,258	1,392	(58,081)	23	(3,856)	52,873	51,258	12,922	(3,192)	-	146,140
Net Cash Provided By (Used for) Operating Activities	\$ (2,628,889)	\$ (168,203)	\$ 395,142	\$ 323,770	\$ 181,078	\$ (23,315)	\$ (82,004)	\$ (86,150)	\$ 720,477	\$ (523,292)	\$ -	\$ (1,891,386)



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Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2010

	<u>Assessments</u>	<u>Pass-Through Funds</u>	<u>Asset Seizure</u>	<u>Total</u>
ASSETS				
Cash and Investments	\$ 10,140,179	\$ 869,858	\$ 34,347	\$ 11,044,384
Restricted Cash and Investments	6,622,876	-	-	6,622,876
Interest Receivable	21,493	91	3	21,587
Total Assets	<u>\$ 16,784,548</u>	<u>\$ 869,949</u>	<u>\$ 34,350</u>	<u>\$ 17,688,847</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 1,006	\$ 834,595	\$ -	\$ 835,601
Due to Others	-	35,354	34,350	69,704
Due to Bondholders	16,783,542	-	-	16,783,542
Total Liabilities	<u>\$ 16,784,548</u>	<u>\$ 869,949</u>	<u>\$ 34,350</u>	<u>\$ 17,688,847</u>

Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
 For Year Ended June 30, 2010

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
<u>Assessments</u>				
ASSETS				
Cash and Investments	\$ 10,866,036	\$ 19,547,255	\$ 20,273,112	\$ 10,140,179
Restricted Cash and Investments	6,679,785	1,165,272	1,222,181	6,622,876
Interest Receivable	24,088	55,290	57,885	21,493
Total Assets	<u>\$ 17,569,909</u>	<u>\$ 20,767,817</u>	<u>\$ 21,553,178</u>	<u>\$ 16,784,548</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 661	\$ 5,075,686	\$ 5,075,341	\$ 1,006
Due to Bondholders	17,569,248	18,507,769	19,293,475	16,783,542
Total Liabilities	<u>\$ 17,569,909</u>	<u>\$ 23,583,455</u>	<u>\$ 24,368,816</u>	<u>\$ 16,784,548</u>
<u>Pass-Through Funds</u>				
ASSETS				
Cash and Investments	\$ 899,050	\$ 2,146,634	\$ 2,175,826	\$ 869,858
Interest Receivable	273	91	273	91
Total Assets	<u>\$ 899,323</u>	<u>\$ 2,146,725</u>	<u>\$ 2,176,099</u>	<u>\$ 869,949</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 863,969	\$ 2,209,343	\$ 2,238,717	\$ 834,595
Due to Others	35,354	-	-	35,354
Total Liabilities	<u>\$ 899,323</u>	<u>\$ 2,209,343</u>	<u>\$ 2,238,717</u>	<u>\$ 869,949</u>
<u>Asset Seizure</u>				
ASSETS				
Cash and Investments	\$ 33,430	\$ 1,015	\$ 98	\$ 34,347
Interest Receivable	12	3	12	3
Total Assets	<u>\$ 33,442</u>	<u>\$ 1,018</u>	<u>\$ 110</u>	<u>\$ 34,350</u>
LIABILITIES				
Due to Others	\$ 33,442	\$ 908	\$ -	\$ 34,350
Total Liabilities	<u>\$ 33,442</u>	<u>\$ 908</u>	<u>\$ -</u>	<u>\$ 34,350</u>
<u>Total - All Agency Funds</u>				
ASSETS				
Cash and Investments	\$ 11,798,516	\$ 21,694,904	\$ 22,449,036	\$ 11,044,384
Restricted Cash and Investments	6,679,785	1,165,272	1,222,181	6,622,876
Interest Receivable	24,373	55,384	58,170	21,587
Total Assets	<u>\$ 18,502,674</u>	<u>\$ 22,915,560</u>	<u>\$ 23,729,387</u>	<u>\$ 17,688,847</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 864,630	7,285,029	\$ 7,314,058	\$ 835,601
Due to Others	68,796	908	-	69,704
Due to Bondholders	17,569,248	18,507,769	19,293,475	16,783,542
Total Liabilities	<u>\$ 18,502,674</u>	<u>\$ 25,793,706</u>	<u>\$ 26,607,533</u>	<u>\$ 17,688,847</u>

Balance Sheet

General Fund

June 30, 2010

	General Fund
ASSETS	
Cash and Investments	\$ 19,134,672
Receivables	1,337,430
Prepays	69,383
Total Assets	\$ 20,541,485
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts Payable and Accrued Liabilities	\$ 1,037,622
Deferred Revenue	569,788
Deposits Held	3,600,153
Total Liabilities	5,207,563
Fund Balances:	
Nonspendable	69,383
Committed	600,000
Assigned	2,200,000
Unassigned	12,464,539
Total Fund Balances	15,333,922
Total Liabilities and Fund Balances	\$ 20,541,485

City of Brentwood

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For Year Ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Taxes	\$ 13,706,026	\$ 13,670,774	\$ (35,252)
Licenses	538,000	494,958	(43,042)
Permits and Fines	2,025,805	2,419,184	393,379
Uses of Money and Property	1,169,439	841,953	(327,486)
Intergovernmental	3,691,426	3,597,583	(93,843)
Franchises	1,141,492	1,168,412	26,920
Charges for Other Services	406,077	437,338	31,261
Charges to Other Funds	6,201,293	6,101,449	(99,844)
Fees and Other Revenues	1,460,570	1,110,596	(349,974)
Total Revenues	<u>30,340,128</u>	<u>29,842,247</u>	<u>(497,881)</u>
EXPENDITURES			
Current:			
General Government	5,624,460	5,050,152	574,308
Public Safety	15,079,931	14,851,292	228,639
Community Development	2,922,129	2,679,783	242,346
Engineering	2,673,616	2,124,818	548,798
Public Works	2,404,648	2,342,121	62,527
Parks and Recreation	4,663,589	4,094,709	568,880
Community Services	572,478	522,597	49,881
Debt Service:			
Principal	86,131	86,131	-
Total Expenditures	<u>34,026,982</u>	<u>31,751,603</u>	<u>2,275,379</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(3,686,854)</u>	<u>(1,909,356)</u>	<u>1,777,498</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	3,989,240	6,043,059	2,053,819
Transfers Out	(6,406,203)	(4,384,599)	2,021,604
Total Other Financing Sources (Uses)	<u>(2,416,963)</u>	<u>1,658,460</u>	<u>4,075,423</u>
NET CHANGE IN FUND BALANCES	<u>\$ (6,103,817)</u>	<u>(250,896)</u>	<u>\$ 5,852,921</u>
Fund Balance, Beginning of Year		<u>15,584,818</u>	
Fund Balance, End of Year		<u>\$ 15,333,922</u>	

City of Brentwood

Combining Balance Sheet

All Special Revenue Funds

June 30, 2010

	<u>Thoroughfares</u>	<u>Gas Tax</u>	<u>Police Grants</u>	<u>Other Grants</u>	<u>Citywide Parks Districts</u>	<u>Community Facilities Districts</u>	<u>Community Facilities</u>	<u>Vehicle Abatement</u>
ASSETS								
Cash and Investments	\$ 3,028,832	\$ 4,554	\$ 175,422	\$ 13,192	\$ 537,421	\$ 33,097	\$ 1,016,988	\$ 36,828
Receivables	348,161	-	26,014	21	90	1	170,794	2
Prepays	-	-	-	-	817	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-
Interfund Advance Receivable	97,069	-	-	-	-	-	-	-
Total Assets	<u>\$ 3,474,062</u>	<u>\$ 4,554</u>	<u>\$ 201,436</u>	<u>\$ 13,213</u>	<u>\$ 538,328</u>	<u>\$ 33,098</u>	<u>\$ 1,187,782</u>	<u>\$ 36,830</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts Payable and Accrued Liabilities	\$ 2,811	\$ -	\$ 625	\$ -	\$ 177,720	\$ -	\$ 1,424	\$ 2
Due to Other Funds	-	-	-	-	-	-	-	-
Deferred Revenue	444,934	-	-	-	-	-	170,708	-
Total Liabilities	<u>447,745</u>	<u>-</u>	<u>625</u>	<u>-</u>	<u>177,720</u>	<u>-</u>	<u>172,132</u>	<u>2</u>
Fund Balances:								
Nonspendable	-	-	-	-	817	-	-	-
Restricted	-	4,554	200,811	13,213	-	-	-	-
Committed	3,026,317	-	-	-	359,791	33,098	1,015,650	36,828
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balances	<u>3,026,317</u>	<u>4,554</u>	<u>200,811</u>	<u>13,213</u>	<u>360,608</u>	<u>33,098</u>	<u>1,015,650</u>	<u>36,828</u>
Total Liabilities and Fund Balances	<u>\$ 3,474,062</u>	<u>\$ 4,554</u>	<u>\$ 201,436</u>	<u>\$ 13,213</u>	<u>\$ 538,328</u>	<u>\$ 33,098</u>	<u>\$ 1,187,782</u>	<u>\$ 36,830</u>

Continued

City of Brentwood

Combining Balance Sheet
All Special Revenue Funds (Continued)
June 30, 2010

	Infrastructure Improvements	Storm Drainage	RDA Low Income Housing	PEG Media	Asset Forfeiture	Measure C / J	Facility Fee Administration	Parks and Trails
ASSETS								
Cash and Investments	\$ 5,805	\$ -	\$ 5,680,247	\$ 882,225	\$ 108,115	\$ 23,062	\$ 94,339	\$ -
Receivables	-	-	2,031,292	100,089	11	6	30,531	8,926
Prepays	-	-	411	-	-	-	-	-
Land Held for Resale	-	-	1,040,359	-	-	-	-	-
Interfund Advance Receivable	-	-	-	-	-	-	-	51,371
Total Assets	\$ 5,805	\$ -	\$ 8,752,309	\$ 982,314	\$ 108,126	\$ 23,068	\$ 124,870	\$ 60,297
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ 12,222	\$ 154	\$ 706	\$ 33	\$ 12	\$ -
Due to Other Funds	-	-	-	-	-	-	-	2,586,984
Deferred Revenue	-	-	2,030,722	100,000	-	-	30,522	60,296
Total Liabilities	-	-	2,042,944	100,154	706	33	30,534	2,647,280
Fund Balances:								
Nonspendable	-	-	1,040,770	-	-	-	-	-
Restricted	-	-	5,668,595	882,160	107,420	23,035	94,336	-
Committed	5,805	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	(2,586,983)
Total Fund Balances	5,805	-	6,709,365	882,160	107,420	23,035	94,336	(2,586,983)
Total Liabilities and Fund Balances	\$ 5,805	\$ -	\$ 8,752,309	\$ 982,314	\$ 108,126	\$ 23,068	\$ 124,870	\$ 60,297

Continued

Combining Balance Sheet
All Special Revenue Funds (Continued)
 June 30, 2010

	Agriculture Administration	Public Art Administration	Public Art Acquisition	Arts Commission	Fire Fees	Agriculture Land	Parking In Lieu	Lighting and Landscape Districts	Totals
ASSETS									
Cash and Investments	\$ 776,490	\$ 40,152	\$ 606,335	\$ 31,666	\$ 839,219	\$ 4,593,949	\$ 26,374	\$ 3,854,486	\$ 22,408,798
Receivables	80	4	63	3	6,790	462	3	18,955	2,742,298
Prepays	-	-	-	600	-	-	-	-	1,828
Land Held for Resale	-	-	-	-	-	-	-	-	1,040,359
Interfund Advance Receivable	-	-	-	-	-	-	-	-	148,440
Total Assets	\$ 776,570	\$ 40,156	\$ 606,398	\$ 32,269	\$ 846,009	\$ 4,594,411	\$ 26,377	\$ 3,873,441	\$ 26,341,723
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts Payable and Accrued Liabilities	\$ 17,605	\$ 6	\$ 115	\$ 7	\$ 151	\$ 852	\$ 5	\$ 340,762	\$ 555,212
Due to Other Funds	-	-	-	-	-	-	-	-	2,586,984
Deferred Revenue	-	-	-	-	6,706	-	-	15,957	2,859,845
Total Liabilities	17,605	6	115	7	6,857	852	5	356,719	6,002,041
Fund Balances:									
Nonspendable	-	-	-	600	-	-	-	-	1,042,187
Restricted	758,965	40,150	606,283	31,662	839,152	4,593,559	26,372	3,516,722	17,406,989
Committed	-	-	-	-	-	-	-	-	4,477,489
Unassigned	-	-	-	-	-	-	-	-	(2,586,983)
Total Fund Balances	758,965	40,150	606,283	32,262	839,152	4,593,559	26,372	3,516,722	20,339,682
Total Liabilities and Fund Balances	\$ 776,570	\$ 40,156	\$ 606,398	\$ 32,269	\$ 846,009	\$ 4,594,411	\$ 26,377	\$ 3,873,441	\$ 26,341,723



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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, 2010**

	<u>Thoroughfares</u>	<u>Gas Tax</u>	<u>Police Grants</u>	<u>Other Grants</u>	<u>Citywide Parks Districts</u>	<u>Community Facilities Districts</u>	<u>Community Facilities</u>	<u>Vehicle Abatement</u>
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,680,267	\$ -	\$ -	\$ -
Uses of Money and Property	72,445	301	5,181	1,842	11,704	2,981	14,026	214
Intergovernmental	-	845,715	171,484	-	-	-	-	-
Fees and Other Revenues	1,549,375	-	-	-	16,255	2,828,012	416,639	71,619
Total Revenues	<u>1,621,820</u>	<u>846,016</u>	<u>176,665</u>	<u>1,842</u>	<u>1,708,226</u>	<u>2,830,993</u>	<u>430,665</u>	<u>71,833</u>
EXPENDITURES								
Current:								
General Government	1,528,840	-	-	-	-	-	20,705	-
Public Safety	-	-	177,764	-	-	-	-	6
Community Development	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	2,398,892	-	-	-
Community Services	-	-	-	-	-	496,546	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Total Expenditures	<u>1,528,840</u>	<u>-</u>	<u>177,764</u>	<u>-</u>	<u>2,398,892</u>	<u>496,546</u>	<u>20,705</u>	<u>6</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>92,980</u>	<u>846,016</u>	<u>(1,099)</u>	<u>1,842</u>	<u>(690,666)</u>	<u>2,334,447</u>	<u>409,960</u>	<u>71,827</u>
OTHER FINANCING SOURCES (USES)								
Issuance of Debt	-	-	-	-	-	20,210,526	-	-
Premium on Bonds Issued	-	-	-	-	-	54,388	-	-
Transfers In	1,458,162	-	-	-	638,546	-	5,954,081	-
Transfers Out	(7,300,565)	(867,200)	-	-	-	(22,674,173)	(5,490,380)	(35,000)
Total Other Financing Sources (Uses)	<u>(5,842,403)</u>	<u>(867,200)</u>	<u>-</u>	<u>-</u>	<u>638,546</u>	<u>(2,409,259)</u>	<u>463,701</u>	<u>(35,000)</u>
Net Change in Fund Balances	<u>(5,749,423)</u>	<u>(21,184)</u>	<u>(1,099)</u>	<u>1,842</u>	<u>(52,120)</u>	<u>(74,812)</u>	<u>873,661</u>	<u>36,827</u>
Fund Balance, Beginning of Year	<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>
Fund Balance, End of Year	<u>\$ 3,026,317</u>	<u>\$ 4,554</u>	<u>\$ 200,811</u>	<u>\$ 13,213</u>	<u>\$ 360,608</u>	<u>\$ 33,098</u>	<u>\$ 1,015,650</u>	<u>\$ 36,828</u>

Continued

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Special Revenue Funds (Continued)
 For Year Ended June 30, 2010

	Infrastructure Improvements	Storm Drainage	RDA Low Income Housing	PEG Media	Asset Forfeiture	Measure C / J	Facility Fee Administration	Parks and Trails
REVENUES								
Taxes	\$ -	\$ -	\$ 1,244,196	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	154	65	133,828	20,815	1,802	5,244	1,451	-
Intergovernmental	-	-	-	-	-	450,256	-	-
Fees and Other Revenues	-	-	-	150,000	53,865	-	65,377	502,200
Total Revenues	154	65	1,378,024	170,815	55,667	455,500	66,828	502,200
EXPENDITURES								
Current:								
General Government	-	-	502,260	836	1,730	2,333	(709,529)	-
Public Safety	-	-	-	-	-	-	-	-
Community Development	6	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	894,345
Community Services	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	1,366,574
Total Expenditures	6	-	502,260	836	1,730	2,333	(709,529)	2,260,919
REVENUES OVER (UNDER) EXPENDITURES	148	65	875,764	169,979	53,937	453,167	776,357	(1,758,719)
OTHER FINANCING SOURCES (USES)								
Issuance of Debt	-	-	-	-	-	-	-	-
Premium on Bonds Issued	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	38,539
Transfers Out	-	(3,820)	-	-	-	(452,210)	-	(260,765)
Total Other Financing Sources (Uses)	-	(3,820)	-	-	-	(452,210)	-	(222,226)
Net Change in Fund Balances	148	(3,755)	875,764	169,979	53,937	957	776,357	(1,980,945)
Fund Balance, Beginning of Year	5,657	3,755	5,833,601	712,181	53,483	22,078	(682,021)	(606,038)
Fund Balance, End of Year	\$ 5,805	\$ -	\$ 6,709,365	\$ 882,160	\$ 107,420	\$ 23,035	\$ 94,336	\$ (2,586,983)

Continued

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Special Revenue Funds (Continued)
For Year Ended June 30, 2010

	Agriculture Administration	Public Art Administration	Public Art Acquisition	Arts Commission	Fire Fees	Agriculture Land	Parking In Lieu	Lighting and Landscape Districts	Totals
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,924,463
Uses of Money and Property	22,990	839	16,685	966	21,199	147,533	698	88,863	571,826
Intergovernmental	-	-	-	-	-	-	-	-	1,467,455
Fees and Other Revenues	-	14,071	35,834	-	66,261	-	-	4,781,301	10,550,809
Total Revenues	22,990	14,910	52,519	966	87,460	147,533	698	4,870,164	15,514,553
EXPENDITURES									
Current:									
General Government	253,693	2,801	624	58,447	798	1,858,709	27	-	3,522,274
Public Safety	-	-	-	-	-	-	-	-	177,770
Community Development	-	-	-	-	-	-	-	-	6
Parks and Recreation	-	-	-	-	-	-	-	-	3,293,237
Community Services	-	-	-	-	-	-	-	4,649,295	5,145,841
Debt Service:									
Principal	-	-	-	-	-	-	-	-	1,366,574
Total Expenditures	253,693	2,801	624	58,447	798	1,858,709	27	4,649,295	13,505,702
REVENUES OVER (UNDER) EXPENDITURES	(230,703)	12,109	51,895	(57,481)	86,662	(1,711,176)	671	220,869	2,008,851
OTHER FINANCING SOURCES (USES)									
Issuance of Debt	-	-	-	-	-	-	-	-	20,210,526
Premium on Bonds Issued	-	-	-	-	-	-	-	-	54,388
Transfers In	-	-	-	1,005	-	-	-	-	8,090,333
Transfers Out	-	-	(64,744)	-	-	-	-	-	(37,148,857)
Total Other Financing Sources (Uses)	-	-	(64,744)	1,005	-	-	-	-	(8,793,610)
Net Change in Fund Balances	(230,703)	12,109	(12,849)	(56,476)	86,662	(1,711,176)	671	220,869	(6,784,759)
Fund Balance, Beginning of Year	989,668	28,041	619,132	88,738	752,490	6,304,735	25,701	3,295,853	27,124,441
Fund Balance, End of Year	\$ 758,965	\$ 40,150	\$ 606,283	\$ 32,262	\$ 839,152	\$ 4,593,559	\$ 26,372	\$ 3,516,722	\$ 20,339,682



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City of Brentwood

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds
For Year Ended June 30, 2010**

	Thoroughfares			Gas Tax			Police Grants		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	267,790	72,445	(195,345)	-	301	301	7,000	5,181	(1,819)
Intergovernmental	-	-	-	850,930	845,715	(5,215)	293,366	171,484	(121,882)
Fees and Other Revenues	452,814	1,549,375	1,096,561	-	-	-	-	-	-
Total Revenues	<u>720,604</u>	<u>1,621,820</u>	<u>901,216</u>	<u>850,930</u>	<u>846,016</u>	<u>(4,914)</u>	<u>300,366</u>	<u>176,665</u>	<u>(123,701)</u>
EXPENDITURES									
Current:									
General Government	1,528,840	1,528,840	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	306,551	177,764	128,787
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>1,528,840</u>	<u>1,528,840</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>306,551</u>	<u>177,764</u>	<u>128,787</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(808,236)</u>	<u>92,980</u>	<u>901,216</u>	<u>850,930</u>	<u>846,016</u>	<u>(4,914)</u>	<u>(6,185)</u>	<u>(1,099)</u>	<u>5,086</u>
OTHER FINANCING SOURCES (USES)									
Issuance of Debt	-	-	-	-	-	-	-	-	-
Premium on Bonds Issued	-	-	-	-	-	-	-	-	-
Transfers In	-	1,458,162	1,458,162	-	-	-	-	-	-
Transfers Out	(10,015,436)	(7,300,565)	2,714,871	(879,240)	(867,200)	12,040	-	-	-
Total Other Financing Sources (Uses)	<u>(10,015,436)</u>	<u>(5,842,403)</u>	<u>4,173,033</u>	<u>(879,240)</u>	<u>(867,200)</u>	<u>12,040</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (10,823,672)</u>	<u>(5,749,423)</u>	<u>\$ 5,074,249</u>	<u>\$ (28,310)</u>	<u>(21,184)</u>	<u>\$ 7,126</u>	<u>\$ (6,185)</u>	<u>(1,099)</u>	<u>\$ 5,086</u>
Fund Balance, Beginning of Year		<u>8,775,740</u>			<u>25,738</u>			<u>201,910</u>	
Fund Balance, End of Year		<u>\$ 3,026,317</u>			<u>\$ 4,554</u>			<u>\$ 200,811</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, 2010**

	Other Grants			Citywide Parks Districts			Community Facilities Districts		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ 1,654,053	\$ 1,680,267	\$ 26,214	\$ -	\$ -	\$ -
Uses of Money and Property	-	1,842	1,842	6,000	11,704	5,704	3,200	2,981	(219)
Intergovernmental	83,000	-	(83,000)	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	37,270	16,255	(21,015)	2,830,142	2,828,012	(2,130)
Total Revenues	<u>83,000</u>	<u>1,842</u>	<u>(81,158)</u>	<u>1,697,323</u>	<u>1,708,226</u>	<u>10,903</u>	<u>2,833,342</u>	<u>2,830,993</u>	<u>(2,349)</u>
EXPENDITURES									
Current:									
General Government	93,673	-	93,673	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	2,401,866	2,398,892	2,974	-	-	-
Community Services	-	-	-	-	-	-	571,216	496,546	74,670
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>93,673</u>	<u>-</u>	<u>93,673</u>	<u>2,401,866</u>	<u>2,398,892</u>	<u>2,974</u>	<u>571,216</u>	<u>496,546</u>	<u>74,670</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(10,673)</u>	<u>1,842</u>	<u>12,515</u>	<u>(704,543)</u>	<u>(690,666)</u>	<u>13,877</u>	<u>2,262,126</u>	<u>2,334,447</u>	<u>72,321</u>
OTHER FINANCING SOURCES (USES)									
Issuance of Debt	-	-	-	-	-	-	20,965,050	20,210,526	(754,524)
Premium on Bonds Issued	-	-	-	-	-	-	54,388	54,388	-
Transfers In	-	-	-	638,546	638,546	-	-	-	-
Transfers Out	-	-	-	-	-	-	(23,347,914)	(22,674,173)	673,741
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>638,546</u>	<u>638,546</u>	<u>-</u>	<u>(2,328,476)</u>	<u>(2,409,259)</u>	<u>(80,783)</u>
Net Change in Fund Balances	<u>\$ (10,673)</u>	<u>1,842</u>	<u>\$ 12,515</u>	<u>\$ (65,997)</u>	<u>(52,120)</u>	<u>\$ 13,877</u>	<u>\$ (66,350)</u>	<u>(74,812)</u>	<u>\$ (8,462)</u>
Fund Balance, Beginning of Year		<u>11,371</u>			<u>412,728</u>			<u>107,910</u>	
Fund Balance, End of Year		<u>\$ 13,213</u>			<u>\$ 360,608</u>			<u>\$ 33,098</u>	

Continued

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds (Continued)
For Year Ended June 30, 2010**

	Community Facilities			Vehicle Abatement			Infrastructure Improvements		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	211,883	14,026	(197,857)	300	214	(86)	-	154	154
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	121,232	416,639	295,407	60,000	71,619	11,619	-	-	-
Total Revenues	<u>333,115</u>	<u>430,665</u>	<u>97,550</u>	<u>60,300</u>	<u>71,833</u>	<u>11,533</u>	<u>-</u>	<u>154</u>	<u>154</u>
EXPENDITURES									
Current:									
General Government	20,705	20,705	-	-	-	-	-	-	-
Public Safety	-	-	-	1,000	6	994	-	-	-
Community Development	-	-	-	-	-	-	10	6	4
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>20,705</u>	<u>20,705</u>	<u>-</u>	<u>1,000</u>	<u>6</u>	<u>994</u>	<u>10</u>	<u>6</u>	<u>4</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>312,410</u>	<u>409,960</u>	<u>97,550</u>	<u>59,300</u>	<u>71,827</u>	<u>12,527</u>	<u>(10)</u>	<u>148</u>	<u>158</u>
OTHER FINANCING SOURCES (USES)									
Issuance of Debt	-	-	-	-	-	-	-	-	-
Premium on Bonds Issued	-	-	-	-	-	-	-	-	-
Transfers In	-	5,954,081	5,954,081	-	-	-	-	-	-
Transfers Out	(11,759,847)	(5,490,380)	6,269,467	(35,000)	(35,000)	-	-	-	-
Total Other Financing Sources (Uses)	<u>(11,759,847)</u>	<u>463,701</u>	<u>12,223,548</u>	<u>(35,000)</u>	<u>(35,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (11,447,437)</u>	<u>873,661</u>	<u>\$ 12,321,098</u>	<u>\$ 24,300</u>	<u>36,827</u>	<u>\$ 12,527</u>	<u>\$ (10)</u>	<u>148</u>	<u>\$ 158</u>
Fund Balance, Beginning of Year		<u>141,989</u>			<u>1</u>			<u>5,657</u>	
Fund Balance, End of Year		<u>\$ 1,015,650</u>			<u>\$ 36,828</u>			<u>\$ 5,805</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, 2010**

	Storm Drainage			RDA Low Income Housing			PEG Media		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ 1,319,171	\$ 1,244,196	\$ (74,975)	\$ -	\$ -	\$ -
Uses of Money and Property	-	65	65	240,000	133,828	(106,172)	32,000	20,815	(11,185)
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	-	-	-	-	150,000	150,000
Total Revenues	<u>-</u>	<u>65</u>	<u>65</u>	<u>1,559,171</u>	<u>1,378,024</u>	<u>(181,147)</u>	<u>32,000</u>	<u>170,815</u>	<u>138,815</u>
EXPENDITURES									
Current:									
General Government	-	-	-	884,313	502,260	382,053	2,250	836	1,414
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>884,313</u>	<u>502,260</u>	<u>382,053</u>	<u>2,250</u>	<u>836</u>	<u>1,414</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>65</u>	<u>65</u>	<u>674,858</u>	<u>875,764</u>	<u>200,906</u>	<u>29,750</u>	<u>169,979</u>	<u>140,229</u>
OTHER FINANCING SOURCES (USES)									
Issuance of Debt	-	-	-	-	-	-	-	-	-
Premium on Bonds Issued	-	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	(4,000)	(3,820)	180	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(4,000)</u>	<u>(3,820)</u>	<u>180</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (4,000)</u>	<u>(3,755)</u>	<u>\$ 245</u>	<u>\$ 674,858</u>	<u>875,764</u>	<u>\$ 200,906</u>	<u>\$ 29,750</u>	<u>169,979</u>	<u>\$ 140,229</u>
Fund Balance, Beginning of Year		<u>3,755</u>			<u>5,833,601</u>			<u>712,181</u>	
Fund Balance, End of Year		<u>\$ -</u>			<u>\$ 6,709,365</u>			<u>\$ 882,160</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, 2010**

	Asset Forfeiture			Measure C / J			Facility Fee Administration		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	-	1,802	1,802	-	5,244	5,244	750	1,451	701
Intergovernmental	-	-	-	441,000	450,256	9,256	-	-	-
Fees and Other Revenues	2,500	53,865	51,365	-	-	-	6,664	65,377	58,713
Total Revenues	<u>2,500</u>	<u>55,667</u>	<u>53,167</u>	<u>441,000</u>	<u>455,500</u>	<u>14,500</u>	<u>7,414</u>	<u>66,828</u>	<u>59,414</u>
EXPENDITURES									
Current:									
General Government	28,500	1,730	26,770	5,832	2,333	3,499	23,800	(709,529)	733,329
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>28,500</u>	<u>1,730</u>	<u>26,770</u>	<u>5,832</u>	<u>2,333</u>	<u>3,499</u>	<u>23,800</u>	<u>(709,529)</u>	<u>733,329</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(26,000)</u>	<u>53,937</u>	<u>79,937</u>	<u>435,168</u>	<u>453,167</u>	<u>17,999</u>	<u>(16,386)</u>	<u>776,357</u>	<u>792,743</u>
OTHER FINANCING SOURCES (USES)									
Issuance of Debt	-	-	-	-	-	-	-	-	-
Premium on Bonds Issued	-	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	(452,210)	(452,210)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(452,210)</u>	<u>(452,210)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (26,000)</u>	<u>53,937</u>	<u>\$ 79,937</u>	<u>\$ (17,042)</u>	<u>957</u>	<u>\$ 17,999</u>	<u>\$ (16,386)</u>	<u>776,357</u>	<u>\$ 792,743</u>
Fund Balance, Beginning of Year		<u>53,483</u>			<u>22,078</u>			<u>(682,021)</u>	
Fund Balance, End of Year		<u>\$ 107,420</u>			<u>\$ 23,035</u>			<u>\$ 94,336</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, 2010**

	Parks and Trails			Agriculture Administration			Public Art Administration		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	-	-	-	35,000	22,990	(12,010)	1,000	839	(161)
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	502,200	502,200	-	-	-	-	14,071	14,071
Total Revenues	<u>-</u>	<u>502,200</u>	<u>502,200</u>	<u>35,000</u>	<u>22,990</u>	<u>(12,010)</u>	<u>1,000</u>	<u>14,910</u>	<u>13,910</u>
EXPENDITURES									
Current:									
General Government	-	-	-	436,392	253,693	182,699	20,211	2,801	17,410
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	894,345	894,345	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	1,366,574	1,366,574	-	-	-	-	-	-	-
Total Expenditures	<u>2,260,919</u>	<u>2,260,919</u>	<u>-</u>	<u>436,392</u>	<u>253,693</u>	<u>182,699</u>	<u>20,211</u>	<u>2,801</u>	<u>17,410</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(2,260,919)</u>	<u>(1,758,719)</u>	<u>502,200</u>	<u>(401,392)</u>	<u>(230,703)</u>	<u>170,689</u>	<u>(19,211)</u>	<u>12,109</u>	<u>31,320</u>
OTHER FINANCING SOURCES (USES)									
Issuance of Debt	-	-	-	-	-	-	-	-	-
Premium on Bonds Issued	-	-	-	-	-	-	-	-	-
Transfers In	-	38,539	38,539	-	-	-	-	-	-
Transfers Out	(512,005)	(260,765)	251,240	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(512,005)</u>	<u>(222,226)</u>	<u>289,779</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (2,772,924)</u>	<u>(1,980,945)</u>	<u>\$ 791,979</u>	<u>\$ (401,392)</u>	<u>(230,703)</u>	<u>\$ 170,689</u>	<u>\$ (19,211)</u>	<u>12,109</u>	<u>\$ 31,320</u>
Fund Balance, Beginning of Year		<u>(606,038)</u>			<u>989,668</u>			<u>28,041</u>	
Fund Balance, End of Year		<u>\$ (2,586,983)</u>			<u>\$ 758,965</u>			<u>\$ 40,150</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, 2010**

	Public Art Acquisition			Arts Commission			Fire Fees		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	30,000	16,685	(13,315)	600	966	366	2,620	21,199	18,579
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	35,834	35,834	-	-	-	4,828	66,261	61,433
Total Revenues	<u>30,000</u>	<u>52,519</u>	<u>22,519</u>	<u>600</u>	<u>966</u>	<u>366</u>	<u>7,448</u>	<u>87,460</u>	<u>80,012</u>
EXPENDITURES									
Current:									
General Government	624	624	-	59,700	58,447	1,253	798	798	-
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>624</u>	<u>624</u>	<u>-</u>	<u>59,700</u>	<u>58,447</u>	<u>1,253</u>	<u>798</u>	<u>798</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>29,376</u>	<u>51,895</u>	<u>22,519</u>	<u>(59,100)</u>	<u>(57,481)</u>	<u>1,619</u>	<u>6,650</u>	<u>86,662</u>	<u>80,012</u>
OTHER FINANCING SOURCES (USES)									
Issuance of Debt	-	-	-	-	-	-	-	-	-
Premium on Bonds Issued	-	-	-	-	-	-	-	-	-
Transfers In	-	-	-	1,200	1,005	(195)	-	-	-
Transfers Out	(64,745)	(64,744)	1	-	-	-	(655,802)	-	655,802
Total Other Financing Sources (Uses)	<u>(64,745)</u>	<u>(64,744)</u>	<u>1</u>	<u>1,200</u>	<u>1,005</u>	<u>(195)</u>	<u>(655,802)</u>	<u>-</u>	<u>655,802</u>
Net Change in Fund Balances	<u>\$ (35,369)</u>	<u>(12,849)</u>	<u>\$ 22,520</u>	<u>\$ (57,900)</u>	<u>(56,476)</u>	<u>\$ 1,424</u>	<u>\$ (649,152)</u>	<u>86,662</u>	<u>\$ 735,814</u>
Fund Balance, Beginning of Year		<u>619,132</u>			<u>88,738</u>			<u>752,490</u>	
Fund Balance, End of Year		<u>\$ 606,283</u>			<u>\$ 32,262</u>			<u>\$ 839,152</u>	

Continued

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds (Continued)
For Year Ended June 30, 2010**

	Agriculture Land			Parking In Lieu			Lighting and Landscape Districts			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES												
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,973,224	\$ 2,924,463	\$ (48,761)
Uses of Money and Property	440,000	147,533	(292,467)	1,100	698	(402)	-	88,863	88,863	1,279,243	571,826	(707,417)
Intergovernmental	-	-	-	-	-	-	-	-	-	1,668,296	1,467,455	(200,841)
Fees and Other Revenues	25,000	-	(25,000)	-	-	-	4,823,933	4,781,301	(42,632)	8,364,383	10,550,809	2,186,426
Total Revenues	<u>465,000</u>	<u>147,533</u>	<u>(317,467)</u>	<u>1,100</u>	<u>698</u>	<u>(402)</u>	<u>4,823,933</u>	<u>4,870,164</u>	<u>46,231</u>	<u>14,285,146</u>	<u>15,514,553</u>	<u>1,229,407</u>
EXPENDITURES												
Current:												
General Government	1,914,002	1,858,709	55,293	30	27	3	-	-	-	5,019,670	3,522,274	1,497,396
Public Safety	-	-	-	-	-	-	-	-	-	307,551	177,770	129,781
Community Development	-	-	-	-	-	-	-	-	-	10	6	4
Parks and Recreation	-	-	-	-	-	-	-	-	-	3,296,211	3,293,237	2,974
Community Services	-	-	-	-	-	-	5,662,941	4,649,295	1,013,646	6,234,157	5,145,841	1,088,316
Debt Service:												
Principal	-	-	-	-	-	-	-	-	-	1,366,574	1,366,574	-
Total Expenditures	<u>1,914,002</u>	<u>1,858,709</u>	<u>55,293</u>	<u>30</u>	<u>27</u>	<u>3</u>	<u>5,662,941</u>	<u>4,649,295</u>	<u>1,013,646</u>	<u>16,224,173</u>	<u>13,505,702</u>	<u>2,718,471</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,449,002)</u>	<u>(1,711,176)</u>	<u>(262,174)</u>	<u>1,070</u>	<u>671</u>	<u>(405)</u>	<u>(839,008)</u>	<u>220,869</u>	<u>1,059,877</u>	<u>(1,939,027)</u>	<u>2,008,851</u>	<u>3,947,878</u>
OTHER FINANCING SOURCES (USES)												
Issuance of Debt	-	-	-	-	-	-	-	-	-	20,965,050	20,210,526	(754,524)
Premium on Bonds Issued	-	-	-	-	-	-	-	-	-	54,388	54,388	-
Transfers In	-	-	-	-	-	-	-	-	-	639,746	8,090,333	7,450,587
Transfers Out	-	-	-	-	-	-	-	-	-	(47,726,199)	(37,148,857)	10,577,342
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(26,067,015)</u>	<u>(8,793,610)</u>	<u>17,273,405</u>
Net Change in Fund Balances	<u>\$ (1,449,002)</u>	<u>(1,711,176)</u>	<u>\$ (262,174)</u>	<u>\$ 1,070</u>	<u>671</u>	<u>\$ (405)</u>	<u>\$ (839,008)</u>	<u>220,869</u>	<u>\$ 1,059,877</u>	<u>\$ (28,006,042)</u>	<u>(6,784,759)</u>	<u>\$ 21,221,283</u>
Fund Balance, Beginning of Year		<u>6,304,735</u>			<u>25,701</u>			<u>3,295,853</u>			<u>27,124,441</u>	
Fund Balance, End of Year		<u>\$ 4,593,559</u>			<u>\$ 26,372</u>			<u>\$ 3,516,722</u>			<u>\$ 20,339,682</u>	

Combining Balance Sheet
All Debt Service Funds
 June 30, 2010

	Redevelopment Debt	Capital Improvement Program 2001	2002 General Obligation Bond	Civic Center Projects Revenue Bond	TOTALS
ASSETS					
Cash and Investments	\$ 9,681,554	\$ 95,214	\$ 43,853	\$ -	\$ 9,820,621
Restricted Cash and Investments	-	2,147,175	-	8,753,010	10,900,185
Receivables	1,074	10	21	-	1,105
Total Assets	<u>\$ 9,682,628</u>	<u>\$ 2,242,399</u>	<u>\$ 43,874</u>	<u>\$ 8,753,010</u>	<u>\$ 20,721,911</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable and Accrued Liabilities	\$ 967,574	\$ 18	\$ 32	\$ -	\$ 967,624
Due to Other Funds	-	-	-	1,129,817	1,129,817
Total Liabilities	<u>967,574</u>	<u>18</u>	<u>32</u>	<u>1,129,817</u>	<u>2,097,441</u>
Fund Balances:					
Restricted	8,715,054	2,242,381	43,842	7,623,193	18,624,470
Total Fund Balances	<u>8,715,054</u>	<u>2,242,381</u>	<u>43,842</u>	<u>7,623,193</u>	<u>18,624,470</u>
Total Liabilities and Fund Balances	<u>\$ 9,682,628</u>	<u>\$ 2,242,399</u>	<u>\$ 43,874</u>	<u>\$ 8,753,010</u>	<u>\$ 20,721,911</u>

*Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Debt Service Funds
For Year Ended June 30, 2010*

	Redevelopment Debt	Capital Improvement Program 2001	2002 General Obligation Bond	Civic Center Projects Revenue Bond	TOTALS
REVENUES					
Taxes	\$ 4,976,783	\$ -	\$ 320,824	\$ -	\$ 5,297,607
Uses of Money and Property	363,651	59,219	3,277	11,034	437,181
Intergovernmental	-	-	-	482,885	482,885
Total Revenues	<u>5,340,434</u>	<u>59,219</u>	<u>324,101</u>	<u>493,919</u>	<u>6,217,673</u>
EXPENDITURES					
Current:					
Community Development	3,836,188	9,129	5,941	(653)	3,850,605
Debt Service:					
Principal	470,000	285,000	205,000	-	960,000
Interest and Fiscal Charges	899,869	432,694	126,756	1,443,624	2,902,943
Total Expenditures	<u>5,206,057</u>	<u>726,823</u>	<u>337,697</u>	<u>1,442,971</u>	<u>7,713,548</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>134,377</u>	<u>(667,604)</u>	<u>(13,596)</u>	<u>(949,052)</u>	<u>(1,495,875)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	-	698,569	-	8,576,373	9,274,942
Transfers Out	(2,380,990)	-	-	(4,128)	(2,385,118)
Total Other Financing Sources (Uses)	<u>(2,380,990)</u>	<u>698,569</u>	<u>-</u>	<u>8,572,245</u>	<u>6,889,824</u>
Net Change in Fund Balances	<u>(2,246,613)</u>	<u>30,965</u>	<u>(13,596)</u>	<u>7,623,193</u>	<u>5,393,949</u>
Fund Balance, Beginning of Year	<u>10,961,667</u>	<u>2,211,416</u>	<u>57,438</u>	<u>-</u>	<u>13,230,521</u>
Fund Balance, End of Year	<u>\$ 8,715,054</u>	<u>\$ 2,242,381</u>	<u>\$ 43,842</u>	<u>\$ 7,623,193</u>	<u>\$ 18,624,470</u>

***Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Certain Debt Service Funds
For Year Ended June 30, 2010***

	Redevelopment Debt		
	Budget	Actual	Variance
REVENUES			
Taxes	\$ 5,276,684	\$ 4,976,783	\$ (299,901)
Uses of Money and Property	500,000	363,651	(136,349)
Total Revenues	5,776,684	5,340,434	(436,250)
EXPENDITURES			
Current:			
Community Development	4,185,699	3,836,188	349,511
Debt Service:			
Principal	470,000	470,000	-
Interest and Fiscal Charges	900,000	899,869	131
Total Expenditures	5,555,699	5,206,057	349,642
REVENUES OVER (UNDER) EXPENDITURES	220,985	134,377	(86,608)
OTHER FINANCING SOURCES (USES)			
Transfers Out	(3,458,467)	(2,380,990)	1,077,477
Total Other Financing Sources (Uses)	(3,458,467)	(2,380,990)	1,077,477
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ (3,237,482)	(2,246,613)	\$ 990,869
Fund Balance, Beginning of Year		10,961,667	
Fund Balance, End of Year		\$ 8,715,054	



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City of Brentwood

Combining Balance Sheet

All Capital Project Funds

June 30, 2010

	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	Civic Center Projects
ASSETS								
Cash and Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Cash and Investments	-	-	8,763,438	3,737,604	399,892	4,388	28,719	36,081,126
Receivables	-	-	-	-	-	1	2	1
Prepays	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-
Total Assets	\$ -	\$ -	\$ 8,763,438	\$ 3,737,604	\$ 399,892	\$ 4,389	\$ 28,721	\$ 36,081,127
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2	\$ 5	\$ 234
Deposits Held	-	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	2	5	234
Fund Balances:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	8,763,438	3,737,604	399,892	4,387	28,716	36,080,893
Total Fund Balances	-	-	8,763,438	3,737,604	399,892	4,387	28,716	36,080,893
Total Liabilities and Fund Balances	\$ -	\$ -	\$ 8,763,438	\$ 3,737,604	\$ 399,892	\$ 4,389	\$ 28,721	\$ 36,081,127

Continued

City of Brentwood

Combining Balance Sheet
All Capital Project Funds (Continued)
June 30, 2010

	Community Facilities Improvement Projects	Park Improvement Projects	Drainage Improvement Projects	Street Improvement Projects	Economic Infrastructure Projects	Vineyards Projects	Redevelopment Projects	TOTALS
ASSETS								
Cash and Investments	\$ 11,677,447	\$ 1,729,133	\$ 196,222	\$ 6,288,570	\$ 6,381,551	\$ 1,918,210	\$ 4,987,690	\$ 33,178,823
Restricted Cash and Investments	478,483	2,598	-	-	-	-	-	49,496,248
Receivables	3,724	186	23	73,010	643	193	2,478	80,261
Prepays	-	-	-	-	-	-	1,748	1,748
Due from Other Funds	3,716,801	-	-	-	-	-	-	3,716,801
Land Held for Resale	-	-	-	-	-	-	1,327,129	1,327,129
Total Assets	\$ 15,876,455	\$ 1,731,917	\$ 196,245	\$ 6,361,580	\$ 6,382,194	\$ 1,918,403	\$ 6,319,045	\$ 87,801,010
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts Payable and Accrued Liabilities	\$ 2,968,058	\$ 175,082	\$ 7,273	\$ 226,025	\$ -	\$ 355	\$ 39,857	\$ 3,416,891
Deposits Held	-	-	-	-	-	-	5,850	5,850
Total Liabilities	2,968,058	175,082	7,273	226,025	-	355	45,707	3,422,741
Fund Balances:								
Nonspendable	-	-	-	-	-	-	1,328,877	1,328,877
Restricted	12,908,397	1,556,835	188,972	6,135,555	6,382,194	1,918,048	4,944,461	83,049,392
Total Fund Balances	12,908,397	1,556,835	188,972	6,135,555	6,382,194	1,918,048	6,273,338	84,378,269
Total Liabilities and Fund Balances	\$ 15,876,455	\$ 1,731,917	\$ 196,245	\$ 6,361,580	\$ 6,382,194	\$ 1,918,403	\$ 6,319,045	\$ 87,801,010

City of Brentwood

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Capital Project Funds
For Year Ended June 30, 2010***

	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	Civic Center Projects
REVENUES								
Uses of Money and Property	\$ -	\$ -	\$ 270	\$ 99	\$ 1,107	\$ 116	\$ 21,200	\$ 55,471
Intergovernmental	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	-	-	-	1,078,452	-
Total Revenues	-	-	270	99	1,107	116	1,099,652	55,471
EXPENDITURES								
Current:								
General Government	-	-	559,540	-	-	4	354,368	431
Capital Outlay	-	-	-	-	-	-	-	-
Total Expenditures	-	-	559,540	-	-	4	354,368	431
REVENUES OVER (UNDER) EXPENDITURES	-	-	(559,270)	99	1,107	112	745,284	55,040
OTHER FINANCING SOURCES (USES)								
Issuance of Debt	-	-	-	-	-	-	15,157,896	-
Premium on Bonds Issued	-	-	-	-	-	-	40,791	-
Transfers In	-	-	-	-	-	-	1,500,000	40,525,853
Transfers Out	(22)	(10)	(1,048)	(30)	-	-	(18,892,436)	(4,500,000)
Total Other Financing Sources (Uses)	(22)	(10)	(1,048)	(30)	-	-	(2,193,749)	36,025,853
Net Change in Fund Balances	(22)	(10)	(560,318)	69	1,107	112	(1,448,465)	36,080,893
Fund Balance, Beginning of Year	22	10	9,323,756	3,737,535	398,785	4,275	1,477,181	-
Fund Balance, End of Year	\$ -	\$ -	\$ 8,763,438	\$ 3,737,604	\$ 399,892	\$ 4,387	\$ 28,716	\$ 36,080,893

Continued

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Capital Project Funds (Continued)
 For Year Ended June 30, 2010

	Community Facilities Improvement Projects	Park Improvement Projects	Drainage Improvement Projects	Street Improvement Projects	Economic Infrastructure Projects	Vineyards Projects	Redevelopment Projects	TOTALS
REVENUES								
Uses of Money and Property	\$ 397,852	\$ 38,539	\$ 6,335	\$ 184,641	\$ 168,819	\$ 50,771	\$ 162,838	\$ 1,088,058
Intergovernmental	197,000	17,623	-	728,815	-	-	-	943,438
Fees and Other Revenues	-	-	8,500	24,144	-	-	-	1,111,096
Total Revenues	594,852	56,162	14,835	937,600	168,819	50,771	162,838	3,142,592
EXPENDITURES								
Current:								
General Government	789,690	110,743	-	1,263,099	-	1,952	2,251,605	5,331,432
Capital Outlay	8,616,056	586,873	58,095	273,158	-	-	-	9,534,182
Total Expenditures	9,405,746	697,616	58,095	1,536,257	-	1,952	2,251,605	14,865,614
REVENUES OVER (UNDER) EXPENDITURES	(8,810,894)	(641,454)	(43,260)	(598,657)	168,819	48,819	(2,088,767)	(11,723,022)
OTHER FINANCING SOURCES (USES)								
Issuance of Debt	-	-	-	-	-	-	12,631,578	27,789,474
Premium on Bonds Issued	-	-	-	-	-	-	33,993	74,784
Transfers In	8,707,674	5,942,338	-	936,168	6,213,375	-	2,380,990	66,206,398
Transfers Out	(8,985,451)	(38,539)	(6,335)	(1,588,691)	-	-	(14,900,145)	(48,912,707)
Total Other Financing Sources (Uses)	(277,777)	5,903,799	(6,335)	(652,523)	6,213,375	-	146,416	45,157,949
Net Change in Fund Balances	(9,088,671)	5,262,345	(49,595)	(1,251,180)	6,382,194	48,819	(1,942,351)	33,434,927
Fund Balance, Beginning of Year	21,997,068	(3,705,510)	238,567	7,386,735	-	1,869,229	8,215,689	50,943,342
Fund Balance, End of Year	\$ 12,908,397	\$ 1,556,835	\$ 188,972	\$ 6,135,555	\$ 6,382,194	\$ 1,918,048	\$ 6,273,338	\$ 84,378,269

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Certain Capital Project Funds
For Year Ended June 30, 2010**

	City Capital Improvement Financing Program			Civic Center Projects			Economic Infrastructure Projects		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Uses of Money and Property	\$ 80,616	\$ 21,200	\$ (59,416)	\$ 55,475	\$ 55,471	\$ (4)	\$ -	\$ 168,819	\$ -
Fees and Other Revenues	1,083,209	1,078,452	(4,757)	-	-	-	-	-	-
Total Revenues	<u>1,163,825</u>	<u>1,099,652</u>	<u>(64,173)</u>	<u>55,475</u>	<u>55,471</u>	<u>(4)</u>	<u>-</u>	<u>168,819</u>	<u>-</u>
EXPENDITURES									
Current:									
General Government	354,368	354,368	-	800	431	369	-	-	-
Total Expenditures	<u>354,368</u>	<u>354,368</u>	<u>-</u>	<u>800</u>	<u>431</u>	<u>369</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>809,457</u>	<u>745,284</u>	<u>(64,173)</u>	<u>54,675</u>	<u>55,040</u>	<u>365</u>	<u>-</u>	<u>168,819</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)									
Issuance of Debt	14,459,209	15,157,896	698,687	-	-	-	-	-	-
Premium on Bonds Issued	40,791	40,791	-	-	-	-	-	-	-
Transfers In	-	1,500,000	1,500,000	40,525,853	40,525,853	-	6,213,375	6,213,375	-
Transfers Out	(20,698,025)	(18,892,436)	1,805,589	(8,549,500)	(4,500,000)	4,049,500	-	-	-
Total Other Financing Sources (Uses)	<u>(6,198,025)</u>	<u>(2,193,749)</u>	<u>4,004,276</u>	<u>31,976,353</u>	<u>36,025,853</u>	<u>4,049,500</u>	<u>6,213,375</u>	<u>6,213,375</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (5,388,568)</u>	<u>(1,448,465)</u>	<u>\$ 3,940,103</u>	<u>\$ 32,031,028</u>	<u>36,080,893</u>	<u>\$ 4,049,865</u>	<u>\$ 6,213,375</u>	<u>6,382,194</u>	<u>\$ -</u>
Fund Balance, Beginning of Year		<u>1,477,181</u>			<u>-</u>			<u>-</u>	
Fund Balance, End of Year		<u>\$ 28,716</u>			<u>\$ 36,080,893</u>			<u>\$ 6,382,194</u>	

Continued

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

Certain Capital Projects Fund (Continued)

For Year Ended June 30, 2010

	Vineyards Projects			Redevelopment Projects			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Uses of Money and Property	\$ 47,250	\$ 50,771	\$ 3,521	\$ 115,400	\$ 162,838	\$ 47,438	\$ 298,741	\$ 459,099	\$ 160,358
Fees and Other Revenues	-	-	-	-	-	-	1,083,209	1,078,452	(4,757)
Total Revenues	<u>47,250</u>	<u>50,771</u>	<u>3,521</u>	<u>115,400</u>	<u>162,838</u>	<u>47,438</u>	<u>1,381,950</u>	<u>1,537,551</u>	<u>155,601</u>
EXPENDITURES									
Current:									
General Government	100,000	1,952	98,048	2,537,663	2,251,605	286,058	2,992,831	2,608,356	384,475
Total Expenditures	<u>100,000</u>	<u>1,952</u>	<u>98,048</u>	<u>2,537,663</u>	<u>2,251,605</u>	<u>286,058</u>	<u>2,992,831</u>	<u>2,608,356</u>	<u>384,475</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(52,750)</u>	<u>48,819</u>	<u>101,569</u>	<u>(2,422,263)</u>	<u>(2,088,767)</u>	<u>333,496</u>	<u>(1,610,881)</u>	<u>(1,070,805)</u>	<u>(228,874)</u>
OTHER FINANCING SOURCES (USES)									
Issuance of Debt	-	-	-	12,478,156	12,631,578	153,422	26,937,365	27,789,474	852,109
Premium on Bonds Issued	-	-	-	33,993	33,993	-	74,784	74,784	-
Transfers In	-	-	-	3,458,467	2,380,990	(1,077,477)	50,197,695	50,620,218	422,523
Transfers Out	(337,725)	-	337,725	(18,359,528)	(14,900,145)	3,459,383	(47,944,778)	(38,292,581)	9,652,197
Total Other Financing Sources (Uses)	<u>(337,725)</u>	<u>-</u>	<u>337,725</u>	<u>(2,388,912)</u>	<u>146,416</u>	<u>2,535,328</u>	<u>29,265,066</u>	<u>40,191,895</u>	<u>10,926,829</u>
Net Change in Fund Balances	<u>\$ (390,475)</u>	<u>48,819</u>	<u>\$ 439,294</u>	<u>\$ (4,811,175)</u>	<u>(1,942,351)</u>	<u>\$ 2,868,824</u>	<u>\$ 27,654,185</u>	<u>\$ 39,121,090</u>	<u>\$ 10,697,955</u>
Fund Balance, Beginning of Year		<u>1,869,229</u>			<u>8,215,689</u>			<u>11,562,099</u>	
Fund Balance, End of Year		<u>\$ 1,918,048</u>			<u>\$ 6,273,338</u>			<u>\$ 50,683,189</u>	

City of Brentwood

NET ASSETS BY COMPONENT

LAST NINE FISCAL YEARS

(Accrual Basis of Accounting)

(Unaudited)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
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	\$ 387,736,385
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	90,938,293
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	41,892,809
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	\$ 520,567,487
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	\$ 152,324,676
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	31,503,932
Unrestricted	512,510	5,787,062	(5,426,178)	14,373,836	14,140,500	22,052,908	33,177,282	39,191,354	38,179,045
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	\$ 222,007,653
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	\$ 540,061,061
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	122,442,225
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	80,071,854
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	\$ 742,575,140

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010
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	\$ 16,337,699
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	18,770,435
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	5,688,738
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	2,195,775
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	6,702,090
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	9,595,992
Community Services	581,152	314,293	226,732	237,458	2,059,834	3,402,377	3,728,537	4,771,816	5,665,988
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	3,129,383
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	68,086,100
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	6,137,930
Public Safety	371,995	396,267	391,286	417,939	463,693	563,191	611,166	512,853	555,434
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	1,204,973
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	1,760,861
Public Works	6,650	4,861	15,953	20,260	36,618	53,474	87,670	84,910	119,960
Parks and Recreation	-	-	-	-	1,804,256	1,687,292	1,128,180	936,023	920,233
Operating Grants and Contributions	698,207	226,570	165,107	114,791	200,915	6,443,633	9,868,672	9,594,707	10,547,689
Capital Grants and Contributions	163,450	132,575	128,384	166,951	212,611	50,529,249	35,633,756	21,356,537	7,393,607
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	28,640,686
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)	(39,445,414)
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	16,247,076
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	5,038,880
Franchise Fees	498,202	668,657	738,525	851,237	1,021,258	1,230,265	1,362,484	1,057,537	1,168,412
Public Service Taxes	391,088	589,266	743,890	914,426	1,000,573	527,766	342,627	298,911	283,407
Measure C / J, TOT	449,654	448,498	457,883	480,838	532,035	598,358	635,411	674,000	676,635
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	2,955,583
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	3,456,502
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	848,732
Transfers	(870,776)	7,349,207	3,810,805	(1,847,651)	57,512,251	2,111,311	144,482	1,645,610	84,116
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	30,759,345
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	\$ (8,686,069)

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010
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	\$ 7,387,756
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	7,530,880
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	18,381,997
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	253,241
Housing	-	-	7,504	1,022,306	1,215,548	1,481,274	792,055	307,298	419,217
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	33,973,091
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	7,936,737
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	8,856,687
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	15,760,490
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	425,832
Housing	-	-	-	1,000	30,290	117,601	174,368	188,137	175,186
Capital Grants and Contributions	-	-	-	-	6,287,482	22,969,310	11,971,155	12,590,057	3,996,082
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	37,151,014
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	3,177,923
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	1,632,413
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)	(84,116)
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	1,548,297
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	4,726,220
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	\$ (3,959,849)

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

City of Brentwood

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010
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	-
Nonspendable*	-	-	-	-	-	-	-	-	69,383
Restricted*	-	-	-	-	-	-	-	-	-
Committed*	-	-	-	-	-	-	-	-	600,000
Assigned*	-	-	-	-	-	-	-	-	2,200,000
Unassigned*	-	-	-	-	-	-	-	-	12,464,539
Total General Fund	\$ 8,960,546	\$ 19,302,492	\$ 22,830,391	\$ 19,500,563	\$ 22,514,337	\$ 25,399,565	\$ 24,011,019	\$ 15,584,818	\$ 15,333,922
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)	-
Nonspendable*	-	-	-	-	-	-	-	-	2,371,064
Restricted*	-	-	-	-	-	-	-	-	119,080,851
Committed*	-	-	-	-	-	-	-	-	4,477,489
Assigned*	-	-	-	-	-	-	-	-	-
Unassigned*	-	-	-	-	-	-	-	-	(2,586,983)
Total All Other Governmental Funds	\$ 62,871,709	\$ 51,138,866	\$ 45,573,338	\$ 52,565,675	\$ 96,975,847	\$ 92,241,115	\$ 87,553,300	\$ 91,298,304	\$ 123,342,421

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

* The City of Brentwood has implemented GASB 54 for the fiscal year ended June 30, 2010. Historical data will not be converted.

City of Brentwood

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST NINE FISCAL YEARS

(Modified Accrual Basis of Accounting)

(Unaudited)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
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	\$ 21,892,844
Licenses	66,810	124,823	325,143	405,246	471,668	509,618	454,678	530,025	494,958
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	2,419,184
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	2,939,018
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	6,491,361
Franchises	338,692	428,731	584,868	672,172	808,389	965,066	1,018,540	1,057,537	1,168,412
Charges for Other Services	825,618	531,791	570,455	546,251	1,580,198	776,584	515,471	407,429	437,338
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	6,101,449
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	12,772,501
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	54,717,065
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	13,903,858
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	15,029,062
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	6,530,394
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	2,124,818
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	2,342,121
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	7,387,946
Community Services	581,152	314,293	226,732	237,458	2,073,780	3,414,448	3,739,616	4,777,007	5,668,438
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	9,534,182
Debt Service:									
Principal	294,847	808,325	1,933,865	1,655,889	1,817,780	832,754	967,369	1,003,379	2,412,705
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	2,902,943
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	67,836,467
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)	(13,119,402)
OTHER FINANCING SOURCES (USES)									
Issuance of Debt	38,079,976	-	4,245,101	-	-	-	-	-	48,000,000
Refunding Bonds Issued	(8,560,000)	-	-	-	-	-	-	-	-
Premium on Bonds Issued	-	-	-	-	-	-	-	-	129,172
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	89,614,732
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)	(92,831,281)
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)	44,912,623
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)	\$ 31,793,221
Debt Service as a Percentage of Noncapital Expenditures	12.93%	7.70%	8.53%	7.37%	6.90%	3.81%	3.62%	4.82%	9.12%

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
2001	\$ 1,361,028,726	\$ 117,609,349	\$ 35,002,177	\$ 226,329,345	\$ 46,002,573	\$ 1,693,967,024	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%
2003	2,287,079,944	165,902,523	44,072,038	412,113,848	62,211,396	2,846,956,957	1.0095%
2004	3,042,749,265	186,451,612	36,523,807	386,365,328	80,350,496	3,571,739,516	1.0063%
2005	3,515,069,389	287,458,470	40,651,651	736,390,251	82,710,234	4,496,859,527	1.0051%
2006	4,154,730,562	349,720,006	36,479,015	1,151,608,684	93,209,265	5,599,329,002	1.0040%
2007	6,113,626,591	470,049,609	59,128,465	626,092,781	96,882,748	7,172,014,698	1.0038%
2008	6,846,457,166	523,981,184	72,172,090	783,572,929	107,975,826	8,118,207,543	1.0032%
2009	6,028,251,325	653,859,546	117,670,976	717,049,367	112,118,379	7,404,712,835	1.0039%
2010	4,785,876,213	786,006,109	85,597,901	333,871,740	118,631,364	6,109,983,327	1.0054%

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
2001	1.00%	0.0000%	1.0000%	0.0575%	0.0522%	0.0065%
2002	1.00%	0.0000%	1.0000%	0.0478%	0.0577%	0.0072%
2003	1.00%	0.0095%	1.0095%	0.0510%	0.0465%	0.0105%
2004	1.00%	0.0063%	1.0063%	0.0405%	0.0405%	0.0095%
2005	1.00%	0.0051%	1.0051%	0.0489%	0.0517%	0.0099%
2006	1.00%	0.0040%	1.0040%	0.0379%	0.0519%	0.0152%
2007	1.00%	0.0038%	1.0038%	0.0331%	0.0444%	0.0178%
2008	1.00%	0.0032%	1.0032%	0.0276%	0.0470%	0.0264%
2009	1.00%	0.0039%	1.0039%	0.0289%	0.0587%	0.0256%
2010	1.00%	0.0054%	1.0054%	0.0376%	0.0682%	0.0291%

Source: HdL Coren & Cone, 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 2010			Fiscal Year 2001		
	Taxable Assessed Value	Rank	Percent of City's Total Taxable Value	Taxable Assessed Value	Rank	Percent of City's Total Taxable Value
Brentwood Specialty Center LLC	\$ 104,799,470	1	1.72%	\$ -	-	0.00%
Sand Creek Crossing LLC	60,178,559	2	0.98%	-	-	0.00%
Trilogy Vineyards LLC	53,500,814	3	0.88%	-	-	0.00%
DS Lone Tree Plaza LLC	46,099,830	4	0.75%	-	-	0.00%
John Muir Mt Diablo Health	36,057,496	5	0.59%	-	-	0.00%
WK LLC	25,520,571	6	0.42%	-	-	0.00%
Festival Retail Fund Brentwood	23,297,655	7	0.38%	-	-	0.00%
Discovery Builders Inc.	21,755,889	8	0.36%	-	-	0.00%
Brentwood Arbor Ridge LP	21,015,192	9	0.34%	-	-	0.00%
New Urban Comm Sciortino LLC	20,076,000	10	0.33%	-	-	0.00%
Brookfield Brentwood Lakes Inc.	-	-	0.00%	39,348,223	1	2.32%
Blackhawk Nunn Active Adult	-	-	0.00%	34,361,160	2	2.03%
California Sun Properties	-	-	0.00%	24,046,437	3	1.42%
US Print Corporation	-	-	0.00%	16,757,892	4	0.99%
HPH Properties	-	-	0.00%	16,707,289	5	0.99%
Pulte Home Corporation	-	-	0.00%	16,555,103	6	0.98%
Morrison Homes	-	-	0.00%	14,108,420	7	0.83%
Ronald E. and Shirley Nunn	-	-	0.00%	14,008,813	8	0.83%
Centex Homes	-	-	0.00%	11,440,297	9	0.68%
Signature Properties Inc.	-	-	0.00%	10,777,978	10	0.64%
Total	\$ 412,301,476		6.75%	\$ 198,111,612		11.70%

Source: HdL Coren & Cone

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
2001	\$ 4,576,990	\$ 4,576,990	100.00%
2002	5,423,132	5,423,132	100.00%
2003	6,933,900	6,933,900	100.00%
2004	7,990,595	7,990,595	100.00%
2005	9,932,342	9,932,342	100.00%
2006	14,887,469	14,887,469	100.00%
2007	19,676,078	19,676,078	100.00%
2008	20,802,069	20,802,069	100.00%
2009	19,580,300	19,580,300	100.00%
2010	16,247,076	16,247,076	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)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Apparel Stores	\$ 1,015	\$ 948	\$ 4,230	\$ 13,172	\$ 21,115	\$ 30,140	\$ 32,314	\$ 32,851	\$ 37,473	\$ 53,203
General Merchandise	87	107	113	136	246	295	813	1,961	1,896	2,325
Food Stores	18,640	21,742	23,799	27,556	33,424	36,433	39,462	40,428	41,736	44,403
Eating & Drinking Establishments	18,300	20,509	22,476	25,885	29,466	39,548	44,538	49,947	51,619	59,234
Building Materials	18,331	21,534	19,074	19,551	57,860	72,917	64,761	59,947	53,094	46,998
Auto Dealers and Supplies	56,419	55,192	51,653	47,542	48,377	57,165	62,226	57,138	32,970	39,585
Service Stations	28,653	31,014	33,403	40,419	51,259	62,580	73,906	84,455	103,127	77,009
Other Retail Stores	18,460	20,150	24,860	33,388	39,931	55,263	57,824	73,833	86,584	92,421
All Other Outlets	43,848	52,971	57,504	59,426	90,820	95,745	97,382	93,793	89,018	87,609
Total	\$ 203,753	\$ 224,167	\$ 237,112	\$ 267,075	\$ 372,498	\$ 450,086	\$ 473,226	\$ 494,353	\$ 497,517	\$ 502,787
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 HdL Coren & Cone.

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
2001	1.00%	1.25%	5.75%	8.00%
2002	1.00%	1.25%	6.00%	8.25%
2003	1.00%	1.25%	6.00%	8.25%
2004	1.00%	1.25%	6.00%	8.25%
2005	1.00%	1.25%	6.00%	8.25%
2006	1.00%	1.25%	6.00%	8.25%
2007	1.00%	1.25%	6.00%	8.25%
2008	1.00%	1.25%	6.00%	8.25%
2009	1.00%	1.25%	7.00%	9.25%
2010	1.00%	1.25%	7.00%	9.25%

Source: State Board of Equalization

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

(1) April 1, 2009 the State increased the State Rate 1%

City of Brentwood

**TOP 25 SALES TAX PRODUCERS
CURRENT YEAR AND NINE YEARS AGO**

(Unaudited)

2010		2001	
Tax Remitter ⁽¹⁾	Business Category	Tax Remitter ⁽¹⁾	Business Category
Arco AM PM	Service Stations	1st Stop Automart	Service Stations
AT&T Mobility	Electronics/Appliance Store	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	Bill Brandt Ford	New Motor Vehicle Dealers
Brentwood Service Station	Service Stations	Brentwood Auto Parts	Automotive Supply Stores
Chevron	Service Stations	Brentwood Dodge Chrysler Plymouth	New Motor Vehicle Dealers
CVS Pharmacy	Drug Stores	Brentwood Ready Mix	Contractors
Dallas Shanks Services	Service Stations	Bunkers Grille	Restaurants Liquor
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
Kohls	Family Apparel	Golden Gate Petroleum	Petroleum Prod/Equipment
Michaels	Florist Shops	Longs	Drug Stores
Raleys	Grocery Stores - Liquor	McDonalds	Restaurants - No Alcohol
Ross	Family Apparel	More For Less	Service Stations
Safeway	Grocery Stores - Liquor	Mt Diablo Supply	Lumber/Building Materials
Save Mart Supermarkets	Grocery Stores - Liquor	Pee Wee Muldoons	Restaurants Liquor
TJ Maxx	Family Apparel	Quick Stop Markets	Service Stations
Tower Mart	Service Stations	Safeway	Grocery Stores - Liquor
Tri City Auto Plaza	Service Stations	Savers Fuel Mart	Service Stations
Verizon Wireless	Electronics/Appliance Store	Tower Mart	Service Stations
Walgreens	Drug Stores	Ultramart	Service Stations
Winco Foods	Grocery Stores - Liquor	US Print	Light Industrials/Printers
Percent of Fiscal Year Total Paid by Top 25 Accounts = 50.32%		Percent of Fiscal Year Total Paid by Top 25 Accounts = 71.25%	

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

WATER USE REVENUE BY CUSTOMER TYPE
LAST FIVE FISCAL YEARS
(Unaudited)

Type of Customer	2006	2007	2008	2009	2010
Residential	\$ 6,618,564	\$ 8,037,936	\$ 7,967,434	\$ 7,771,514	\$ 7,298,520
Commercial	1,243,223	1,588,280	1,535,388	1,353,079	1,243,055
Industrial	86,581	104,434	308,275	594,218	474,029
Government	379,228	596,973	828,672	1,062,688	1,129,991
Total	\$ 8,327,596	\$ 10,327,622	\$ 10,639,768	\$ 10,781,499	\$ 10,145,595

Source: City of Brentwood Finance Department, Utility Billing

Note: Information prior to 2006 is not available.

City of Brentwood

WATER RATES
LAST TEN FISCAL YEARS
(Unaudited)

	2001 ⁽¹⁾	2002 ⁽¹⁾	2003 ⁽¹⁾	2004	2005	2006	2007	2008	2009	2010
Monthly Base Rate										
5/8" or 3/4" meter	\$ 10.76	\$ 11.66	\$ 12.20	\$ 14.00	\$ 14.59	\$ 15.24	\$ 15.98	\$ 16.46	\$ 16.95	\$ 17.46
1" meter	16.21	17.57	18.38	21.09	21.98	22.96	24.07	24.69	25.43	26.19
1 1/2" meter	32.30	34.90	36.51	41.90	43.68	45.62	47.84	49.38	50.86	52.39
2" meter	53.72	58.21	60.89	69.89	72.85	76.09	79.79	82.30	84.77	87.31
3" meter	89.54	97.03	101.50	116.50	120.60	125.96	132.08	148.13	152.58	157.16
4" meter	143.25	155.24	162.39	186.39	194.30	202.94	212.80	213.97	220.39	227.00
6" meter	286.58	310.57	324.86	372.87	388.70	405.99	425.70	444.40	457.74	471.47
Consumption Charge (per 1,000 gallons = 1 unit)										
Residential Tiers										
Tier 1: Units 1-10	\$ 1.68	\$ 1.81	\$ 1.89	\$ 2.19	\$ 2.28	\$ 2.38	\$ 2.50	\$ 2.58	\$ 2.65	\$ 2.73
Tier 2: Units 11-20	N/A	N/A	N/A	2.61	2.72	2.84	2.98	3.07	3.16	3.26
Tier 3: Units 21-30	N/A	N/A	N/A	3.13	3.26	3.41	3.57	3.68	3.79	3.90
Tier 4: Units 31+	N/A	N/A	N/A	3.65	3.80	3.97	4.16	4.28	4.41	4.55
Non Residential Tiers										
Tier 1: Units 1-10	N/A	N/A	N/A	\$ 2.19	\$ 2.28	\$ 2.38	\$ 2.50	\$ 2.58	\$ 2.65	\$ 2.73
Tier 2: Units 11+	N/A	N/A	N/A	2.61	2.72	2.84	2.98	3.07	3.16	3.26
Non Potable										
Tier 1: Units 1+	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 0.95	\$ 0.98	\$ 1.01

Source: City of Brentwood Finance Department, Utility Billing

(1) The Residential & Commercial Tiers were implemented in 2004; therefore, there was only a Consumption Charge per 1,000 gallons.

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	Civic Center Project Lease Revenue Bonds	Roadway Bonds	COP Bonds	TAB Bonds	Notes Payable	Capital Leases (Internal Service)	Capital Leases (Governmental)
2001	\$ -	\$ -	\$ -	\$ 5,320,000	\$ 865,000	\$ 3,240,000	\$ -	\$ 251,447	\$ -
2002	5,999,976	32,080,000	-	-	595,000	-	-	178,104	-
2003	6,198,082	31,635,000	-	-	305,000	-	-	100,703	271,775
2004	6,255,771	31,025,000	-	-	-	-	-	69,108	206,930
2005	6,411,571	30,390,000	-	-	-	-	2,355,868	35,500	140,061
2006	6,384,302	29,740,000	-	-	-	-	1,867,208	-	17,754
2007	6,436,238	29,065,000	-	-	-	-	1,738,860	-	-
2008	6,479,059	28,370,000	-	-	-	-	1,626,491	-	-
2009	6,513,343	27,645,000	-	-	-	-	1,528,112	-	-
2010	6,534,783	26,890,000	48,000,000	-	-	-	75,407	-	-

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⁾
2001	\$ -	\$ 9,176,093	\$ 1,090,000	\$ 2,358,908	\$ 1,280,543	\$ 12,428,954	\$ 14,163,928	\$ 50,174,873	8.49%	\$ 2,257
2002	-	8,989,150	1,030,000	2,310,850	1,042,984	33,439,743	13,337,845	99,003,652	14.60%	3,944
2003	-	8,794,253	965,000	2,260,748	848,688	37,713,566	12,506,962	101,599,777	13.02%	3,431
2004	-	8,587,423	-	2,207,578	642,764	36,188,841	16,611,959	101,795,374	11.03%	3,087
2005	-	8,372,637	-	2,152,363	423,675	34,574,866	10,711,564	95,568,105	8.52%	2,566
2006	-	8,145,920	-	2,094,080	190,955	32,931,790	9,799,478	91,171,487	6.93%	2,168
2007	-	7,911,248	-	2,033,752	-	31,458,362	9,082,956	87,726,416	5.56%	1,908
2008	-	7,664,643	-	1,970,357	-	29,744,923	8,441,719	84,297,192	4.74%	1,732
2009	52,780,000	-	-	-	-	28,000,554	7,691,719	124,158,728	6.63%	2,455
2010	52,500,000	-	-	-	-	26,224,698	7,432,445	167,657,333	9.09%	3,227

Note: Details regarding the City's outstanding debt can be found in Note #6, found on pages 58 - 66 of this report.

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

(2) See Schedule 20 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
2001	\$ -	\$ -	0.00%	\$ -
2002	5,999,976	5,999,976	0.27%	203
2003	6,198,082	6,198,082	0.22%	188
2004	6,255,771	6,255,771	0.18%	168
2005	6,411,571	6,411,571	0.14%	152
2006	6,384,302	6,384,302	0.11%	139
2007	6,436,238	6,436,238	0.09%	132
2008	6,479,059	6,479,059	0.08%	128
2009	6,513,343	6,513,343	0.09%	125
2010	6,534,783	6,534,783	0.11%	124

Note: Details regarding the City's outstanding debt can be found in Note #6, found on pages 58 - 66 of this report.
The General Obligation Bond was issued in Fiscal Year 2002.

Source: City of Brentwood Finance Department

City of Brentwood

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of June 30, 2010

(Unaudited)

	Total Debt 6/30/10	Percentage Applicable	City's Share of Debt 6/30/10
DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:			
Bay Area Rapid Transit	\$ 420,000,000	1.259%	\$ 5,287,800
Contra Costa Community College District	245,795,000	4.259%	10,468,409
Liberty Union High School District	54,787,658	49.781%	27,273,844
Brentwood Union School District	56,032,534	91.335%	51,177,315
Oakley Union School District	23,765,000	0.002%	475
City of Brentwood	6,534,783 ⁽¹⁾	100.000%	6,534,783
City of Brentwood 1915 Act Bonds	169,235,387	100.000%	169,235,387
California Statewide Communities Development Authority Assessment District No. 04-1& 05-1	9,603,323	100.000%	9,603,323
East Bay Regional Park District	196,775,000	1.918%	3,774,145
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT	\$ 1,182,528,685		\$ 283,355,481
DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:			
Contra Costa County General Fund Obligations	\$ 270,430,000	4.243%	\$ 11,474,345
Contra Costa County Pension Obligations	435,310,000	4.243%	18,470,203
Contra Costa Community College District Certificates of Participation	990,000	4.259%	42,164
Liberty Union High School District Certificates of Participation	1,720,000	49.782%	856,250
Brentwood Union School District Certificates of Participation	3,245,000	91.335%	2,963,821
TOTAL DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT	711,695,000		33,806,783
COMBINED TOTAL DEBT	\$ 1,894,223,685 ⁽²⁾		\$ 317,162,264

Source: California Municipal Statistics, Inc.

(1) Includes \$1,549,807 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)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt Limit	\$ 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	\$ 229,124,375
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	6,534,783
Legal Debt Margin	\$ 57,523,787	\$ 76,079,227	\$ 100,505,115	\$ 127,528,661	\$ 162,247,930	\$ 203,538,600	\$ 262,471,492	\$ 297,953,724	\$ 271,163,388	\$ 222,589,592
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	9.45%	7.53%	5.86%	4.79%	3.79%	3.07%	2.41%	2.13%	2.35%	2.85%

Legal Debt Margin Calculation for Fiscal Year 2010

Assessed Value ¹	\$6,109,983,327
Debt Limit (3.75% of Assessed Value) ²	229,124,375
Debt Applicable to Limit:	
General Obligation Bonds	6,534,783
Less: Amount set aside for Repayment of General Obligation Debt	-
Total Net Debt Applicable to Limit	<u>6,534,783</u>
Legal Debt Margin	<u>\$ 222,589,592</u>

Source: Contra Costa County Assessor

(1) Contra Costa County Auditor / Controller

(2) State of California Government Code 25 and 43605

City of Brentwood

PLEDGED REVENUE COVERAGE
LAST TWO FISCAL YEARS
(Unaudited)

Water Revenue Bonds, Series 2008

Fiscal Year	Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2009*	\$ 17,234,772	\$ 11,356,551	\$ 5,878,221	\$ 420,000	\$ 1,858,366	2.58
2010	16,216,949	11,876,489	4,340,460	280,000	2,915,363	1.36

Source: City of Brentwood Finance Department

Note: Details regarding the City's outstanding debt can be found in Note #6, found on pages 58 - 66 of this report. Operating Revenues do not include developer connection fees. Operating expenses do not include depreciation or amortization expenses.

* The Water Revenue Bonds were issued in October 2008; therefore, fiscal year 2009 is the first reportable year.

The obligation of the City to make such payments is a special obligation of the City payable solely from Net Water Revenues.

City of Brentwood

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN CALENDAR YEARS (Unaudited)

Calendar Year	Population ⁽¹⁾	Personal Income (In Thousands) ⁽²⁾	Per Capita Personal Income	Median Age ⁽³⁾	School Enrollment ⁽⁴⁾	Unemployment Rate ⁽⁵⁾
2000	22,230	\$ 590,845	\$ 26,579	36.4	3,886	3.1%
2001	25,104	678,007	27,008	36.8	4,390	3.6%
2002	29,608	780,456	26,360	37.0	8,984	5.1%
2003	32,975	922,703	27,982	37.4	10,510	5.4%
2004	37,246	1,121,457	30,109	31.1	10,645	4.8%
2005	42,050	1,315,334	31,280	32.7	11,949	4.3%
2006	45,974	1,576,491	34,291	32.8	14,003	3.8%
2007	48,677	1,777,197	36,510	33.0	14,982	4.1%
2008	50,584	1,871,658	37,001	32.8	15,196	5.4%
2009	51,950	1,844,650	35,508	32.0	15,615	9.2%

- Sources:**
- (1) California Department of Finance, data is as of January 1 of each year.
 - (2) US Census Bureau; based on last available Census and projected post census trends.
 - (3) Demographic Data is totaled from Census Block Groups that overlap City boundaries.
 - (4) Brentwood Union School District (2000 - 2001); Liberty Union High School and Brentwood Union School Districts (2002 - present).
 - (5) Employment Development Department.

City of Brentwood

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

(Unaudited)

Employer	2010			2001		
	Employees	Rank	Percent of Total City Employment	Employees	Rank	Percent of Total City Employment
Brentwood Union School District	900-1,000	1	11.50%	300-400	1	8.82%
Liberty Union High School District	200-300	2	3.41%	200-300	2	5.88%
City of Brentwood	200-300	3	3.12%	200-300	3	5.88%
Safeway Stores, Inc.	200-300	4	3.12%	50-100	8	1.47%
Precision Cabinets	200-300	5	3.12%	100-150	5	2.94%
Winco Foods, Inc.	150-200	6	2.00%	-		
Kohl's	150-200	7	1.87%	-		
Raleys Super Markets	100-150	8	1.50%	-		
Home Depot	50-100	9	1.25%	-		
John Muir	50-100	10	0.96%	-		
Albertsons	-			100-200	4	2.94%
US Print	-			50-100	6	1.47%
Lucky Stores, Inc.	-			50-100	7	1.47%
Brentwood Dodge Chrysler Plymouth	-			25-50	9	0.74%
Longs Drugs Stores	-			25-50	10	0.74%
Total	2,200-2,950		31.85%	1,100-1,750		32.35%

Source: HdL Coren & Cone

City of Brentwood

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

(Unaudited)

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government	22	23	27	29	33	35	39	39	39	37
Public Safety	47	48	66	71	78	77	77	78	78	79
Community Development	25	26	31	34	37	38	39	29	27	26
Engineering	30	33	34	37	35	32	31	20	12	12
Public Works	10	12	14	15	19	19	19	20	20	20
Parks and Recreation	20	24	26	26	32	32	33	29	27	27
Wastewater	9	10	14	14	15	16	16	16	17	17
Solid Waste	13	12	14	18	20	20	22	23	23	23
Water	14	15	17	17	21	21	22	23	25	25
City Rentals	-	1	2	2	2	2	2	2	-	-
Housing	-	-	-	-	3	3	3	2	1	1
	190	204	245	263	295	295	303	281	269	267

Source: City of Brentwood Finance Department

City of Brentwood

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

Function / Program	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government									
Building Permits Issued	1,157	1,400	1,421	1,452	978	404	129	31	136
Accounts Payable Invoices Processed	14,872	15,224	15,855	15,357	15,686	15,255	15,093	13,695	12,085
Purchase Orders Issued ⁽¹⁾	476	413	487	581	526	414	382	319	238
Checks Issued	13,721	14,710	16,624	17,215	18,058	17,628	16,968	15,043	14,328
Public Works									
Street Miles Swept	N/A	6,313	18,481	22,488	21,715	20,869	20,308	18,031	17,885
Debris Collected (tons)	N/A	608	1,987	2,265	2,215	2,215	2,017	2,047	1,832
Streetlights Maintenance Requests	N/A	235	656	576	438	570	834	871	760
Police									
Physical Arrests (est.)	1,100	1,086	1,202	1,339	1,314	1,500	1,852	1,603	1,625
Calls for Service (est.) ⁽²⁾	16,386	19,197	21,190	22,491	23,553	26,000	27,953	32,608	38,922
Case Files Taken (est.)	4,480	5,032	5,367	5,449	5,571	6,000	6,162	5,941	6,117
Parks and Recreation									
Total Programs Offered (est.)	699	972	1,214	1,464	1,975	2,123	2,231	945	832
Total Participants and Spectators at Events	N/A	334,177	539,276	640,137	980,300	1,071,658	937,187	749,922	642,612
Refuse Collection									
Refuse Collected (tons per day)	40	45	52	64	71	82	99	96	95
Yard Waste (tons per day)	10	12	14	17	18	23	29	29	31
Recyclables Collected (tons per day)	11	13	15	18	19	21	25	22	22
Residential Services	9,310	10,807	12,303	13,540	14,489	15,183	14,893	15,263	15,469
Commercial Services	425	525	624	541	546	475	463	453	459
Water									
New Connections	1,421	1,531	1,800	961	900	536	225	39	113
Average Daily Consumption (millions of gallons)	5	5	5	8	9	11	11	10	10
Peak Daily Consumption (millions of gallons)	10	10	14	15	15	17	17	16	16
Number of Utility Customers	9,644	11,022	12,581	13,995	15,289	16,078	16,324	16,442	16,769
Wastewater									
New Connections	1,400	1,500	1,916	886	830	1,049	225	39	113
Average Daily Sewage Treatment (millions of gallons)	2	3	3	3	3	4	4	4	3

Source: Various City Departments

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

⁽¹⁾ Beginning in fiscal year 2007 change orders were no longer included in the total number of purchase orders.

⁽²⁾ Beginning in fiscal year 2010 calls for service figures include pedestrian and vehicle stops. There were 11,542 of these stops reported in the 2010 figures.

City of Brentwood

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

Function / Program	2002	2003	2004	2005	2006	2007	2008	2009	2010
Police									
Stations	1	1	1	1	1	1	1	1	1
Substations	-	-	-	-	-	-	-	1	1
Patrol Vehicles	27	29	33	36	40	52	52	50	50
Parks and Recreation									
Neighborhood Park Acreage	76	95	148	171	194	228	256	256	256
Play Areas	20	22	25	32	40	40	43	43	45
Multi-Use Trails (miles)	N/A	N/A	13	15	15	15	16	16	16
Multi-Use Ball and Soccer Fields	14	14	17	20	23	23	23	23	23
Picnic Areas/Tables ⁽¹⁾	23	23	23	25	214	253	276	276	276
Refuse Collection									
Collection Trucks	8	9	12	12	13	14	14	14	14
Water									
Water Mains (miles)	100	120	149	164	173	173	173	173	184
Fire Hydrants	1,323	1,323	1,397	1,521	1,628	1,628	1,869	1,910	1,940
Number of Wells	7	8	8	9	10	10	9	9	9
Number of Reservoirs	4	4	4	5	5	6	6	6	6
Storage Capacity (millions of gallons)	11	11	11	15	15	19	19	19	19
Wastewater									
Sanitary Sewers (miles)	67	67	92	101	138	150	150	150	150
Lift Stations	4	4	3	3	3	2	3	2	2
Other Public Works									
Streets (miles)	119	119	145	161	168	168	168	190	190
Street Lights	2,858	2,858	3,614	3,873	3,882	4,255	5,299	5,836	5,836

Source: Various City Departments

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

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

City of Brentwood

General Information
(Unaudited)

Date of Incorporation:	January 19, 1948
Forms of Government:	General Law Council-Manager
Fiscal Year Begins:	July 1
Area of City:	14.83 Sq Miles
Population as of January 2010:	52,492

<u>Miles of Streets</u>	
Miles of Streets	190
Miles of Sanitary Sewers	150
Miles of Water Mains	184
Number of Street Lights	5,836

<u>Parks and Recreation</u>	
Neighborhood Parks	256 acres
Aquatic Complex	7.5 Acres
Skate Park	.50 acres
Play Areas	45
Sunset Park Athletic Complex	38 acres
Veterans Park	10.5 acres

<u>Number of Full-time Equivalent Positions</u>	<u>Year End</u>
267.25	2010
269.25	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

<u>Municipal Wastewater System</u>	
Number of Lift Stations	2
Sanitary	3
Storm	1
Number of Connections	15,860
Average Daily Flow	3.1 MGD

<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	2
Picnic Areas/Tables	276
BBQ Areas	19
Restrooms (Permanent)	8

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

<u>Municipal Water System</u>	
Number of Wells	9
Number of Reservoirs	6
Storage Capacity (gallons)	19 MG
Average Daily Consumption	9.5 MGD
Peak Daily Consumption	16.2 MGD
Number of Fire Hydrants	1,940
Number of Connections	16,769

<u>Police Protection</u>	
Sworn Officers	62
Non-Sworn	17
Reserves	0
Vehicles	50
Motorcycles	6

<u>Municipal Solid Waste</u>	
Number of Residential Services	15,469
Number of Commercial Services	459

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

Source: Various City Departments



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