

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2011



City of Brentwood
150 City Park Way Brentwood, CA 94513

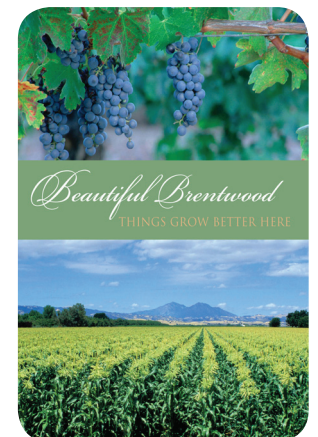


Every year the City selects a theme for the covers of its major financial documents - the Capital Improvement Program (CIP), the Fiscal Model, the Operating Budget, the Cost Allocation Plan, the Comprehensive Annual Financial Report (CAFR) and the Public Facilities Fee Report. *This year each of the covers showcases an aspect of “Beautiful Brentwood.”*

This year the City of Brentwood is one of sixty-five companies chosen by The Bay Area News Group to receive the Top Workplaces Award for 2011. This award recognizes the best places to work in the Bay Area and is based upon feedback from employees.

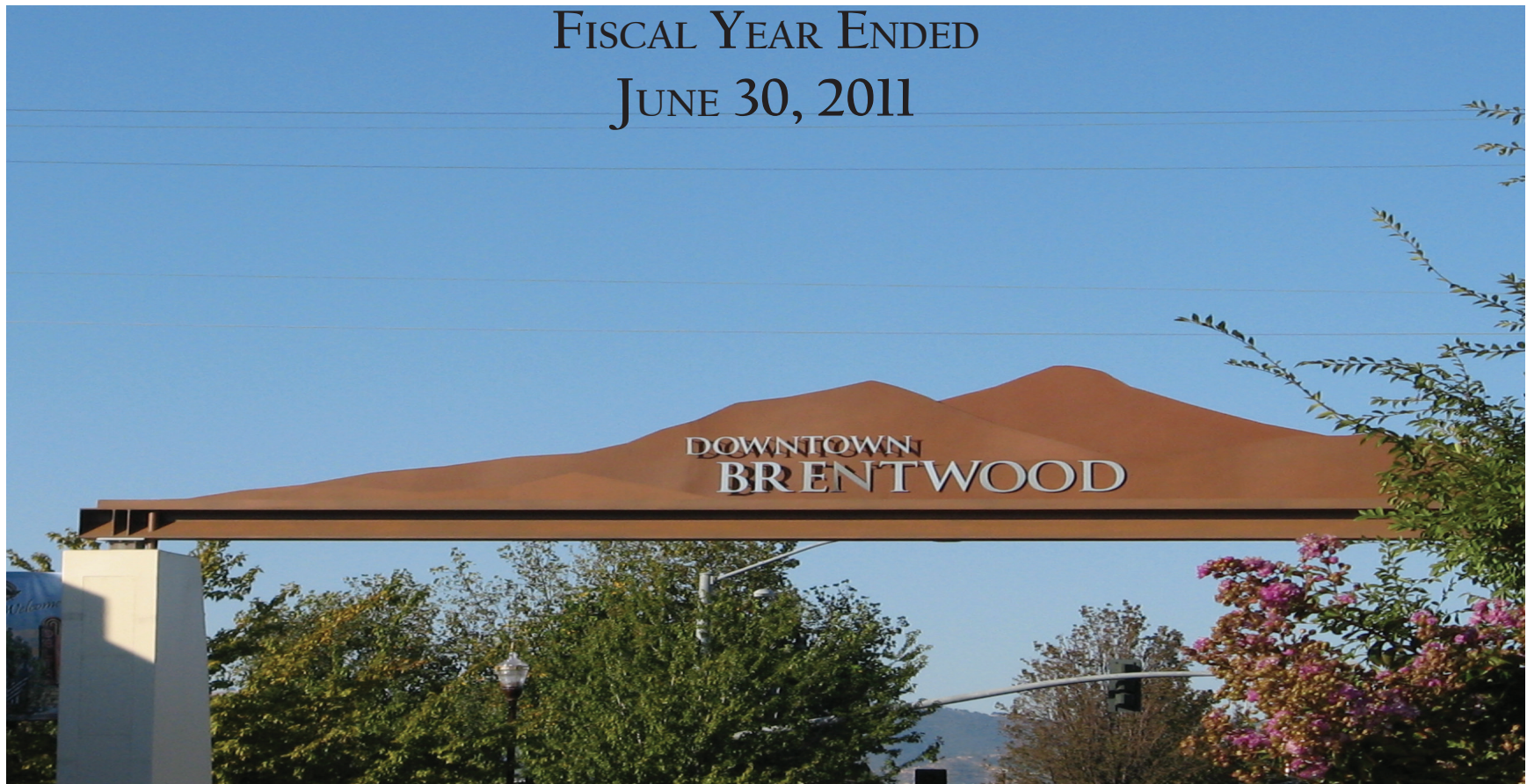


 **BayAreaNewsGroup**



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED
JUNE 30, 2011



*PREPARED BY:
FINANCE DEPARTMENT
CITY OF BRENTWOOD
150 CITY PARK WAY
BRENTWOOD, CALIFORNIA 94513*

For Fiscal Year Ended June 30, 2011

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Letter of Transmittal



December 13, 2011

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, 2011. This is the eleventh year the City's Finance Department has prepared this report and the tenth year using the reporting requirements as prescribed by the Governmental Accounting Standards Board in Statement No. 34. Responsibility for both the accuracy of the data and the completeness and fairness of the information, including all disclosures, rests with the City. To the best of the City staff's knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of the operations of the various entities of the City of Brentwood. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included. Generally accepted accounting principles require that management provide a narrative introduction overview and analysis to accompany the basic financial statements in the form of a Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

INTERNAL CONTROLS

Accounting for all of the City's activities is centralized under the Finance Department. The department has been delegated the responsibility for maintaining the integrity of the City's recorded financial data. The Finance Department, in conjunction with the City's management, is also responsible for establishing and maintaining an internal control structure designed to ensure that the City's assets are protected from loss, theft or misuse. The internal control structure is designed to provide reasonable assurance that these objectives are met, while recognizing that this

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assurance is not absolute. The concept of reasonable assurance recognizes: 1) the cost of a control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits requires estimates and judgments by management. City administration believes the existing internal control systems are adequate to provide reasonable assurance the City’s assets are safeguarded against loss and that the financial records are reliable for preparing financial statements and maintaining accountability for assets. This belief is supported by the City’s twelfth consecutive “Unqualified” Audit issued in 2011.

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.

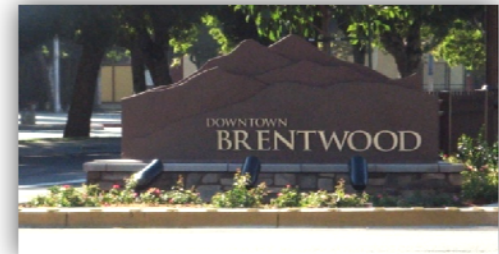
The Government Code of the State of California requires general law cities, such as the City of Brentwood, to have its financial statements audited by an independent certified public accountant. Accordingly, this year’s audit was completed by the accounting firm of Maze & Associates. The firm was engaged 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.

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 in eastern Contra Costa County, halfway between the cities of San Francisco and Sacramento. The City is governed by a five member City Council, under the Council–Manager form of government. As of June 30, 2011, the City had a population of approximately 52,029 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 two

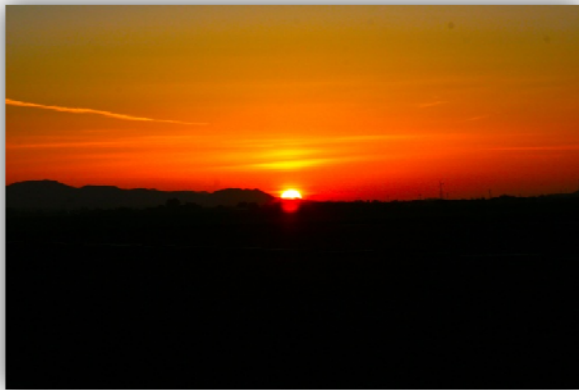


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component units, the Brentwood Redevelopment (“Agency”) and the Brentwood Infrastructure Financing Authority (BIFA). Although legally separate entities, these blended component units are, in substance, part of the government’s operations. Financial 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.

The annual budget process begins in January with a strategic planning meeting. The individual departments then prioritize and recommend the budgetary funding requirements necessary to perform both their objectives and the City Council’s strategic goals and initiatives. These funding requests are then balanced and prioritized to fit within the constraints of projected revenue assumptions. 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 in April at a Budget Workshop 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 annual operating budgets as their appropriations are either: 1) established by the related bond documentation, 2) other legal agreements or 3) are multi-year projects covered through the Capital Improvement Program Budget whose budget cycle exceeds one fiscal year. Funds which meet these requirements are the: Capital Improvement Financing Program Funds; 2002 Series A&B Fund; Randy Way Assessment District Improvement Fund; Community Facilities Improvement Projects Fund; Park Improvement Projects Fund; Drainage Improvement Projects Fund; Street Improvement Projects Fund; Capital Improvement Program 2001 Fund; 2002 General Obligation Bond Fund and Civic Center Projects Revenue Bond Fund. See Note #2 – A on page 43 for additional information.

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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. New single family residential building permits have fallen from an average of over 1,400 per year to approximately 100 per year. The financial challenges resulting from the decline in development activity have been exacerbated by a corresponding decline in property values. Property taxes, the General Fund's top revenue source, is expected to decline for a fourth consecutive year in FY 2011/12, with a total decline of 32.7% since FY 2007/08.

In addition to this decline, in November 2009 the Contra Costa County Assessor's office 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, has thus far been required to share in the refund and has been informed that it is responsible for a repayment amount of \$96,136 over the 2010/11 and 2011/12 fiscal years. Chevron has appealed their assessed valuation amounts for the 2004 through 2010 tax years; however, the settlement with the Assessor's office only covered the 2004 through 2006 timeframe. City staff has been informed the City may be responsible for significant additional payments if Chevron is successful in their appeal of these additional years. The majority of cities in Contra Costa County, including Brentwood, along with several special districts have filed a legal complaint against the Contra Costa County Auditor-Controller regarding the allocation of the Chevron refund amongst those agencies, such as Brentwood, which did not receive any of the benefit in previous years.



Persistently high unemployment, stock market losses and home valuation declines have caused consumers to pull back on spending. These factors have caused sales tax revenues to decline on a State wide basis. While most agencies have suffered double digit percentage declines, the City has continually experienced minor increases, in large part due to the 2008 opening of the Streets of Brentwood Lifestyle Center. Despite the difficult economic environment, the City's sales tax revenues are expected to continue to show very modest gains as businesses continue to view Brentwood as an attractive location.

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 have a more significant negative impact on agencies, such as Brentwood, which have larger cash reserves due to large reserve policy requirements. Just a few years ago the City was able to earn nearly 5% on its cash reserves. Over the next two years, rates of return between 1- 2% are expected.

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The City is also facing significant challenges on the expenditure side of the budget. While revenues have fallen, operational costs have continued to escalate. These budgetary challenges will be made much more difficult in the coming years, as significant increases in the City's pension contribution requirements are phased in, while at the same time the City's funding of Other Post Employment Benefits (OPEB) is expected to dramatically increase.

FINANCIAL OUTLOOK

Long-Range Financial Planning – Key to planning for the City's build-out was the development of a highly sophisticated fiscal model which helps ensure the City continues to budget conservatively, with revenues exceeding expenditures, and with adequate reserves to cover future liabilities and unexpected emergencies. The City's 2010/11 – 2019/20 General Fund Fiscal Model, adopted by the City Council in April 2011, combines a 10-year financial forecast of expenditures, revenues and fund balance, with recommendations on how to manage any possible gaps between revenues and expenditures. The fiscal model is updated annually and will continue to 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 existing cost structure associated with employee benefits, especially pensions, health care and retiree medical expenses. The predictions of an extremely challenging financial environment 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 Note #9 – B on page 74.

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. These funds are budgeted to be drawn down to assist in balancing the General Fund over the next several years, as was the intended purpose of the fund. This draw down period will provide the General Fund with the necessary time to allow for the financial savings associated with the newly implemented second tier retirement program, and other proposed long term cost savings, to ultimately allow for the General Fund to operate in balance without this subsidy. In Fiscal Year 2011/12, 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% reserve, as directed by City Council policy. Despite the availability of the Budget Stabilization Fund, the City is continuing to actively look for ways to reduce costs and minimize the use of the fund.

Other Post Employment Benefits (OPEB) – Governmental Accounting Standards Board (GASB) Statement No. 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 pre-fund, or set aside the full Annual Required Contribution (ARC) on an annual basis, the City Council established a funding

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strategy which includes achieving 85% funding of the ARC on an annual basis in ten years. Estimated OPEB pre-funding costs for the City as a whole are projected to rise from \$1.0 million in FY 2010/11 to \$5.7 million in FY 2019/20. Pre-funding OPEB obligations is projected to provide the City with savings over the long-term, as pre-funding contributions will be invested on a long-term basis until they are needed to pay for OPEB obligations. Pre-funding will ultimately allow for investment income, rather than City contributions, to provide the majority of funds needed to cover OPEB obligations in the future. The impacts of the pre-funding have been incorporated into the City's operating budget, and the accumulated liability of \$8.0 million 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, 2011 the City had issued 181 permits under the fee deferral program. Since incorporation of the program, the City has deferred a total of \$2,417,150 of which \$2,306,203 has been subsequently paid.

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. The City Council has established cost recovery goals for programs and in the past year has also adopted a resolution in support of allowing youth sport



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organizations to raise money for development and use of City owned parcels, expanded use of the skate park to include BMX bikes, and have set standards for sport groups related to priority use of City facilities.

Customer Service – *Serve our customers as we want to be served, providing efficient and friendly professional service to our internal and external customers.*

- **Community Outreach – New Methods:** Community Development’s CRW software and Public Works’ Maintenance Connection software both include a Customer Relationship Management (CRM) module which allows the public to enter service requests on the web. Public Works’ Maintenance Connection also includes a smartphone application enabling mobile device service request entry. 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 these applications.

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 which was adopted by the City Council on January 12, 2010. With the adoption of the ordinance, an Implementation Plan has been created to implement the agricultural preservation policies. The Implementation Plan consists 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 Plan serves as a comprehensive manual for use on all the programs available under this new ordinance and includes guidelines on how to spend the limited agricultural mitigation funds that best help the agricultural community.
- **LMC / Vineyards Project:** This project involved an amendment 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 amendment included revisions to the development agreement. Appropriate review was also conducted to ensure the project complies with the various requirements of the California Environmental Quality Act (CEQA). The amendment to the development agreement was adopted by the City Council on January 11, 2011.
- **Website, Business Incentives, Employment Centers:** This project consists of the following items: 1) 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 2) partner with other County organizations to provide employment centers, developing employee recruitment and training in Brentwood. Currently, City staff has completed the re-design of the Economic Development website to provide business resources such as site location assistance;

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tools for success; recruitment and training; market data and programs; financing and electronic newsletters 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 contribute in the development of a strong business friendly Economic Development website which is a resource for the existing business community and potential businesses alike. This will develop strong programs that will be 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 which 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 has already implemented a second tier retirement system for non-safety employees hired after September 30, 2010, and management is currently investigating additional options to best meet the goal of reducing costs while retaining our ability to remain competitive. We expect that through the collective bargaining process the City 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:** In October of 2010 the City contracted 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) the City has 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. The new fees were adopted by the City Council on May 24, 2011 and the planning fees went into effect on July 25, 2011.
- **Labor Negotiations:** The goal of this initiative is to develop a strategy for labor negotiations with the employee bargaining groups which will be fiscally responsible but will allow the City to remain competitive in recruiting and retaining valuable employees. The memorandums of understanding for both the public safety and non-public safety employees are set to expire on June 30, 2012. Management has prepared cost-saving options for the City Council’s consideration and negotiation direction. 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.



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Infrastructure – *Strive to complete the City’s Master Plan for infrastructure and public facilities.*

- **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 to the updated infrastructure, the project also includes streetscape improvements. The Downtown Brentwood Road to Revitalization consists of reconfigured parking and roadway sections, pedestrian-friendly connections, wider decorative 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. This project was completed in October 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.
- **Redevelopment Agency:** The ability of the City to continue to utilize Redevelopment as a tool to revitalize blighted areas and provide funding for much needed infrastructure projects is questionable at this time, given the State’s continued threats and attempts to severely limit or eliminate Redevelopment Agencies. The State’s actions are currently being litigated and most Redevelopment Agency spending has been put “on-hold” while the courts work through the legal issues.

If Redevelopment is allowed to continue operations, the resources of the Redevelopment Agency will be focused on Brentwood Boulevard. With the State anticipated to relinquish Brentwood Boulevard to the City in the coming fiscal year, the City has established a list of significant infrastructure improvements which were to be funded with Redevelopment funds. The dissolution of the Redevelopment Agency could delay these improvements by decades.

- **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. In addition to a number of public meetings, and meetings with the Park and Recreation Commissions, the Ad Hoc Committee has been working on recommendations related to recreation programs, use of City facilities and the use of \$1,100,000 in East Bay Regional Park District Measure WW funds for the construction of Summerset Commons Park. As the City is now moving forward with a review of the General Plan, the Ad Hoc Committee is recommending the Parks, Trails, and Recreation Master Plan be incorporated as a part of the General Plan update.



- **Residential Growth Management Program:** This project involved a comprehensive review of the Residential Growth Management Program (RGMP). Staff analyzed 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 presented the item to the Land Use and Development Committee on April 18, 2011, and the recommendation was to temporarily suspend the RGMP, with the RGMP to be revised as part of a longer-term effort to comprehensively update the City’s General Plan. This recommendation was accepted and approved by the City Council on May 10, 2011.

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- **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 which 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 participate in 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.
- **Community Alert System:** In an effort to be more responsive to issues affecting Brentwood residents and businesses, the City is currently working on a new email alert program. This program will allow the Police Department to send broadcast e-mails to Brentwood residents and businesses when there is public safety information which needs to get to them quickly. This will provide the residents and business community with real-time crime alert information. We are currently identifying potential software programs. This will enhance the communication between the Police Department, our residents and our businesses.
- **Emergency Operations Plan – Revisions** The updating of the City's Emergency Operations Plan has been completed and is pending final approval. This project will ensure compliance with State and Federal regulations and establish an ongoing training program for City staff and community volunteers. The training will include annual Emergency Operations Center (EOC) training for staff and yearly Community Emergency Response Team (CERT) training for community members. We are finalizing the written documents and developing future training curriculum and schedules. This project will provide a completed EOC Plan, a highly trained EOC staff and increased participation in our CERT program.
- **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 the District will require voter approval of additional taxes or assessments to provide the desired level of service for the District. Local control, restructuring of the District and financial accountability are the critical first steps in asking the voters to provide additional funding. The current structural deficit will have to be resolved either through revenue increases or expenditure decreases. With the District having already made significant budgetary reductions, including the closure



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of fire stations, it is unlikely an acceptable level of service can be achieved without an additional revenue source. As such, the District is proceeding with a June 2012 parcel tax ballot initiative which will bridge the funding shortfalls.

- **Police Benchmarks – Clearance Rates:** Clearance rates refer to the number of criminal cases the City is able to close through arrest or charges being filed. In 2009, clearance rates were below the national average in four categories - arson; burglary; theft and auto theft. In response, the Brentwood Police Department (BPD) developed a strategy to improve clearance rates in those areas. The strategy included training, community awareness and directed enforcement. Through the excellent efforts of BPD staff, the City experienced increases in clearance rates for all four categories. The clearance rate for violent crime continues to be well above the national average. In fact, the BPD improved clearance rates in all categories except for rape, where the number of incidents is so small the decline was attributable to one less case cleared for the year. The only clearance rate category still below the national average is arson, although there was an increase in the arson clearance rate for 2010.



- **Report Writer System:** This project has allowed patrol officers to write and submit their reports from their patrol car. This has eliminated wasted time driving back to the station to write reports, and it will enable officers to stay on their assigned patrol beats longer. This provides 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 fully implemented. All patrol officers and supervisors have been trained on how to utilize the program. This has enhanced efficiency and has streamlined 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 within a community. The purpose is to enhance the safety of senior citizens and decrease their exposure to criminal activity. Since the implementation of the program, the Brentwood 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 the elderly population. This program has enhanced communication and coordination with our senior community.

Technology – *Staying current with proven technology.*

- **Detailed Telecommunications System Assessment:** The current trend of phone systems involves moving towards Voice Over Internet Protocol (VOIP). With VOIP, 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 Systems staff hopes to implement the VOIP in fiscal year 2012/13. This technology will continue to keep the City current with state of the art technology.

Letter of Transmittal

- **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 finish in fiscal year 2011/12 and will 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 requires high bandwidth.
- **Downtown WiFi:** Downtown WiFi will provide internet service to the public in the downtown area. This will allow the public to utilize the internet for up to two hours per day while visiting downtown Brentwood and will assist businesses by giving their customers the option to browse the Internet. The project is scheduled for completion in fiscal year 2011/12.

Transportation – *Ensuring that people and goods move easily and safely throughout the region.*

- **Bypass Segment 2 – Plan B Funding Strategies:** This project has been successful in receiving funding for the majority of the project from the California Transportation Commission and Proposition 1B Transportation bonds. Work will continue with the Bypass Authority, state and regional agencies to obtain the remaining necessary funding to reduce the gap from declining development impact fees in a regional benefit approach for goods movement, job creation and economic development. The anticipated outcome of this project is a regionally coordinated approach of available funding sources allocated to the multiple East County transportation projects.
- **Bypass Segment 2 – Widening and Sand Creek Interchange:** With the award of funding at the state level and design complete, construction is anticipated to begin in Spring 2012. The project will widen the State Route 4 Bypass to four lanes from Lone Tree Way to Sand Creek Road, with an interchange at Sand Creek Road to eliminate the signalized, at-grade intersection. With the Sand Creek Road interchange funded, prioritization of available funding sources will shift to the Balfour Road interchange. The ultimate design and construction of the State Route 4 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 - City of Brentwood and City of Oakley respectfully - for permanent maintenance and operation. Transfer and relinquishment is anticipated to be complete by the end of 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.



Letter of Transmittal

- **Right-of-Way Transfers:** Transfer of land and rights-of-way between the Bypass Authority, CalTrans and the City necessary for the ultimate design and construction of all segments of the State Route 4 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 Bypass Authority for existing and widening of Segment 2, including the Sand Creek interchange, and for areas near Lone Tree Way constructed with Segment 1. Various rights-of-way for existing Segment 3 have transferred with future transfers to CalTrans, necessary for ultimate alignment, including Balfour Road interchange and sections of Old Concord Avenue, currently in the detailed design stage. Transfer of rights-of-way between the City, the Bypass Authority and CalTrans 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 – Proactively prepare for the growth and needs of Brentwood now and 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 which 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 the Association of Bay Area Governments. The technical amendments for Planning Commission and Council are in the 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 and is expected to release the draft plan and environmental document in mid-October, followed by public hearings with the Planning Commission and City Council in early 2012.
- **Citywide Zoning – Massage, Tattoo Parlors:** A City-wide ordinance was adopted in March 2011, 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. The ordinance went into effect in September 2011. Current owner/operators have begun the compliance process.

Letter of Transmittal

- **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. These improvements were previously budgeted to cost approximately \$57.5 million.

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 receptions. The City Park will be revamped with safe walkways and an updated sound system for the Summer Concerts in the Park and other downtown events. 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 involved a comprehensive update to the Municipal Code related to sign regulations. The City's sign regulations had not been significantly updated since 1987. The intent of the project was to make the regulations easier to understand and more business-friendly, while at the same time ensuring signs achieve their purpose and uphold the high design standards of the City. The project took approximately two years to complete and involved a total of 15 public meetings. One of the key new provisions prohibits A-frame signs, except in the Downtown area, and regulates the use of banner signs throughout the City. The regulations were adopted by the City Council on May 24, 2011 and went into effect on June 23, 2011.

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, 2010. 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 which 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 which 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.

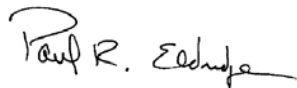
Respectfully submitted,



Donna Landeros
City Manager (Retired September 30, 2011)



Pamela Ehler
City Treasurer
Director of Finance and Information Systems



Paul R. Eldredge
City Manager (As of October 1, 2011)

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, 2010

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.



Linda C. Danson

President

Jeffrey R. Enow

Executive Director

Letter of Transmittal

LIST OF PRINCIPAL OFFICIALS

(As of June 30, 2011)

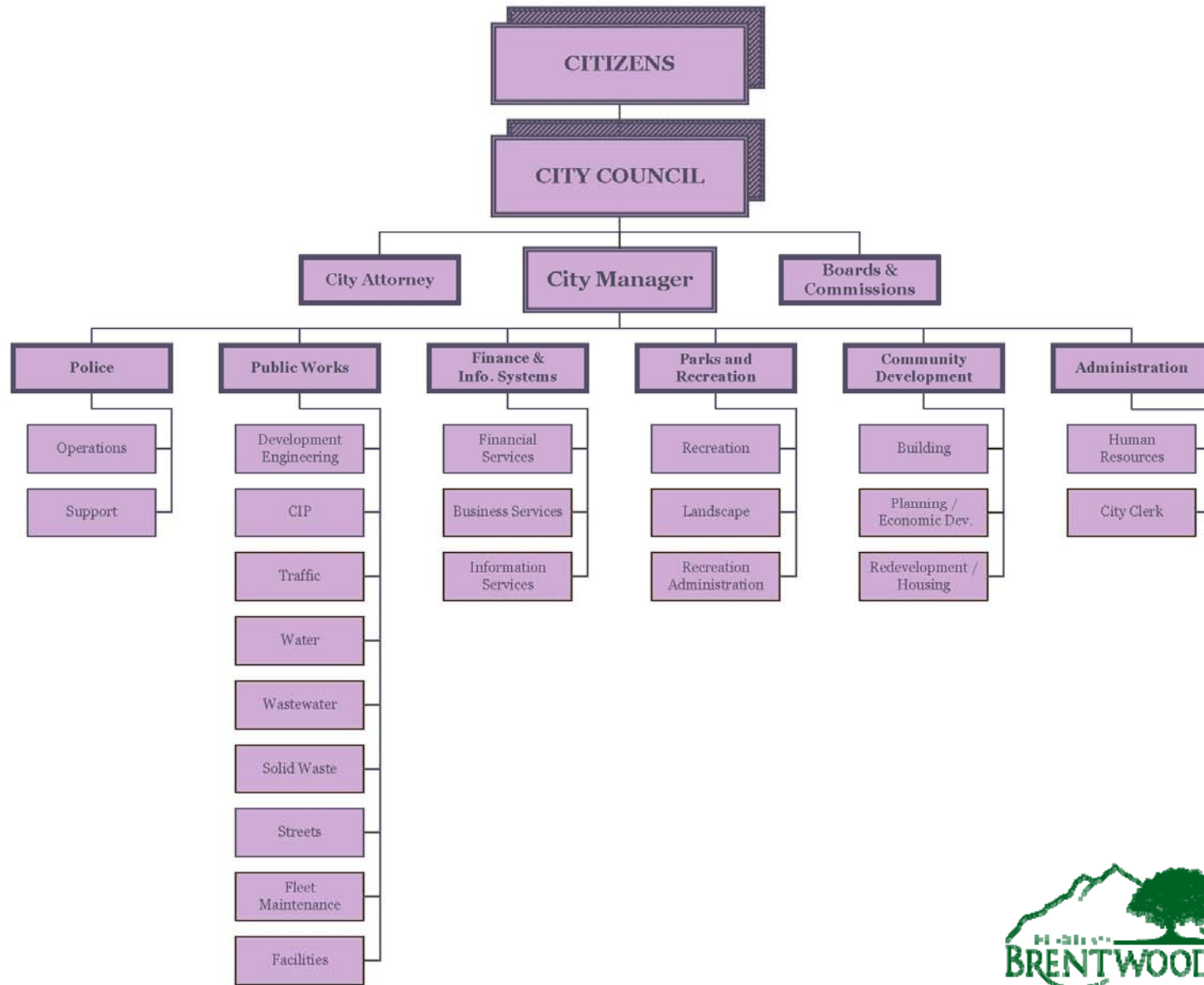
City Officials

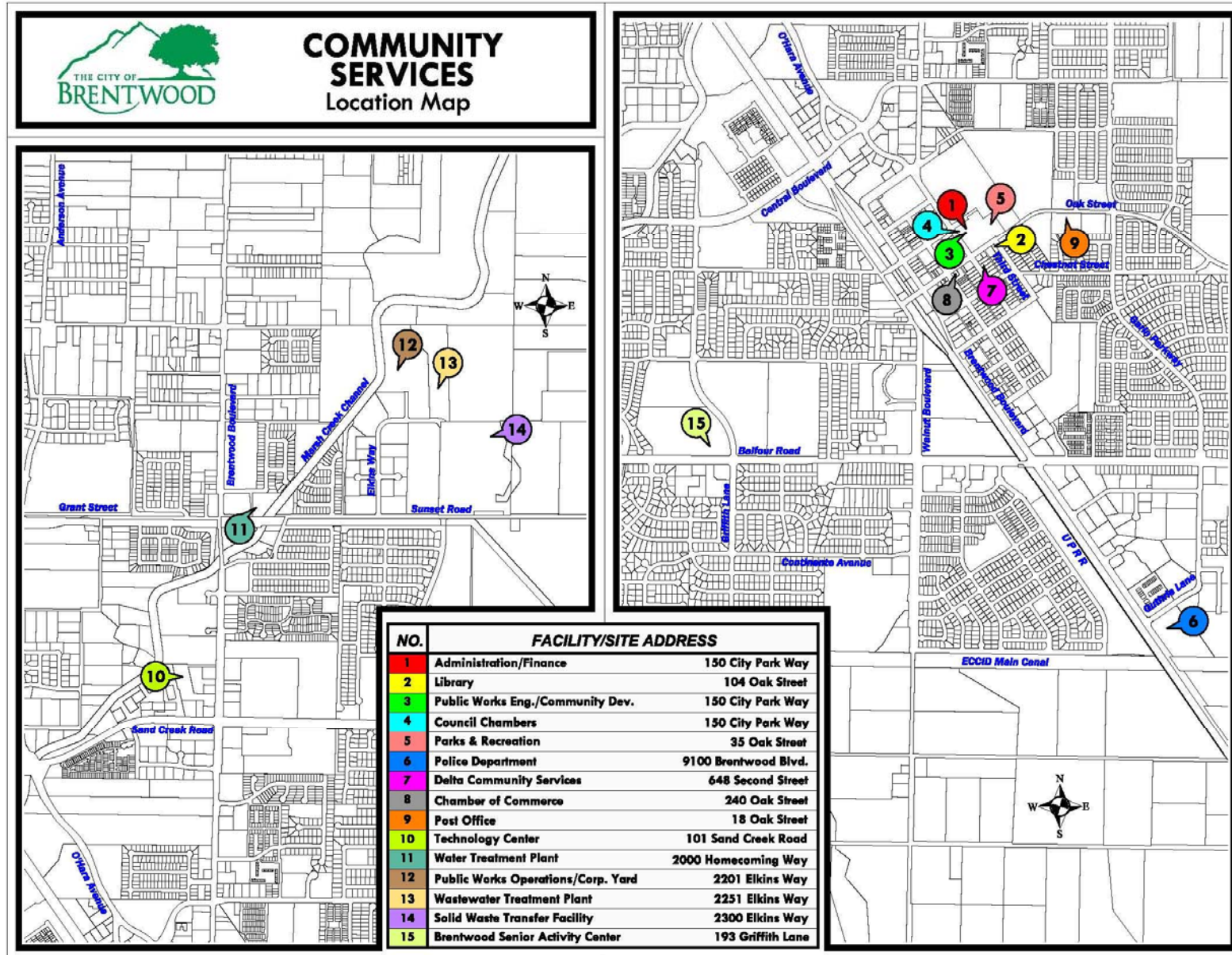
Robert Taylor Mayor
Steve Barr Vice-Mayor
Robert Brockman Council Member
Joel Bryant Council Member
Erick Stonebarger Council Member

Executive Team

Donna Landeros City Manager – Retired (September 30, 2011)
Paul Eldredge Assistant City Manager / City Manager (October 1, 2011)
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.

For the third year in a row, 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 was recognized as a ***“Tree City USA Community”***. The Tree City USA program is sponsored by the Arbor Day Foundation in cooperation with the USA Forest Service and the Association of State Foresters.

The Brentwood Family Aquatic Complex was once again awarded the Ellis & Associates International Aquatic Safety & Risk Management ***“Silver International Aquatic Safety Award”*** for consistently exceeding the criteria for aquatic safety certification.

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 2010”***



AWARDS *(Continued)*

The City received designation as one of the
“Top Workplaces 2011” by the Bay Area News Group.
This designation was awarded to the top 60
workplaces in the nine-county Bay Area,
based on an employee survey that was given to more than
1,200 public and private organizations.

The City received the Government Finance Officers Association
(GFOA) Awards for
“Distinguished Budget Presentation for Fiscal Year 2010/11-2011/12”
and
“Excellence in Financial Reporting for Fiscal Year 2009/10”

The City received the California Society of Municipal Finance Officers
(CSMFO) Awards for
“Excellence in Operational Budgeting Fiscal Years 2010/11-2011/12”,
“Excellence in Capital Budgeting for Fiscal Year 2010/11”, and
“Excellence in Public Communications”



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, 2011, 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, 2011, and the respective changes in financial position and cash flows, where applicable, thereof listed as part of the basic financial statements for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As disclosed in Note 12D, the State of California adopted ABx1 26 on June 28, 2011, which suspends all new redevelopment activities except for limited specified activities as of that date and dissolves redevelopment agencies effective October 1, 2011. Prior to dissolution, any transfers of Agency assets subsequent to January 1, 2011 to the City, including those discussed in Notes 2C and 12E, that were not obligated to third parties or encumbered may be subject to the State Controller's review discussed above and required to be returned to the Agency. The State simultaneously adopted ABx1 27 which allows redevelopment agencies to avoid dissolution by opting into an "alternative voluntary redevelopment program" requiring specified substantial annual contributions to local schools and special districts. These conditions raise substantial doubt about the ability of the Brentwood Redevelopment Agency, a component unit of the City, to continue as a going concern. However, on August 11, 2011, the California Supreme Court issued a partial stay of ABx1 26 and a full stay of ABx1 27, but the partial stay did not include the section of ABx1 26 that suspends all new redevelopment activities. As a result, the accompanying financial statements have been prepared assuming that the Brentwood Redevelopment Agency will continue as a going concern. The activities of the Brentwood Redevelopment Agency are included in the Redevelopment Projects Fund, RDA Low Income Housing Fund and Redevelopment Debt Fund of the accompanying financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

In accordance with Government Auditing Standards, we have also issued our report dated November 23, 2011 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and in our opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

A handwritten signature in cursive script that reads "Mary & Associates". The signature is written in black ink and is positioned in the lower-left area of the page.

November 23, 2011

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, 2011. 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, \$91.6 million may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets remained virtually unchanged (increase of \$8,319) as the impacts of the recession continue to minimize growth in the City.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$97.3 million, a decrease of \$41.4 million in comparison to the prior year. This is primarily due to drawdown of the \$48 million 2009 Civic Center Project Lease Revenue Bonds. The Civic Center Projects Fund alone saw a decrease of \$27.2 million.
- Additional significant expenditures included \$3.3 for agricultural deed restrictions.
- The City's total long-term debt remained virtually unchanged (decrease of \$28,947) as increases of \$2,871,000 in Net Other Post Employment Benefits (OPEB) Obligations were offset by annual debt service payments on remaining City debt.
- Internal Service Funds have net assets of \$38.1 million at year end, which is an increase of \$5.3 million from the prior year. The increase is largely attributable to the addition of \$4.6 million to the Budget Stabilization Fund and \$1.1 million in the Parks and LLD Replacement Fund.

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 Governmental Accounting Standards Board (GASB) Statement No. 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 – 85 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 87 – 89 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 91 – 136 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 remained virtually unchanged, increasing just 1/1000th of a percent, or \$8,319, with \$742.6 million being reported at both June 30, 2010 and June 30, 2011. The annual change comes from the change in net assets as recorded in the Statement of Activities and which flows through the Statement of Net Assets. Invested in capital assets, net of related debt, increased \$5.8 million during the year as a result of developer 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 \$105.1 million as of June 30, 2011. The remaining balance of unrestricted net assets, \$91.6 million as of June 30, 2011, may be used to meet the City's ongoing obligations to citizens and creditors.

	Governmental Activities		Business-Type Activities		Totals	
	2011	2010	2011	2010	2011	2010
Current Assets	\$ 147,301,010	\$ 178,573,618	\$ 77,487,417	\$ 72,291,837	\$ 224,788,427	\$ 250,865,455
Capital and Non-Current Assets	469,545,490	438,902,010	240,063,231	240,329,989	709,608,721	679,231,999
Total Assets	616,846,500	617,475,628	317,550,648	312,621,826	934,397,148	930,097,454
Current Liabilities	\$ 17,065,584	\$ 12,067,279	\$ 5,471,448	\$ 5,294,732	\$ 22,537,032	\$ 17,362,011
Long-Term Liabilities Outstanding	86,135,696	84,840,862	83,140,961	85,319,441	169,276,657	170,160,303
Total Liabilities	103,201,280	96,908,141	88,612,409	90,614,173	191,813,689	187,522,314
Net Assets:						
Invested in Capital Assets, Net of Related Debt	\$ 391,780,662	\$ 387,736,385	\$ 154,107,936	\$ 152,324,676	\$ 545,888,598	\$ 540,061,061
Restricted	71,281,324	90,938,293	33,796,393	31,503,932	105,077,717	122,442,225
Unrestricted	50,583,234	41,892,809	41,033,910	38,179,045	91,617,144	80,071,854
Total Net Assets	\$ 513,645,220	\$ 520,567,487	\$ 228,938,239	\$ 222,007,653	\$ 742,583,459	\$ 742,575,140

Governmental Activities – The City's net assets from governmental activities decreased 1.3% from \$520.6 million to \$513.6 million. The decrease is primarily attributable to an increase of \$2.1 million in OPEB liability accruals and the expenditure of \$3.3 million for agricultural deed restrictions.

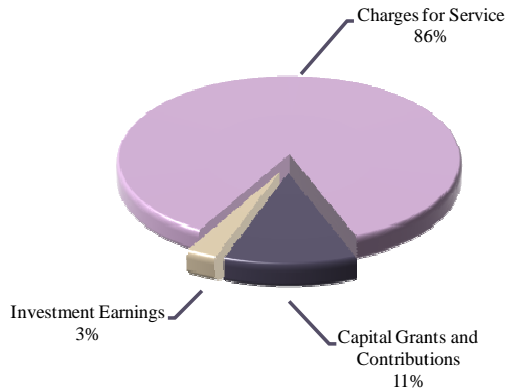
Business-Type Activities – The City's net assets from Business-Type activities increased 3.1% from \$222.0 million to \$228.9 million. Investment in capital assets, net of related debt, increased \$1.8 million as long term debt continued to be repaid. Overall, the unrestricted net assets increased by \$2.9 million.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program Revenues:						
Charges for Services	\$ 11,021,526	\$ 10,699,390	\$ 34,112,956	\$ 33,154,932	\$ 45,134,482	\$ 43,854,322
Operating Grants and Revenues	12,109,521	10,547,689	-	-	12,109,521	10,547,689
Capital Grants and Contributions	13,903,165	7,393,607	4,635,461	3,996,082	18,538,626	11,389,689
General Revenues:						
Taxes:						
Property Taxes	15,684,496	16,247,076	-	-	15,684,496	16,247,076
Sales Tax	5,258,382	5,038,880	-	-	5,258,382	5,038,880
Franchise Fees	1,183,245	1,168,412	-	-	1,183,245	1,168,412
Public Service Taxes	251,092	283,407	-	-	251,092	283,407
Measure C/J, TOT	775,964	676,635	-	-	775,964	676,635
Motor Vehicle Taxes	2,925,219	2,955,583	-	-	2,925,219	2,955,583
Investment Earnings	2,256,133	3,456,502	1,072,790	1,632,413	3,328,923	5,088,915
Miscellaneous	317,681	848,732	-	-	317,681	848,732
Total Revenues	65,686,424	59,315,915	39,821,207	38,783,427	105,507,631	98,099,342
Expenses:						
General Government	21,178,861	16,337,699	-	-	21,178,861	16,337,699
Public Safety	16,444,355	18,770,435	-	-	16,444,355	18,770,435
Community Development	4,614,882	5,688,738	-	-	4,614,882	5,688,738
Engineering	2,287,863	2,195,775	-	-	2,287,863	2,195,775
Public Works	7,563,837	6,702,090	-	-	7,563,837	6,702,090
Parks and Recreation	9,831,303	9,595,992	-	-	9,831,303	9,595,992
Community Services	5,193,300	5,665,988	-	-	5,193,300	5,665,988
Other	-	-	-	-	-	-
Interest on Long-Term Debt	5,068,172	3,129,383	-	-	5,068,172	3,129,383
Wastewater	-	-	7,706,249	7,387,756	7,706,249	7,387,756
Solid Waste	-	-	7,839,662	7,530,880	7,839,662	7,530,880
Water	-	-	17,122,586	18,381,997	17,122,586	18,381,997
City Rentals	-	-	218,218	253,241	218,218	253,241
Housing	-	-	430,024	419,217	430,024	419,217
Total Expenses	72,182,573	68,086,100	33,316,739	33,973,091	105,499,312	102,059,191
Increase in Net Assets Before Transfers	(6,496,149)	(8,770,185)	6,504,468	4,810,336	8,319	(3,959,849)
Transfers	(426,118)	84,116	426,118	(84,116)	-	-
Increase in Net Assets	(6,922,267)	(8,686,069)	6,930,586	4,726,220	8,319	(3,959,849)
Net Assets 7/1	520,567,487	529,253,556	222,007,653	217,281,433	742,575,140	746,534,989
Net Assets 6/30	\$ 513,645,220	\$ 520,567,487	\$ 228,938,239	\$ 222,007,653	\$ 742,583,459	\$ 742,575,140

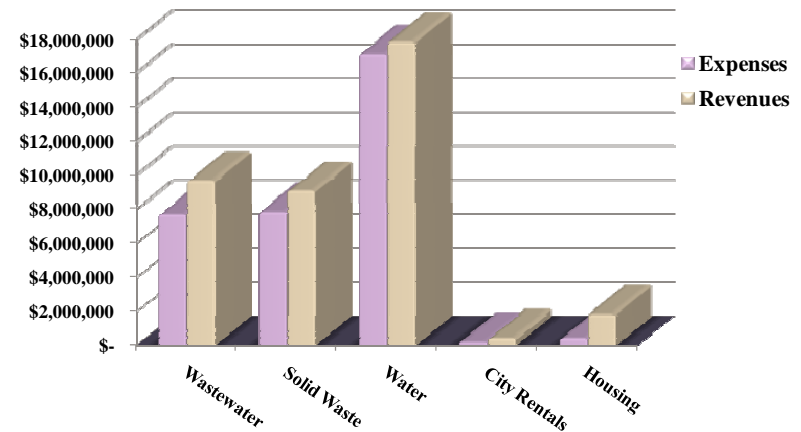
Governmental Activities – The cost of all Governmental activities this year was \$72.2 million. Net expenses, as shown in the Statement of Activities, were \$35.1 million. A portion of the cost for these activities was paid either by those who directly benefited from the programs (\$11.0 million), by other governments and organizations that subsidized certain programs with operating grants and contributions (\$12.1 million), or capital grants and contributions (\$13.9 million). Overall, the City's governmental program revenues were \$37.0 million.

Total resources available during the year to finance governmental operations were \$585.8 million consisting of net assets at July 1, 2010 of \$520.5 million, program revenues of \$37.0 million and general revenues and transfers of \$28.3 million. Total Governmental activities during the year were \$72.2 million, thus net assets were decreased by \$6.9 million to \$513.6 million.

Revenues by Source



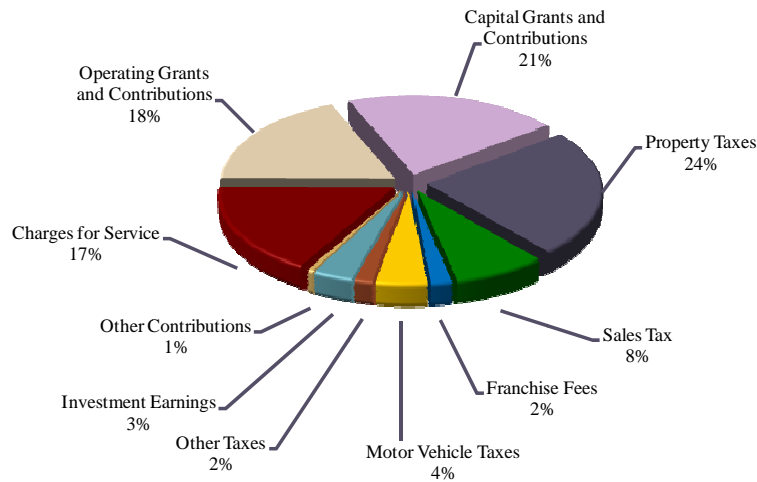
Program Revenues and Expenses



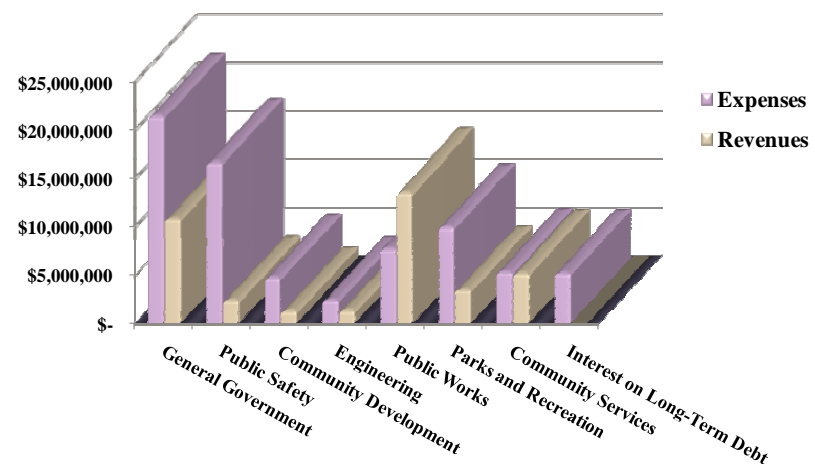
Business-Type Activities – The cost of all Business-Type activities this year was \$33.3 million. As shown in the Statement of Activities and Changes in Net Assets, the amounts paid by users of the systems were \$34.1 million. Capital Grants and Contributions totaled \$4.6 million and Investment earnings were \$1.1 million.

Total resources available during the year to finance Business-Type activities were \$262.2 million consisting of net assets at July 1, 2010 of \$222.0 million, charges for services of \$34.1 million, capital contributions of \$4.6 million and general revenues and net transfers of \$1.5 million. Total Business-Type activities during the year were \$33.3 million, thus net assets increased by \$6.9 million to \$228.9 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 \$18,271,519. This is an increase of \$2,937,597 compared to last year. The increase is attributable to the transfer of \$7.5 million in savings from capital projects, which were partially offset by a transfer of \$4.7 million to the Budget Stabilization Internal Service Fund.

Agriculture Land, which is reported as a Special Revenue fund, had a decrease in fund balance of \$3,258,838. This decline was attributable to the use of \$3,325,760 which was used to fund agricultural conservation deed restrictions on 334.14 acres.

Redevelopment Debt, which is reported as a Debt Service fund, had a decrease in fund balance of \$8,715,054 due to the Redevelopment Agency's funding of capital projects.

Civic Center Projects Revenue Bond, which is reported as a Debt Service fund, saw a decline of \$2,153,106 in fund balance. This fund accounts for debt service transactions relating to the 2009 Civic Center Revenue Bond. During FY 2010/11, a portion of capitalized interest was used to make the debt service payment. The remaining fund balance is comprised primarily of capitalized interest and debt service reserve funds.

Capital Improvement Financing Program 2005-1, which is reported as a Capital Projects fund, had a decrease in fund balance of \$1,212,867. 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 and by its nature will decline as proceeds are spent.

Capital Improvement Financing Program 2006-1, which is reported as a Capital Projects fund, had a decrease in fund balance of \$1,158,727. 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 and by its nature will decline as proceeds are spent.

Civic Center Projects, which is reported as a Capital Projects fund, had a decrease in fund balance of \$27,245,974. This is a result of substantial construction of the Civic Center Projects during the fiscal year, with funding for the projects primarily occurring during the previous fiscal year.

Community Facilities Improvement Projects, which is reported as a Capital Projects fund, had an increase in fund balance of \$5,748,633. This increase is attributable to funding from the Redevelopment Agency for capital projects as reported below.

Redevelopment Projects, which is reported as a Capital Projects fund, had a decrease in fund balance of \$6,272,183. This decrease is attributable to funding for capital projects which is held in the Community Facilities Improvement Projects Fund, as described above.

Budget Stabilization, which is reported as an Internal Service fund, had an increase of \$4,646,463. 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 \$4,660,000 to this fund during the fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

Comparing the fiscal year 2010/11 original budget (or adopted) General Fund expenditures and transfers out in the amount of \$43,983,902, to the final budget amount of \$43,983,902, reveals there were no net overall changes to the General Fund expenditure and transfers out budget. Minor expenditure adjustments were made between expenditure functions; however, these adjustments net to \$0.

<u>Beginning Balance</u>	+	<u>Supplemental Changes</u>	=	<u>Final Budget</u>
\$43,983,902		\$0		\$43,983,902

During the fiscal year, the total revenues and transfers in for the General Fund were \$42,097,980. This was \$1,042,398 less than budgeted. The total expenditures and transfers out for the General Fund were \$39,160,383. This was \$4,823,519 less than budgeted.

The City continued to remain vigilant in reducing costs wherever possible. This resulted in expenditure savings of \$1,279,916 in the supplies and services budget and \$670,807 in the personnel budget, as vacancies remained unfilled. An additional significant savings source included \$2,872,796 in transfers out due to savings on capital projects.

The General Fund’s revenue shortfall of \$1,042,398 was entirely due to fact the General Fund did not need to make a transfer in from the Budget Stabilization Fund, as was originally budgeted. This was due to expenditure savings in the General Fund.

Supplemental changes to the FY 2010/11 General Fund budget were:

- Decrease of \$25,100 for supplies and services in general governmental activities.
- Increase of \$25,000 for supplies and services in community development activities.
- Increase of \$100 for capital outlay related to the purchase of redevelopment land held for resale.

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, 2011, capital assets net of accumulated amortization and depreciation of the Governmental activities totaled \$468,372,398. Capital assets net of accumulated amortization and depreciation of the Business-Type activities totaled \$238,157,167. Amortization and depreciation on capital assets is recognized in the Government-Wide financial statements. Refer to Note #5, found on pages 60 – 62 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	\$ 592,413	\$ 5,665,743
Land	36,449,527	-	36,449,527
Buildings	18,784,364	2,837,172	15,947,192
Infrastructure	390,861,448	59,827,774	331,033,674
Machinery and Equipment	5,508,819	2,326,911	3,181,908
Vehicles	7,761,131	4,658,086	3,103,045
Land Improvements	27,331,682	2,285,084	25,046,598
Work in Progress – CIP	47,944,711	-	47,944,711
Total Capital Assets – Governmental	\$ 540,899,838	\$ 72,527,440	\$ 468,372,398
Capital Assets – Business-Type:			
Intangible Assets	\$ 10,597,532	\$ 1,851,885	\$ 8,745,647
Land	2,034,202	-	2,034,202
Buildings	24,813,632	3,714,021	21,099,611
Infrastructure	218,721,129	25,958,942	192,762,187
Machinery and Equipment	1,133,200	871,492	261,708
Land Improvements	10,925,186	1,297,473	9,627,713
Work in Progress – CIP	3,626,099	-	3,626,099
Total Capital Assets – Business-Type	\$ 271,850,980	\$ 33,693,813	\$ 238,157,167

Debt Administration – Debt, considered a liability of Governmental Activities, increased in fiscal year 2010/11 by \$1,301,407 as a result of the increased Net OPEB Obligation. Per capita debt outstanding increased from \$1,651 to \$1,690 per capita compared to the prior fiscal year. Debt of the Business-Type activities decreased by \$1,330,354 in fiscal year 2010/11 as annual debt service payments were made.

Detailed information regarding long-term debt activity can be found in Note #6 on pages 63 – 71 in this report.

	Balance June 30, 2010	Incurred or Issued	Satisfied or Matured	Balance June 30, 2011
Governmental Activities				
Bonds Payable	\$ 81,424,783	\$ 239,257	\$ 1,010,000	\$ 80,654,040
Notes Payable	75,407	-	75,407	-
Net OPEB Obligation	3,947,325	2,119,258	-	6,066,583
Accumulated Compensated Absences	1,196,884	1,561,737	1,533,438	1,225,183
Total Governmental Activities	<u>\$ 86,644,399</u>	<u>\$ 3,920,252</u>	<u>\$ 2,618,845</u>	<u>\$ 87,945,806</u>
Business-Type Activities				
Bonds Payable	\$ 52,500,000	\$ -	\$ 300,000	\$ 52,200,000
Notes Payable	33,657,143	-	1,807,912	31,849,231
Net OPEB Obligation	1,151,175	751,742	-	1,902,917
Accumulated Compensated Absences	297,585	491,572	465,756	323,401
Total Business-Type Activities	<u>\$ 87,605,903</u>	<u>\$ 1,243,314</u>	<u>\$ 2,573,668</u>	<u>\$ 86,275,549</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The key assumptions in the General Fund revenue forecast for fiscal year 2011/12 are:

1. Development activity will remain slow, with approximately 100 new housing units being constructed, down from a peak of 1,400 units several years ago, yet up from the 31 units in fiscal year 2008/09.
2. The State of California will not implement additional mid-year revenue takeaways from the City.
3. Assessed valuations in the City will decline for a fourth consecutive year, resulting in property tax revenues declining as a result of the continued aggressive reductions being implemented by the Contra Costa County Assessor.
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 fiscal year 2011/12 budget are:

- Increased pension and health care costs have been included into the adopted budget.
- The impacts from the City's phasing in of a pre-funding strategy for OPEB, where the City will fund 85% of the annual required contribution by fiscal year 2017/18, have been included.
- Property taxes and motor vehicle in-lieu revenues, which are tied to assessed property valuations, are projected to suffer minor declines.
- The City's fiscal year 2011/12 Operating Budget includes one new position, with that position being funded through the Water Enterprise.
- 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 an additional 1% salary contribution by the non-sworn employees towards their retirement costs (for a total of 2%).

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 150 City Park Way, Brentwood, California 94513, either by phone (925) 516-5460 or e-mail dept-finance@brentwoodca.gov.

Statement of Net Assets

June 30, 2011

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Investments	\$ 114,008,558	\$ 66,320,941	\$ 180,329,499
Restricted Cash and Investments	30,212,556	3,975,181	34,187,737
Receivables	1,864,181	5,483,799	7,347,980
Prepays	175,356	36,381	211,737
Land Held for Resale	1,040,359	-	1,040,359
Notes Receivable	-	1,671,115	1,671,115
Total Current Assets	147,301,010	77,487,417	224,788,427
Non-Current Assets:			
Deferred Charges	924,652	898,393	1,823,045
Long-Term Notes Receivable	100,000	1,156,111	1,256,111
Internal Balances	148,440	(148,440)	-
Capital Assets, Net of Accumulated Depreciation & Amortization:			
Intangible Assets	5,665,743	8,745,647	14,411,390
Land	36,449,527	2,034,202	38,483,729
Buildings	15,947,192	21,099,611	37,046,803
Infrastructure	331,033,674	192,762,187	523,795,861
Machinery and Equipment	3,181,908	261,708	3,443,616
Vehicles	3,103,045	-	3,103,045
Land Improvements	25,046,598	9,627,713	34,674,311
Work in Progress	47,944,711	3,626,099	51,570,810
Total Non-Current Assets	469,545,490	240,063,231	709,608,721
Total Assets	616,846,500	317,550,648	934,397,148
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	11,314,511	2,146,890	13,461,401
Unearned Revenue	629,557	117,000	746,557
Deposits Held	3,311,406	72,970	3,384,376
Long-Term Liabilities Due Within One Year	1,810,110	3,134,588	4,944,698
Total Current Liabilities	17,065,584	5,471,448	22,537,032
Non-Current Liabilities Due in More Than One Year:			
Bonds Payable	79,579,040	51,100,000	130,679,040
Notes Payable	-	30,008,684	30,008,684
Net OPEB Obligation	6,066,583	1,902,917	7,969,500
Compensated Absences Payable	490,073	129,360	619,433
Total Non-Current Liabilities	86,135,696	83,140,961	169,276,657
Total Liabilities	103,201,280	88,612,409	191,813,689
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	391,780,662	154,107,936	545,888,598
Restricted for:			
Capital Projects	47,820,106	9,645,567	57,465,673
Debt Service	7,791,465	-	7,791,465
Specific Projects and Programs	15,669,753	24,150,826	39,820,579
Unrestricted	50,583,234	41,033,910	91,617,144
Total Net Assets	\$ 513,645,220	\$ 228,938,239	\$ 742,583,459

City of Brentwood

Statement of Activities and Changes in Net Assets
For Year Ended June 30, 2011

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
General Government	\$ 21,178,861	\$ 7,180,354	\$ 1,527,813	\$ 1,880,071	\$ 10,588,238	\$ (10,590,623)	\$ -	\$ (10,590,623)
Public Safety	16,444,355	498,354	1,624,915	148,533	2,271,802	(14,172,553)	-	(14,172,553)
Community Development	4,614,882	1,112,381	-	37,386	1,149,767	(3,465,115)	-	(3,465,115)
Engineering	2,287,863	1,191,544	-	-	1,191,544	(1,096,319)	-	(1,096,319)
Public Works	7,563,837	75,927	3,898,311	9,460,489	13,434,727	5,870,890	-	5,870,890
Parks and Recreation	9,831,303	962,966	-	2,376,686	3,339,652	(6,491,651)	-	(6,491,651)
Community Services	5,193,300	-	5,058,482	-	5,058,482	(134,818)	-	(134,818)
Interest on Long-Term Debt	5,068,172	-	-	-	-	(5,068,172)	-	(5,068,172)
Total Governmental Activities	72,182,573	11,021,526	12,109,521	13,903,165	37,034,212	(35,148,361)	-	(35,148,361)
Business-Type Activities								
Wastewater	7,706,249	8,333,225	-	1,296,491	9,629,716	-	1,923,467	1,923,467
Solid Waste	7,839,662	9,045,607	-	-	9,045,607	-	1,205,945	1,205,945
Water	17,122,586	16,114,907	-	1,726,355	17,841,262	-	718,676	718,676
City Rentals	218,218	425,607	-	-	425,607	-	207,389	207,389
Housing	430,024	193,610	-	1,612,615	1,806,225	-	1,376,201	1,376,201
Total Business-Type Activities	33,316,739	34,112,956	-	4,635,461	38,748,417	-	5,431,678	5,431,678
Total Primary Government	\$ 105,499,312	\$ 45,134,482	\$ 12,109,521	\$ 18,538,626	\$ 75,782,629	\$ (35,148,361)	\$ 5,431,678	\$ (29,716,683)
General Revenues:								
Taxes:								
Property Taxes						15,684,496	-	15,684,496
Sales Tax						5,258,382	-	5,258,382
Franchise Fees						1,183,245	-	1,183,245
Public Service Taxes						251,092	-	251,092
Measure C / J, TOT						775,964	-	775,964
Motor Vehicle Taxes						2,925,219	-	2,925,219
Investment Earnings						2,256,133	1,072,790	3,328,923
Miscellaneous						317,681	-	317,681
Transfers						(426,118)	426,118	-
Total General Revenues and Transfers						28,226,094	1,498,908	29,725,002
Change in Net Assets						(6,922,267)	6,930,586	8,319
Net Assets - Beginning of Year						520,567,487	222,007,653	742,575,140
Net Assets - End of Year						\$ 513,645,220	\$ 228,938,239	\$ 742,583,459

City of Brentwood

Balance Sheet
Governmental Funds
June 30, 2011

	General Fund	Debt Service Redevelopment Debt	Capital Projects Community Facilities Improvement Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Current Assets:					
Cash and Investments	\$ 21,970,025	\$ 812,117	\$ 21,679,550	\$ 34,777,325	\$ 79,239,017
Restricted Cash and Investments	-	-	1,966,473	28,246,083	30,212,556
Receivables	1,187,514	99	1,873	4,572,583	5,762,069
Prepays	168,127	-	-	2,237	170,364
Due from Other Funds	-	-	996	-	996
Land Held for Resale	-	-	-	1,040,359	1,040,359
Interfund Advance Receivable	-	-	2,550,148	148,440	2,698,588
Total Assets	\$ 23,325,666	\$ 812,216	\$ 26,199,040	\$ 68,787,027	\$ 119,123,949
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable and Accrued Liabilities	\$ 1,119,922	\$ 812,216	\$ 7,542,010	\$ 1,555,485	\$ 11,029,633
Due to Other Funds	-	-	-	996	996
Deferred Revenue	628,669	-	-	4,280,959	4,909,628
Deposits Held	3,305,556	-	-	5,850	3,311,406
Interfund Advance Payable	-	-	-	2,550,148	2,550,148
Total Liabilities	5,054,147	812,216	7,542,010	8,393,438	21,801,811
Fund Balances:					
Nonspendable	168,127	-	-	2,237	170,364
Restricted	-	-	18,657,030	59,914,509	78,571,539
Committed	600,000	-	-	3,027,135	3,627,135
Assigned	7,667,955	-	-	-	7,667,955
Unassigned	9,835,437	-	-	(2,550,292)	7,285,145
Total Fund Balances	18,271,519	-	18,657,030	60,393,589	97,322,138
Total Liabilities and Fund Balances	\$ 23,325,666	\$ 812,216	\$ 26,199,040	\$ 68,787,027	\$ 119,123,949

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

June 30, 2011

Total Fund Balances - Total Governmental Funds	\$ 97,322,138
Capital assets used in Governmental Activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet.	464,049,471
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.	38,109,076
The long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.	430,021
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.	924,652
Long-term liabilities are not due and payable in the current period; therefore, they are not reported in the Governmental Funds Balance Sheet.	
Bonds	(80,654,040)
Net OPEB Obligation	(5,416,937)
Compensated Absences	(1,090,479)
Accrued Liabilities	(28,682)
Net Assets of Governmental Activities	<u><u>\$ 513,645,220</u></u>

City of Brentwood

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For Year Ended June 30, 2011

	General Fund	Debt Service Redevelopment Debt	Capital Projects Community Facilities Improvement Projects	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 13,583,274	\$ 4,674,469	\$ -	\$ 3,238,831	\$ 21,496,574
Licenses	486,963	-	-	-	486,963
Permits and Fines	2,695,972	-	-	-	2,695,972
Uses of Money and Property	489,917	183,775	333,663	982,976	1,990,331
Intergovernmental	3,079,656	-	-	4,617,221	7,696,877
Franchises	1,183,245	-	-	-	1,183,245
Charges for Other Services	522,681	-	-	-	522,681
Charges to Other Funds	5,887,152	-	-	-	5,887,152
Fees and Other Revenues	1,249,349	-	-	11,970,392	13,219,741
Total Revenues	29,178,209	4,858,244	333,663	20,809,420	55,179,536
EXPENDITURES					
Current:					
General Government	5,019,112	-	14,090	13,179,809	18,213,011
Public Safety	15,612,182	-	-	194,482	15,806,664
Community Development	2,941,344	1,689,136	-	28,157	4,658,637
Engineering	2,241,604	-	-	-	2,241,604
Public Works	2,687,175	-	-	-	2,687,175
Parks and Recreation	4,141,563	-	-	3,641,214	7,782,777
Community Services	549,915	-	-	4,649,168	5,199,083
Capital Outlay	100	-	27,407,214	940,670	28,347,984
Debt Service:					
Principal	75,407	485,000	-	525,000	1,085,407
Interest and Fiscal Charges	-	1,768,849	-	3,027,043	4,795,892
Total Expenditures	33,268,402	3,942,985	27,421,304	26,185,543	90,818,234
REVENUES OVER (UNDER) EXPENDITURES	(4,090,193)	915,259	(27,087,641)	(5,376,123)	(35,638,698)
OTHER FINANCING SOURCES (USES)					
Transfer of Land Held to Governmental Activities	-	-	-	(1,327,029)	(1,327,029)
Transfers In	12,919,771	888,080	40,805,806	16,398,901	71,012,558
Transfers Out	(5,891,981)	(10,518,393)	(7,969,532)	(51,021,130)	(75,401,036)
Total Other Financing Sources (Uses)	7,027,790	(9,630,313)	32,836,274	(35,949,258)	(5,715,507)
NET CHANGE IN FUND BALANCES	2,937,597	(8,715,054)	5,748,633	(41,325,381)	(41,354,205)
Fund Balance, Beginning of Year	15,333,922	8,715,054	12,908,397	101,718,970	138,676,343
Fund Balance, End of Year	\$ 18,271,519	\$ -	\$ 18,657,030	\$ 60,393,589	\$ 97,322,138

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, 2011

Net Changes in Fund Balances - Total Governmental Funds \$ (41,354,205)

Amounts reported for governmental activities in the Statement of Activities are different because:

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. (6,898,831)

The net effect of various miscellaneous transactions involving Capital Assets (e.g. sales, trade-ins and contributions) is to increase net assets. 9,174,047

To record the net change in compensated absences in the Statement of Activities. (23,376)

Bond proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Government-Wide Statement of Net Assets. Repayment of bond principal is an expenditure in Governmental Funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Assets.

This amount represents long-term debt repayments. 1,085,407

This amount represents the increase in Net OPEB Obligations. (1,810,550)

This amount represents accretion interest. (239,257)

This amount represents amortized bond issuance costs and amortized bond premiums. (33,023)

This amount represents the increase in Accrued Liabilities. (28,682)

Revenues in the Governmental Funds which have been previously recognized in the Statement of Activities. (399,102)

Internal Service Funds are used by management to charge the costs of certain activities, such as data processing and fleet management, to individual funds. The net revenue of the Internal Service Funds is reported with Governmental Activities. 5,257,321

Changes in Net Assets of Governmental Activities \$ (6,922,267)

City of Brentwood

**Statement of Net Assets
Proprietary Funds
June 30, 2011**

	Business-Type Activities - Enterprise Funds						Governmental
	Wastewater	Solid Waste	Water	City Rentals	Housing	Totals	Activities - Internal Service Funds
ASSETS							
Current Assets:							
Cash and Investments	\$ 26,741,378	\$ 12,950,566	\$ 19,188,255	\$ 35,410	\$ 7,405,332	\$ 66,320,941	\$ 34,769,541
Restricted Cash and Investments	-	-	3,975,181	-	-	3,975,181	-
Receivables	1,511,602	1,620,627	2,306,711	21,234	23,625	5,483,799	53,050
Prepays	7,048	8,200	20,188	781	164	36,381	4,992
Notes Receivable	-	-	58,500	-	1,612,615	1,671,115	-
Total Current Assets	28,260,028	14,579,393	25,548,835	57,425	9,041,736	77,487,417	34,827,583
Non-Current Assets:							
Deferred Charges	-	-	898,393	-	-	898,393	-
Long-Term Notes Receivable	-	-	58,500	-	1,097,611	1,156,111	-
Interfund Advance Receivable	2,331	-	45,516	-	-	47,847	-
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	90,106,696	696,851	127,917,582	-	-	218,721,129	-
Machinery and Equipment	541,754	94,126	497,320	-	-	1,133,200	2,993,480
Vehicles	-	-	-	-	-	-	7,761,131
Land Improvements	58,494	1,000,000	9,866,692	-	-	10,925,186	-
Work in Progress	324,325	1,235,458	2,066,316	-	-	3,626,099	-
Less Accumulated Depreciation and Amortization	(13,107,558)	(867,561)	(19,575,163)	-	(143,531)	(33,693,813)	(6,431,684)
Total Capital Assets, Net of Accumulated Depreciation	81,228,729	2,427,294	151,836,526	-	2,664,618	238,157,167	4,322,927
Total Non-Current Assets	81,231,060	2,427,294	152,838,935	-	3,762,229	240,259,518	4,322,927
Total Assets	109,491,088	17,006,687	178,387,770	57,425	12,803,965	317,746,935	39,150,510
LIABILITIES AND NET ASSETS							
Current Liabilities:							
Accounts Payable and Accrued Liabilities	690,158	265,255	1,179,815	10,552	1,110	2,146,890	256,196
Unearned Revenue	-	-	117,000	-	-	117,000	888
Deposits Held	-	4,912	45,000	-	23,058	72,970	-
Long-Term Debt Due Within One Year	1,840,547	-	1,100,000	-	-	2,940,547	-
Compensated Absences Payable	46,626	69,889	74,264	-	3,262	194,041	80,823
Total Current Liabilities	2,577,331	340,056	2,516,079	10,552	27,430	5,471,448	337,907
Non-Current Liabilities Due in More Than One Year:							
Interfund Advance Payable	-	-	-	-	196,287	196,287	-
Bonds Payable	-	-	51,100,000	-	-	51,100,000	-
Notes Payable	22,576,239	-	7,432,445	-	-	30,008,684	-
Net OPEB Obligation	472,906	693,690	716,558	-	19,763	1,902,917	649,646
Compensated Absences Payable	31,084	46,593	49,509	-	2,174	129,360	53,881
Total Non-Current Liabilities	23,080,229	740,283	59,298,512	-	218,224	83,337,248	703,527
Total Liabilities	25,657,560	1,080,339	61,814,591	10,552	245,654	88,808,696	1,041,434
Net Assets:							
Invested in Capital Assets, Net of Related Debt	56,811,943	2,427,294	92,204,081	-	2,664,618	154,107,936	4,322,927
Restricted for:							
Capital Projects	6,771,866	909,790	1,963,911	-	-	9,645,567	-
Special Projects and Programs	9,185,303	4,912	4,873,574	-	10,087,037	24,150,826	-
Unrestricted	11,064,416	12,584,352	17,531,613	46,873	(193,344)	41,033,910	33,786,149
Total Net Assets	\$ 83,833,528	\$ 15,926,348	\$ 116,573,179	\$ 46,873	\$ 12,558,311	\$ 228,938,239	\$ 38,109,076

Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For Year Ended June 30, 2011

	Business-Type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Wastewater	Solid Waste	Water	City Rentals	Housing	Totals	
Operating Revenues:							
Charges for Services	\$ 8,168,298	\$ 9,042,421	\$ 15,861,108	\$ 425,607	\$ 193,610	\$ 33,691,044	\$ 8,345,197
Other Income	164,927	3,186	253,799	-	-	421,912	112,895
Total Operating Revenues	8,333,225	9,045,607	16,114,907	425,607	193,610	34,112,956	8,458,092
Operating Expenses:							
Personnel Services	2,075,403	2,904,574	3,292,377	-	115,752	8,388,106	2,906,513
Repairs and Maintenance	23,427	96,784	506,886	45,605	24,805	697,507	282,760
Materials, Supplies and Services	3,685,643	4,767,401	7,536,934	172,613	255,869	16,418,460	3,576,368
Depreciation and Amortization	1,464,398	70,903	2,883,626	-	31,331	4,450,258	858,118
Total Operating Expenses	7,248,871	7,839,662	14,219,823	218,218	427,757	29,954,331	7,623,759
Operating Income (Loss)	1,084,354	1,205,945	1,895,084	207,389	(234,147)	4,158,625	834,333
Non-Operating Revenues (Expenses):							
Interest Income	412,349	193,023	312,710	75	154,633	1,072,790	465,561
Interest Expense	(457,378)	-	(2,902,763)	-	(2,267)	(3,362,408)	-
Loss on Disposal of Capital Assets	-	-	-	-	-	-	(4,933)
Total Non-Operating Revenues (Expenses)	(45,029)	193,023	(2,590,053)	75	152,366	(2,289,618)	460,628
Income (Loss) before Contributions and Transfers	1,039,325	1,398,968	(694,969)	207,464	(81,781)	1,869,007	1,294,961
Contributions - Impact Fees and Credits	295,811	-	246,845	-	1,612,615	2,155,271	-
Capital Asset Contributions	1,000,680	-	1,479,510	-	-	2,480,190	-
Transfers In	154,977	-	1,061,882	80,000	-	1,296,859	5,058,153
Transfers Out	(181,510)	(259,843)	(139,001)	(290,387)	-	(870,741)	(1,095,793)
Change in Net Assets	2,309,283	1,139,125	1,954,267	(2,923)	1,530,834	6,930,586	5,257,321
Net Assets, Beginning of Year	81,524,245	14,787,223	114,618,912	49,796	11,027,477	222,007,653	32,851,755
Net Assets, End of Year	\$ 83,833,528	\$ 15,926,348	\$ 116,573,179	\$ 46,873	\$ 12,558,311	\$ 228,938,239	\$ 38,109,076

City of Brentwood

**Statement of Cash Flows
Proprietary Funds
For Year Ended June 30, 2011**

	Business-Type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Wastewater	Solid Waste	Water	City Rentals	Housing	Totals	
Cash Flows from Operating Activities							
Cash Received from Customers/Other Funds	\$ 8,403,112	\$ 8,962,428	\$ 15,923,852	\$ 478,048	\$ 192,916	\$ 33,960,356	\$ 10,160
Cash Received from Interfund Services	-	-	-	-	-	-	8,156,101
Cash Payments to Suppliers of Goods and Services	(2,972,517)	(3,442,491)	(8,017,740)	(161,859)	(288,272)	(14,882,879)	(3,387,932)
Cash Payments to Employees for Services	(1,894,340)	(2,904,574)	(3,013,028)	-	(115,752)	(7,927,694)	(2,597,804)
Cash Payments for Interfund Services	(465,834)	(1,420,050)	(601,553)	(54,082)	(18,705)	(2,560,224)	(324,162)
Other Receipts/Payments	1,612	3,234	287,295	(16,385)	(149,056)	126,700	265,885
Net Cash Provided By (Used for) Operating Activities	3,072,033	1,198,547	4,578,826	245,722	(378,869)	8,716,259	2,122,248
Cash Flows from Non-Capital Financing Activities							
Transfers Received	154,977	-	1,061,882	80,000	-	1,296,859	5,058,153
Transfers Paid	(181,510)	(259,843)	(139,001)	(290,387)	-	(870,741)	(1,095,793)
Net Cash Provided By (Used for) Non-Capital Financing Activities	(26,533)	(259,843)	922,881	(210,387)	-	426,118	3,962,360
Cash Flows from Capital and Related Financing Activities							
Contributions - Impact Fees and Credits	295,811	-	246,844	-	-	542,655	-
Interest Paid on Debt	(457,378)	-	(2,902,763)	-	(2,267)	(3,362,408)	-
Principal Paid on Debt	(1,807,912)	-	(300,000)	-	-	(2,107,912)	-
Acquisition and Construction of Assets	(80,288)	(79,957)	(1,452,301)	-	-	(1,612,546)	(916,355)
Net Cash Provided By (Used for) Capital and Related Financing Activities	(2,049,767)	(79,957)	(4,408,220)	-	(2,267)	(6,540,211)	(916,355)
Cash Flows from Investing Activities							
Interest on Investments	412,349	193,023	312,710	75	154,633	1,072,790	465,561
Net Cash Provided By Investing Activities	412,349	193,023	312,710	75	154,633	1,072,790	465,561
Net Increase (Decrease) in Cash and Cash Equivalents	1,408,082	1,051,770	1,406,197	35,410	(226,503)	3,674,956	5,633,814
Cash and Cash Equivalents - Beginning of Year	25,333,296	11,898,796	21,757,239	-	7,631,835	66,621,166	29,135,727
Cash and Cash Equivalents - End of Year	\$ 26,741,378	\$ 12,950,566	\$ 23,163,436	\$ 35,410	\$ 7,405,332	\$ 70,296,122	\$ 34,769,541
Reconciliation of Operating Income to Net Cash Provided By (Used for) Operating Activities:							
Operating Income (Loss)	\$ 1,084,354	\$ 1,205,945	\$ 1,895,084	\$ 207,389	\$ (234,147)	\$ 4,158,625	\$ 834,333
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used for) Operating Activities :							
Depreciation and Amortization	1,464,398	70,903	2,883,626	-	31,331	4,450,258	858,118
Change in Assets and Liabilities:							
Receivables, Net	65,973	(80,178)	63,054	66,970	(149,746)	(33,927)	(33,984)
Prepaid Items	5,528	233	522	1,482	(3)	7,762	3,666
Accounts Payable and Other Payables	451,780	7,022	(293,356)	2,277	(26,998)	140,725	460,115
Increase (Decrease) in Intergovernmental Payable	-	-	32,396	(32,396)	-	-	-
Deposits	-	(5,378)	(2,500)	-	694	(7,184)	-
Net Cash Provided By (Used for) Operating Activities	\$ 3,072,033	\$ 1,198,547	\$ 4,578,826	\$ 245,722	\$ (378,869)	\$ 8,716,259	\$ 2,122,248
Noncash Capital Activities:							
Capital Assets Contributed	\$ 1,000,680	\$ -	\$ 1,479,510	\$ -	\$ -	\$ 2,480,190	\$ -
Contributions from Governmental Fund							



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Statement of Fiduciary Net Assets
Agency Funds
June 30, 2011

ASSETS

Cash and Investments	\$	11,085,592
Restricted Cash and Investments		6,623,864
Interest Receivable		21,314
Total Assets	\$	17,730,770

LIABILITIES

Accounts Payable and Accrued Liabilities	\$	953,736
Due to Others		34,901
Due to Bondholders		16,742,133
Total Liabilities	\$	17,730,770



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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 primary government is considered financially accountable. The City is considered to be financially accountable for an organization if: 1) the City appoints a voting majority of said organization or 2) there is a potential for the organization to either 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 which 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, which were issued on or before November 30, 1989, which do not conflict with or contradict GASB pronouncements. FASB Pronouncements issued after November 30, 1989 are not followed in preparation of the accompanying financial statements. Reconciliations of the Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the differences created by the integrated approach of GASB Statement No. 34.

Fund Types

A *Major Fund* is a fund whose revenues, expenditures/expenses, assets or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all Governmental or Enterprise funds and at least five percent of the aggregate amount for all Governmental and

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

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 the fund is particularly important to financial statement users.

The government reports the following major Governmental Funds: General Fund, Redevelopment Debt and Community Facilities Improvement Projects. Descriptions of the City's funds are presented below.

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Special Revenue Funds account for specific revenues that are legally restricted to expenditures for particular purposes. There are no Special Revenue Funds included as major Governmental Funds. Below are specific descriptions of the Special Revenue Funds:

- Thoroughfares – This fund accounts for development fees collected for the design and construction of roadways within the City.
- Gas Tax – This fund accounts for monies received from the State of California under Street and Highways Code Sections 2103, 2105, 2106, 2107 and 2107.5.
- Police Grants – This fund accounts for all Police, Federal, State and County grants requiring segregated fund accounting.
- Other Grants – This fund accounts for miscellaneous Federal, State and County grants requiring segregated fund accounting.
- Citywide Parks Districts – This fund accounts for special benefit assessments levied on property owners for citywide park maintenance.
- Community Facilities Districts – This fund accounts for special benefit assessments levied on property owners for police services, fire services, joint use school facilities and the construction, acquisition and maintenance of open spaces, flood drains and storm drains.
- Community Facilities – This fund accounts for development fees collected for the design and construction of public facilities within the City of Brentwood.
- Vehicle Abatement – This fund accounts for monies which can only be used for the abatement, removal and disposal, as public nuisances, of any abandoned, wrecked, dismantled or inoperative vehicles, or parts thereof, from private or public property.
- Infrastructure Improvements – This fund accounts for economic development infrastructure projects and any related costs.

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

- 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 Advertising – This fund accounts for funds collected and dedicated to enhancing the amenities at Sunset Athletic Complex, Brentwood Family Aquatic Complex and the Brentwood Skate Park. This fund also provides funding to publish and distribute the Parks and Recreation Activities Guide.
- 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.



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

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

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

- 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 which 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 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.



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

- Water Enterprise – This fund accounts for the operation, maintenance and capital improvement projects of the water system. These activities are funded by user charges and impact fees.
- City Rentals Enterprise – This fund accounts for all the City facilities rented and maintained through this fund.
- Housing Enterprise – This fund accounts for the administrative and operational expenses for the Housing Division and Housing rental stock. This now includes Affordable Housing In Lieu and the First Time Homebuyers program.

Additionally, the government reports for the following fund types:

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

- Emergency Preparedness – To provide a source of funding for the City to be financially prepared for either a critical or catastrophic event.
- Information Services – To provide a source of funding for the development and coordination of the City’s information systems’ needs.
- Equipment Replacement – To provide a source of funding for vehicle and equipment replacement.
- Information Systems Replacement – To provide a source of funding for the on-going replacement of information systems such as computers and the phone system.
- Facilities Replacement – To provide a source of funding for repairs 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 either maturity or 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, 2011.

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 either 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
- A total of 80 hours of management leave
- Up to either 60, 80 or 120 hours of compensatory time off, depending on employee's classification
- 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. Eligible exempt employees receive forty hours of management leave at the beginning of each fiscal year. An additional forty hours may be granted to eligible employees based upon extraordinary hours worked upon approval of their Department Director or the City Manager. Vacation time and management leave are 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 either 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, which can be more consistently applied, and by clarifying the existing governmental fund type definitions. This Statement also establishes fund balance classifications which 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, GASB 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 Basic Financial Statements. The requirements of this Statement are effective for fiscal periods beginning after June 15, 2010; however, the City 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 which participate in agent multiple-employer Other Post Employment Benefit (OPEB) plans. The requirements of this Statement are effective for fiscal periods beginning after June 15, 2011. The City does not anticipate Statement No. 57 will have a significant impact on its financial statements.

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 and have been implemented for the presentation of the 2010/11 financial statements, with no resulting impact.

In December 2010, GASB issued GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. This Statement addresses how to account for, and report, service concession arrangements (SCAs), a type of public-private or public-public partnership that state and local governments are increasingly entering into. Common examples of SCAs

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

include long-term arrangements in which a government engages another entity to operate a major capital asset, such as a toll road, in return for the right to collect fees from users of the capital asset. The requirements of the Statement are effective for fiscal periods beginning after December 15, 2011. The City does not anticipate Statement No. 60 will have a significant impact on its financial statements.

In December 2010, GASB issued GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*. This Statement improves financial reporting for governmental entities by amending the requirements of Statements No. 14, *The Financial Reporting Entity*, and No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* to better meet user needs and address reporting entity issues which have come to light since those Statements were issued in 1991 and 1999, respectively. Statement No. 61 improves the information presented about the financial reporting entity, which is comprised of a primary government and related entities (component units), and also amends the criteria for blending – that is, reporting component units as if they were part of the primary government. The requirements of the Statement are effective for fiscal periods beginning after June 15, 2012. The City does not anticipate Statement No. 61 will have a significant impact on its financial statements.

In December 2010, GASB issued GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement enhances the usefulness of its Codification by incorporating guidance which previously could only be found in certain FASB and American Institute of Certified Public Accountants (AICPA) pronouncements. The requirements of the Statement are effective for fiscal periods beginning after December 15, 2011. The City does not anticipate Statement No. 62 will have a significant impact on its financial statements.

xi. Motor Vehicle Taxes

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

NOTE # 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

• General Budget Policies

The City operates on a two year budget cycle. Budgets are legally enacted through passage of a resolution prior to July 1. The City Council periodically reviews the budgets and adopts supplemental appropriations (amendments) at the fund level when required. The level of budgetary control is established at the fund level and expenditures may not exceed budgeted appropriations at the fund level without City Council approval. In the financial statements, the final budget amounts include amendments to the original budget. Individual amendments were not material in relation to original appropriations.

• Budget Basis of Accounting

Budgetary comparisons are presented for the General, Special Revenue, certain Debt Service and certain Capital Project funds. The funds listed below are not legally required to adopt budgets as their appropriations are either established by: 1) the related bond documentation, 2) other legal agreements, or 3) are multi-year projects whose budget cycle exceeds one fiscal year.

Capital Project Funds

Capital Improvement Financing Program 2005-1
Capital Improvement Financing Program 2006-1
2002 Series A&B
Randy Way Assessment District Improvements

Community Facilities Improvement Projects
Park Improvement Projects
Drainage Improvement Projects
Street Improvement Projects

Debt Service Funds

Capital Improvement Program 2001
2002 General Obligation Bond
Civic Center Projects Revenue Bond

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

B. DEFICIT FUND EQUITY

The following funds have either a deficit fund or accumulated deficit balance as of June 30, 2011. 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 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 2011/12 Operating Budget.

Special Revenue:

Parks and Trails	\$ 2,550,292
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Internal Service:

Information Services	\$ 238,568
Fleet Maintenance	\$ 42,432

C. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of the “Due To / From Other Funds” balance, as of June 30, 2011, is shown below. This amount is due to timing issues and is expected to be paid during the next fiscal year.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Community Facilities Improvement Projects	Civic Center Projects Revenue Bond	\$ 996

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

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. The interfund advance payable from Parks and Trails is due to the construction of parks within the city in advance of receiving development fee revenue. Future development will reduce this obligation.

Interfund Advance

<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	2,331
Water Enterprise	Housing Enterprise	45,516
Community Facilities Improvement Projects	Parks and Trails	2,550,148
	Total	\$ 2,746,435

Interfund Transfers

Fund Description	General Fund	Redevelopment Debt Service	Community	Non-Major	Internal Service Funds	Wastewater Enterprise	Water Enterprise	City Rentals Enterprise	Total Transfers Out
			Facilities Improvement Projects	Governmental Funds					
General Fund	\$ -	\$ -	\$ -	\$ 851,981	\$ 4,960,000	\$ -	\$ -	\$ 80,000	\$ 5,891,981
Redevelopment Debt Service	-	-	-	10,518,393	-	-	-	-	10,518,393
Community Facilities Improvement Projects	7,725,684	-	-	243,848	-	-	-	-	7,969,532
Non-Major Governmental Funds	4,581,103	888,080	40,143,149	4,401,090	-	2,645	1,005,063	-	51,021,130
Internal Service Funds	612,984	-	141,881	93,202	38,575	152,332	56,819	-	1,095,793
Wastewater Enterprise	-	-	181,510	-	-	-	-	-	181,510
Solid Waste Enterprise	-	-	222,758	-	37,085	-	-	-	259,843
Water Enterprise	-	-	116,508	-	22,493	-	-	-	139,001
City Rentals Enterprise	-	-	-	290,387	-	-	-	-	290,387
Total Transfers In	\$ 12,919,771	\$ 888,080	\$ 40,805,806	\$ 16,398,901	\$ 5,058,153	\$ 154,977	\$ 1,061,882	\$ 80,000	\$ 77,367,570

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

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

<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	\$ 1,221,342	Gas Tax revenue to subsidize the Street Maintenance Division.
General Fund	2,944,150	Provide a subsidy to cover a portion of the costs for Police Services.
Capital Projects	454,046	Provide a subsidy to cover a portion of the costs for the Pavement Management Program.
Capital Projects	338,000	Provide a subsidy to cover a portion of the costs for the Sand Creek Road Widening - Phase II project.
Capital Projects	11,153,422	Provide a subsidy to cover a portion of the costs for the New Community Center project.
Capital Projects	17,512,702	Provide a subsidy to cover a portion of the costs for the New City Hall project.
Capital Projects	275,000	Provide a subsidy to cover a portion of the costs for the Fiber Optic Link - Phase II project.
Capital Projects	724,376	Provide a subsidy to cover a portion of the costs for the City Park project.
Capital Projects	332,000	Provide a subsidy to cover a portion of the costs for the Water System Connections / Regulating project.
Capital Projects	231,000	Provide a subsidy to cover a portion of the costs for the Waste Water Treatment Plant Corrosion Control project.

The City expends funds on capital projects on behalf of the Agency and the Agency occasionally transfers the required funds to the City prior to the start of the project. Any unspent funds are returned to the Agency upon completion of the project. As of June 30, 2011, the balance of unspent project funds held by the City on behalf of the Agency totaled \$5,096,846.

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 are to be transferred to the Budget Stabilization Fund. 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 which 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, 2011, the City’s Budget Stabilization Fund, which is reported as an Internal Service fund, had a fund balance of \$10,259,239, although \$2,400,000 is projected to be used to balance the General Fund in fiscal year 2011/12.

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

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 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, 2011. 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 GASB Statement No. 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 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 which 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. The City expends funds on capital projects on behalf of the Agency and the Agency occasionally transfers the required funds to the City prior to the start of the project. Any unspent funds are returned to the Agency upon completion of the project. As of June 30, 2011, the balance of unspent project funds held by the City on behalf of the Agency totaled \$5,096,846. Detailed classifications of the City's Fund Balances, as of June 30, 2011, are shown on the next page.

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

	Debt Service		Capital Projects		Total
	General Fund	Redevelopment Debt	Community Facilities Improvement Projects	Other Governmental Funds	
Fund Balances:					
Nonspendable:					
Prepaid Expenses	\$ 168,127	\$ -	\$ -	\$ 2,237	\$ 170,364
Total Nonspendable Fund Balances	<u>168,127</u>	<u>-</u>	<u>-</u>	<u>2,237</u>	<u>170,364</u>
Restricted for:					
Debt Service	-	-	-	7,791,465	7,791,465
Community Facilities Projects	-	-	18,657,030	-	18,657,030
Civic Center Projects	-	-	-	8,834,919	8,834,919
Redevelopment Low Income Housing	-	-	-	6,614,581	6,614,581
Vineyards Development Projects	-	-	-	1,609,033	1,609,033
Infrastructure Projects	-	-	-	6,484,371	6,484,371
Streets and Roadways	-	-	-	6,590,753	6,590,753
Drainage Projects	-	-	-	45,915	45,915
Parks and Trails	-	-	-	1,491,956	1,491,956
CIFP Projects	-	-	-	11,324,848	11,324,848
Sand Creek Widening - Phase II	-	-	-	400,634	400,634
Randy Way Improvements	-	-	-	4,457	4,457
Lighting and Landscaping Districts	-	-	-	4,017,120	4,017,120
Off Street Parking Facilities in Downtown	-	-	-	26,767	26,767
Agricultural/Farmland Mitigation	-	-	-	1,890,899	1,890,899
Fire Facilities	-	-	-	905,669	905,669
Arts Commission	-	-	-	6,551	6,551
Public Art	-	-	-	712,858	712,858
Developer Facility Fee Program	-	-	-	13,385	13,385
Drug Prevention Programs	-	-	-	103,296	103,296
Public Safety	-	-	-	136,374	136,374
Bicycle Safety	-	-	-	13,276	13,276
PEG Television Media	-	-	-	895,382	895,382
Total Restricted Fund Balances	<u>-</u>	<u>-</u>	<u>18,657,030</u>	<u>59,914,509</u>	<u>78,571,539</u>
Committed to:					
Village Community Resource Center	600,000	-	-	-	600,000
Infrastructure Projects	-	-	-	5,892	5,892
Public Nuisance Abatement	-	-	-	33,333	33,333
Community Facilities	-	-	-	567,614	567,614
Public Safety	-	-	-	16,800	16,800
Parks Maintenance	-	-	-	129,904	129,904
Streets and Roadways	-	-	-	2,273,592	2,273,592
Total Committed Fund Balances	<u>600,000</u>	<u>-</u>	<u>-</u>	<u>3,027,135</u>	<u>3,627,135</u>
Assigned to:					
Capital Projects	6,300,000	-	-	-	6,300,000
General Plan Update	1,000,000	-	-	-	1,000,000
Property Tax Assessment Refund	367,955	-	-	-	367,955
Total Assigned Fund Balances	<u>7,667,955</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,667,955</u>
Unassigned:	<u>9,835,437</u>	<u>-</u>	<u>-</u>	<u>(2,550,292)</u>	<u>7,285,145</u>
Total Fund Balances	<u>\$ 18,271,519</u>	<u>\$ -</u>	<u>\$ 18,657,030</u>	<u>\$ 60,393,589</u>	<u>\$ 97,322,138</u>

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 (\$278,554) at June 30, 2011. The bank balance, before reconciling items, was \$2,373,952. 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 which are insured by the Federal Deposit Insurance Corporation (FDIC). The City’s cash and investment balances are as follows:

Pooled Deposits:	
Demand Deposits	\$ (278,554)
Petty Cash	8,290
Pooled Investments	232,496,956
Total Cash and Investments	<u>\$ 232,226,692</u>

Cash and investments appear on the financial statements as follows:

Cash and Investments	
Governmental Activities	\$ 114,008,558
Business-Type Activities	66,320,941
Fiduciary Funds	11,085,592
	<u>191,415,091</u>
Restricted Cash and Investments	
Governmental Activities	30,212,556
Business-Type Activities	3,975,181
Fiduciary Funds	6,623,864
	<u>40,811,601</u>
Total Cash and Investments	<u>\$ 232,226,692</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 79% of the rated portfolio consists of investments with Standard and Poor’s two 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, 2011, held on behalf of the City are presented below, categorized separately to give an indication of the level of risk associated with each investment. Investments are reported at fair value.

NOTE # 3 – CASH AND INVESTMENTS (Continued)

	Fair Value	Credit Rating	% of Rated Portfolio
Medium Term Corporate Notes	\$ 4,997,034	A	3%
Medium Term Corporate Notes	16,539,678	A+	9%
Medium Term Corporate Notes	4,409,136	AA-	2%
Medium Term Corporate Notes	2,388,778	AA	1%
Medium Term Corporate Notes	6,813,121	AA+	4%
Medium Term Corporate Notes	14,816,239	AAA	8%
Commercial Paper	10,128,468	A-1+	6%
Federal Agency Bonds / Notes	95,343,707	AAA	53%
Certificates of Deposit	4,841,318	A-1+	3%
Certificates of Deposit	4,803,662	AA-	3%
Money Market Mutual Funds	338,151	AAAm	1%
California Asset Management Program	12,931,663	AAAm	7%
Total Rated Investments	<u>178,350,955</u>		
U.S. Treasury Bonds / Notes	38,932,148	Not Rated	
Local Agency Investment Fund	9,944,648	Not Rated	
Money Market Funds	4,363,967	Not Rated	
Guaranteed Investment Contracts	905,238	Not Rated	
Total Unrated Investments	<u>54,146,001</u>		
Total Investments	<u>\$ 232,496,956</u>		

On August 5, 2011, Standard & Poor’s Ratings Services (S&P) lowered its long-term credit rating on the United States of America from AAA to AA+. At the same time, S&P affirmed its A-1+ short-term rating on the United States of America.

On August 8, 2011, S&P lowered its issuer credit ratings and related issue ratings on ten of twelve Federal Home Loan Banks (FHLBs) and the senior debt issued by the FHLB System from AAA to AA+. S&P also lowered the ratings on the senior debt issued by the Federal Farm Credit Banks (FFCB) from AAA to AA+, and lowered the senior issue ratings on Fannie Mae (FNMA) and Freddie Mac (FHLMC) from AAA to AA+. The A subordinated debt rating and the C rating on the preferred stock of these entities remained unchanged. Finally, S&P affirmed the short-term issue ratings for these entities at A-1+. As of June 30, 2011, the City’s investments in these agencies that were subject to the downgrade were as follows: FHLB \$2,077,714, FNMA \$40,719,629 and FHLMC \$52,546,364.

NOTE # 3 – CASH AND INVESTMENTS (Continued)

On August 8, 2011, S&P also lowered the ratings on 126 Federal Deposit Insurance Corporation-guaranteed debt issues from thirty financial institutions that are under the Temporary Liquidity Guarantee Program (TLGP), and four National Credit Union Association-guaranteed debt issues from two corporate credit unions under the Temporary Corporate Credit Union Guarantee Program (TCCUGP) from AAA to AA+. As of June 30, 2011, the City’s investments in these institutions that were subject to the downgrade were as follows: Morgan Stanley \$5,237,330 divested in July 2011 and Citigroup Inc. \$2,548,419 divested in August 2011.

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.	\$ 52,546,364	22.60
Federal National Mortgage Association	40,719,629	17.51

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

Investments in any one issuer, other than the U.S. Treasury securities, mutual funds or external investment pool, which represent 5% or more of non-major fund investments, are shown below:

Issuers*	Type of Investment	Fair Value
U.S. Bank N.A.	Commercial Paper	\$ 10,128,468

* 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, 73% 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	\$ 38,932,148	\$ -	\$ 26,478,582	\$ 5,712,346	\$ 6,741,220	16.75
Commercial Paper	10,128,468	10,128,468	-	-	-	4.36
Medium-Term Corporate Notes	42,178,237	-	-	8,703,014	33,475,223	18.14
Federal Agency Bonds/Notes**	95,343,707	2,153,528	11,853,904	59,332,624	22,003,651	41.00
Corporate Securities (FDIC Insured)	7,785,749	-	7,785,749	-	-	3.34
Certificate of Deposit	9,644,980	4,841,318	-	4,803,662	-	4.15
Local Agency Investment Funds	9,944,648	9,944,648	-	-	-	4.28
California Asset Management Program	12,931,663	12,931,663	-	-	-	5.56
Money Market Mutual Funds	338,151	338,151	-	-	-	0.15
Money Market Funds	4,363,967	4,363,967	-	-	-	1.88
Guaranteed Investments Contracts	905,238	905,238	-	-	-	0.39
Totals	\$ 232,496,956	\$ 45,606,981	\$ 46,118,235	\$ 78,551,646	\$ 62,220,094	
% of Portfolio		19.62	19.84	33.79	26.76	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 and 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, 2011, the amortized cost of the pool was \$66,384,617,119. The fair value was \$66,489,270,508. 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, 2011 the fair market value approximated 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 which 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 \$9,944,648, whose pro-rata share of fair value was estimated by the State Treasurer to be \$9,960,326. 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, 2011 were comprised of the following:

	<u>Taxes</u>	<u>Accounts</u>	<u>Inter-Governmental</u>	<u>Interest</u>	<u>Utilities</u>	<u>Loans</u>	<u>Total Receivables</u>
Governmental Activities:							
General Fund	\$ 70,266	\$ 1,115,245	\$ -	\$ 2,003	\$ -	\$ -	\$ 1,187,514
Internal Services	-	50,804	-	2,246	-	-	53,050
Special Revenue	-	342,810	11,316	1,592	-	3,950,938 ⁽¹⁾	4,306,656
Debt Service	-	-	-	129	-	-	129
Capital Projects	-	264,544	-	3,226	-	-	267,770
Total Governmental Activities	<u>\$ 70,266</u>	<u>\$ 1,773,403</u>	<u>\$ 11,316</u>	<u>\$ 9,196</u>	<u>\$ -</u>	<u>\$ 3,950,938</u>	<u>\$ 5,815,119</u>
Business - Type Activities:							
Wastewater	\$ -	\$ 127,999	\$ -	\$ 2,004	\$ 1,381,599	\$ -	\$ 1,511,602
Solid Waste	-	49,557	-	980	1,570,090	-	1,620,627
Water	-	346,537	-	1,472	1,958,702	117,000	2,423,711
City Rentals	-	21,234	-	-	-	-	21,234
Housing	-	23,058	-	567	-	4,466,226 ⁽¹⁾	4,489,851
Total Business-Type Activities	<u>\$ -</u>	<u>\$ 568,385</u>	<u>\$ -</u>	<u>\$ 5,023</u>	<u>\$ 4,910,391</u>	<u>\$ 4,583,226</u>	<u>\$ 10,067,025</u>

(1) Does not include reservation for Loans expected to be forgiven discussed below.

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

Notes and Loans Receivable at June 30, 2011 were comprised of the following:

Government - Type Activities:	
PEG Media	\$ 100,000
Loans under Redevelopment Agency Programs (including interest)	3,850,938
Subtotal Governmental Funds	<u>3,950,938</u>
Less: Reservation for Loans Expected to be Forgiven	<u>3,850,938</u>
Net Notes and Loans Receivable	<u><u>\$ 100,000</u></u>
Business - Type Activities:	
Diablo Water District	\$ 117,000
Down Payment Assistance and GAP Loans	1,097,611
Loans under Affordable Housing In Lieu (including interest)	1,756,000
Vineyards Affordable Housing	<u>1,612,615</u>
Subtotal Business - Type Activities	<u>4,583,226</u>
Less: Reservation for Loans Expected to be Forgiven	<u>1,756,000</u>
Net Notes and Loans Receivable	<u><u>\$ 2,827,226</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, 2011. The remaining \$100,000 is due during the 2012/13 fiscal year, provided there are at least 11,000 subscribers in the City.

Diablo Water District – 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 fiscal year 2007/08 and the final payment due during the 2012/13 fiscal year. The remaining balance owed to the City is \$117,000, with \$58,500 due within one year.

Down Payment Assistance and GAP Loans – The City has established a first time homebuyers Down Payment Assistance Program (DAP) 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 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

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

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 \$1,097,611, including interest, under the DAP and GAP loan programs.

Vineyards Affordable Housing – In June 2004, the City of Brentwood and The Vineyards at Marsh Creek, LLC (Vineyards) entered into a Development Agreement. Part of the agreement included the obligation to provide moderate and low-income dwelling units. Through a series of agreements, Brentwood Commercial assumed the obligation to provide 98 moderate-income dwelling units and 20 low-income dwelling units. Brentwood Commercial elected to pay the in lieu fees as opposed to constructing dwelling units with affordability restrictions. The receivable amount at June 30, 2011 was \$1,612,615.

Loans Under the Redevelopment Agency and the City’s Affordable Housing In Lieu Programs – The City and the Brentwood Redevelopment Agency (“Agency”) entered into the loan programs shown below to improve the quality and availability of affordable housing. Loans under the Agency and the City’s Affordable Housing In Lieu 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 loans are accounted for as conditional grants in the entity-wide financial statements and provide a reserve against their eventual forgiveness. These loans were comprised of the following at June 30, 2011:

Government - Type Activities:

Brentwood/202 Senior Housing, Inc.	\$ 314,550
Christian Church Homes Sycamore II	930,345
Eden Housing	118,125
Mercy Housing	1,631,000
Brentwood Senior Commons	400,000
Brentwood Green Valley	456,918
Subtotal Loans under Redevelopment Agency Programs	<u>3,850,938</u>
Less: Reservation for Loans Expected to be Forgiven	<u>3,850,938</u>
Net Notes and Loans Receivable	<u>\$ -</u>

Business - Type Activities:

Eden Housing	\$ 1,057,000
Mercy Housing	699,000
Subtotal Loans under Affordable Housing In Lieu	<u>1,756,000</u>
Less: Reservation for Loans Expected to be Forgiven	<u>1,756,000</u>
Net Notes and Loans Receivable	<u>\$ -</u>

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

Brentwood/202 Senior Housing, Inc. – In April 1996, the Agency loaned Brentwood/202 Senior Housing, Inc., a California nonprofit public benefit corporation, \$314,550 to assist in the financing of the construction of a 40-unit senior housing project. The principal sum of the note will not bear interest. The outstanding principal due under this note will be due and payable in full, forty years from the date of recording the Deed of Trust or upon an event of default. In the event there has been no event of default that has not been cured, the Agency shall forgive the outstanding principal balance due on the maturity date. The balance at June 30, 2011 was \$314,550.

Christian Church Homes Sycamore II – In June 2003, the Agency entered into a note with Christian Church Homes of Northern California, in the amount of \$530,722, to construct 40 units of very low-income senior rental housing. The note is a 3% per annum simple interest, 55-year loan. In July 2004, a new note was executed with Sycamore Place II Senior Housing Corporation which amended, superseded and replaced in its entirety the original note of \$530,722. This new note, in the amount of \$755,722, is secured by a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing. The principal sum of this note will bear 3% per annum, simple interest. All principal, and all accrued and unpaid interest, shall be due and payable in full no later than June 27, 2058 or upon default. As of June 30, 2011, principal and accrued interest total \$930,345. There is a reasonable expectation that this note will be forgiven upon successful completion of the terms and conditions of the note, and as such, a reservation for forgiveness of the note has been included in these financial statements.

Eden Housing – The City of Brentwood Affordable Housing and the Agency entered into two notes with Eden Housing, Inc. for the development of Brentwood City Commons, an 80-unit very-low and extremely-low income senior apartment project in the amounts of \$900,000 and \$100,000 respectively. The notes are secured by Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing. The notes are 3% simple interest per annum, 55-year loans unless event of default occurs. As of June 30, 2011, principal and accrued interest for both notes total \$1,175,125. There is a reasonable expectation that these notes will be forgiven upon successful completion of the terms and conditions of the notes, and as such, a reservation for forgiveness of the notes has been included in these financial statements.

Mercy Housing – In May 2006, the City of Brentwood Affordable Housing and the Agency entered into two notes with Mercy Housing, Inc., in the amounts of \$600,000 and \$1,400,000, in order to develop 94 affordable apartments for extremely low or very low-income households at an affordable rent as set forth in the Affordable Housing Covenant. So long as Mercy Housing, Inc. owns and operates the project in compliance with the Affordable Housing Covenant, and the agreement is not in default under these notes, no payments shall be due. The entire outstanding unpaid principal and interest of the notes shall be due and payable in full upon either the earlier of the 55-years after the closing of the notes or December 31, 2063. The notes shall bear interest at 3% per annum from the date of disbursement. As of June 30, 2011, the principal and accrued interest due for both notes total \$2,330,000. There is a reasonable expectation that these notes will be forgiven upon successful completion of the terms and conditions of the notes, and as such, a reservation for forgiveness of the notes has been included in these financial statements.

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

Brentwood Senior Commons – In November 2010, the Brentwood Redevelopment Agency entered into a Loan Agreement with Brentwood Senior Commons, L.P. in the amount of \$400,000 to provide funding for a portion of elevator improvements within the Brentwood Senior Commons project. This note shall bear zero (0%) interest unless there is a default in the conditions of the note. So long as Brentwood Senior Commons owns and operates the project in compliance with the Affordable Housing Covenant no payments shall be due and the entire outstanding principal and interest, if any due to default, shall be due and payable in full on January 25, 2060. On the maturity date the Brentwood Redevelopment Agency may, in its sole discretion, forgive the repayment of all or part of the Loan. As of June 30, 2011, the principal due totaled \$400,000. There is a reasonable expectation that this note will be forgiven upon successful completion of the terms and conditions of the note, and as such, a reservation for forgiveness of the note has been included in these financial statements.

Brentwood Green Valley – In January 2011, the Brentwood Redevelopment Agency entered into a Loan Agreement with Brentwood Green Valley Associates in the amount of \$1,258,886 to provide funds to repair and rehabilitate Green Valley Apartments, a 28-unit, extremely-low and very-low income, multi-family project. The loan shall be disbursed in two payments in accordance with the loan agreement. As of June 30, 2011, \$458,886 has been disbursed to Brentwood Green Valley Associates. This note shall bear simple interest at a rate of 3% per annum from the date of disbursement. So long as Brentwood Green Valley owns and operates the project in compliance with the Affordable Housing Covenant and the agreement and is not in default under the note, the Brentwood Redevelopment Agency shall forgive the outstanding principal balance of this note on a per annum basis, prorated for partial years, in an amount equal to 1.82% of the original principal amount of this note (55 year amortization). In addition, all accrued but unpaid interest is forgiven so long as the note is not in default. As of June 30, 2011, the principal and accrued interest due for both Notes, before the forgiveness, totaled \$462,130. Per the terms of the note, \$1,968 of the principal and \$3,244 of the interest were forgiven at June 30, 2011. The remaining balance at June 30, 2011 totaled \$456,918. There is a reasonable expectation that this note will be forgiven upon successful completion of the terms and conditions of the note, and as such, a reservation for forgiveness of the note has been included in these financial statements.

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, 2011 are as follows:

	Balance July 1, 2010	Increases	Decreases	Transfers	Balance June 30, 2011
Governmental Activities:					
Capital Assets, Not Being Depreciated or Amortized:					
Land	\$ 34,054,471	\$ 1,327,129	\$ -	\$ 1,067,927	\$ 36,449,527
Work in Progress - CIP	25,100,251	28,347,883	(2,470,404)	(3,033,019)	47,944,711
Total Capital Assets, Not Being Depreciated or Amortized	<u>59,154,722</u>	<u>29,675,012</u>	<u>(2,470,404)</u>	<u>(1,965,092)</u>	<u>84,394,238</u>
Capital Assets, Being Depreciated and Amortized:					
Intangible Assets	6,258,156	-	-	-	6,258,156
Buildings	18,696,020	-	-	88,344	18,784,364
Infrastructure	380,106,366	10,317,642	-	437,440	390,861,448
Machinery and Equipment	4,405,861	49,246	(162,889)	1,216,601	5,508,819
Vehicles	7,340,111	867,108	(446,088)	-	7,761,131
Land Improvements	27,108,975	-	-	222,707	27,331,682
Total Capital Assets Being Depreciated and Amortized	<u>443,915,489</u>	<u>11,233,996</u>	<u>(608,977)</u>	<u>1,965,092</u>	<u>456,505,600</u>
Less Accumulated Depreciation and Amortization for:					
Intangible Assets	496,134	96,279	-	-	592,413
Buildings	2,464,097	373,075	-	-	2,837,172
Infrastructure	53,979,984	5,847,790	-	-	59,827,774
Machinery and Equipment	2,180,209	304,439	(157,737)	-	2,326,911
Vehicles	4,481,996	622,178	(446,088)	-	4,658,086
Land Improvements	1,771,896	513,188	-	-	2,285,084
Total Accumulated Depreciation and Amortization	<u>65,374,316</u>	<u>7,756,949</u>	<u>(603,825)</u>	<u>-</u>	<u>72,527,440</u>
Total Capital Assets, Being Depreciated and Amortized, Net	<u>378,541,173</u>	<u>3,477,047</u>	<u>(5,152)</u>	<u>1,965,092</u>	<u>383,978,160</u>
Governmental Activities Capital Assets, Net	<u>\$ 437,695,895</u>	<u>\$ 33,152,059</u>	<u>\$ (2,475,556)</u>	<u>\$ -</u>	<u>\$ 468,372,398</u>
Business-Type Activities:					
Capital Assets, Not Being Depreciated or Amortized:					
Land	\$ 2,034,202	\$ -	\$ -	\$ -	\$ 2,034,202
Work in Progress - CIP	2,761,387	1,612,548	-	(747,836)	3,626,099
Total Capital Assets, Not Being Depreciated or Amortized	<u>4,795,589</u>	<u>1,612,548</u>	<u>-</u>	<u>(747,836)</u>	<u>5,660,301</u>
Capital Assets, Being Depreciated and Amortized:					
Intangible Assets	10,597,532	-	-	-	10,597,532
Buildings	24,813,632	-	-	-	24,813,632
Infrastructure	215,717,103	2,480,190	-	523,836	218,721,129
Machinery and Equipment	1,155,185	-	(21,985)	-	1,133,200
Land Improvements	10,701,186	-	-	224,000	10,925,186
Total Capital Assets Being Depreciated and Amortized	<u>262,984,638</u>	<u>2,480,190</u>	<u>(21,985)</u>	<u>747,836</u>	<u>266,190,679</u>
Less Accumulated Depreciation and Amortization for:					
Intangible Assets	1,592,692	259,193	-	-	1,851,885
Buildings	3,218,818	495,203	-	-	3,714,021
Infrastructure	22,625,592	3,333,350	-	-	25,958,942
Machinery and Equipment	812,292	81,185	(21,985)	-	871,492
Land Improvements	1,049,014	248,459	-	-	1,297,473
Total Accumulated Depreciation and Amortization	<u>29,298,408</u>	<u>4,417,390</u>	<u>(21,985)</u>	<u>-</u>	<u>33,693,813</u>
Total Capital Assets, Being Depreciated and Amortized, Net	<u>233,686,230</u>	<u>(1,937,200)</u>	<u>-</u>	<u>747,836</u>	<u>232,496,866</u>
Business-Type Activities Capital Assets, Net	<u>\$ 238,481,819</u>	<u>\$ (324,652)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 238,157,167</u>

NOTE # 5 – CAPITAL ASSETS (Continued)

For the year ended June 30, 2011, depreciation and amortization expense on capital assets was charged to the governmental function as follows:

Governmental Activities:	
General Government	\$ 281,982
Public Safety	326,245
Community Development	21,648
Public Works	4,916,075
Parks and Recreation	1,352,881
Internal Service	858,118
Total Depreciation and Amortization Expense - Governmental Activities	\$ 7,756,949
Business-Type Activities:	
Wastewater	\$ 1,464,398
Solid Waste	70,903
Water	2,850,758
Housing	31,331
Total Depreciation and Amortization Expense - Business-Type Activities	\$ 4,417,390

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 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, 2010	Additions	Payments Adjustments	Balance June 30, 2011	Amounts Due Within One Year
Bonds					
2002 General Obligation Bonds	\$ 6,534,783	\$ 239,257 ⁽¹⁾	\$ (230,000)	\$ 6,544,040	\$ 260,000
CIP 2001 Revenue Bonds	26,890,000	-	(780,000)	26,110,000	815,000
Civic Center Project Lease Revenue Bonds	48,000,000	-	-	48,000,000	-
Total Bonds	<u>81,424,783</u>	<u>239,257</u>	<u>(1,010,000)</u>	<u>80,654,040</u>	<u>1,075,000</u>
Notes Payable					
Village Community Resource Center	75,407	-	(75,407)	-	-
Total Notes Payable	<u>75,407</u>	<u>-</u>	<u>(75,407)</u>	<u>-</u>	<u>-</u>
Other					
Net OPEB Obligation	3,947,325	2,119,258	-	6,066,583	-
Accumulated Compensated Absences	1,196,884	1,561,737	(1,533,438)	1,225,183	735,110
Total Other	<u>5,144,209</u>	<u>3,680,995</u>	<u>(1,533,438)</u>	<u>7,291,766</u>	<u>735,110</u>
Total General Long-Term Debt	<u>\$ 86,644,399</u>	<u>\$ 3,920,252</u>	<u>\$ (2,618,845)</u>	<u>\$ 87,945,806</u>	<u>\$ 1,810,110</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	Principal	Interest	Total
June 30			
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	400,000	44,363	444,363
2017-2021	1,258,872	1,324,490	2,583,362
2022-2026	949,822	2,340,178	3,290,000
2027-2031	911,282	3,293,718	4,205,000
Sub-total	4,754,976	\$ 7,348,986	\$ 12,103,962
Accretion to date	1,789,064		
	<u>\$ 6,544,040</u>		

NOTE # 6 – LONG-TERM OBLIGATIONS (Continued)

- **CIP 2001 Revenue Bonds**

On September 27, 2001, the Brentwood Infrastructure Financing Authority (“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 Brentwood Redevelopment Agency (“Agency”) 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 \$28,492,803 remaining debt service on the bonds. The repayment of the debt service is scheduled to occur in 2032. For fiscal year 2011, tax increment revenue amounted to \$4,674,469, which represented coverage of 3.42 times \$1,365,769 of the Agency’s debt service. The remaining portion of the bonds is repayable from any source of available funds of the City.

Year Ending	Principal	Interest	Total
June 30			
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	970,000	1,113,469	2,083,469
2017-2021	5,555,000	4,795,828	10,350,828
2022-2026	7,160,000	3,168,750	10,328,750
2027-2031	7,350,000	1,314,250	8,664,250
2032	1,605,000	40,125	1,645,125
Total	<u>\$ 26,110,000</u>	<u>\$ 15,289,281</u>	<u>\$ 41,399,281</u>

NOTE # 6 – LONG-TERM OBLIGATIONS (Continued)

- **Civic Center Project Lease Revenue Bond**

On October 16, 2009, the Authority 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, new Community Center, new Senior Center, plus 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 relating to the 2009B portion of the bonds 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 Agency which has pledged payments pursuant to the reimbursement agreement, pledged payments from the Community Facilities Districts (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 portion of the 2009B 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 the Authority or its designee equal to 35 percent of the interest payable on the bonds. Such subsidy will be payable on or about the date the City makes its debt service payments and the total subsidy received in fiscal year 2010/11 was \$1,128,822.

Year Ending	Principal	Interest	Total
June 30			
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	1,040,000	3,289,204	4,329,204
2017-2021	5,855,000	15,572,715	21,427,715
2022-2026	7,195,000	13,475,826	20,670,826
2027-2031	9,045,000	10,527,394	19,572,394
2032-2036	11,495,000	6,654,993	18,149,993
2037-2039	11,435,000	1,801,824	13,236,824
Total	\$ 48,000,000	\$ 64,731,573	\$ 112,731,573

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 was made in fiscal year 2010/11.

iii. Net OPEB Obligation

Those individual governmental funds which provide for employee personnel costs (primarily the General Fund) will be responsible for liquidating their respective shares of the Net OPEB Obligation. Details regarding the City’s Net OPEB Obligation can be found in Note 11, Post-Retirement Health Care Benefits, on pages 77 – 80.

iv. Accumulated Compensated Absences

The long-term compensated absences balances as of June 30, 2011 were:

Governmental	\$ 490,073
Business-Type	\$ 129,360

NOTE # 6 – LONG-TERM OBLIGATIONS (Continued)

B. BUSINESS-TYPE ACTIVITIES

	Balance June 30, 2010	Additions	Payments Adjustments	Balance June 30, 2011	Amounts Due Within One Year
Bonds					
Water Revenue Bond 2008	\$ 52,500,000	\$ -	\$ (300,000)	\$ 52,200,000	\$ 1,100,000
Total Bonds	<u>52,500,000</u>	<u>-</u>	<u>(300,000)</u>	<u>52,200,000</u>	<u>1,100,000</u>
Notes Payable					
CCWD Water Connection Fee	7,432,445	-	-	7,432,445	-
State Water Resources Loan (Wastewater)	26,224,698	-	(1,807,912)	24,416,786	1,840,547
Total Notes Payable	<u>33,657,143</u>	<u>-</u>	<u>(1,807,912)</u>	<u>31,849,231</u>	<u>1,840,547</u>
Other					
Net OPEB Obligation	1,151,175	751,742	-	1,902,917	-
Accumulated Compensated Absences	297,585	491,572	(465,756)	323,401	194,041
Total Other	<u>1,448,760</u>	<u>1,243,314</u>	<u>(465,756)</u>	<u>2,226,318</u>	<u>194,041</u>
Total All Business-Type Funds	<u>\$ 87,605,903</u>	<u>\$ 1,243,314</u>	<u>\$ (2,573,668)</u>	<u>\$ 86,275,549</u>	<u>\$ 3,134,588</u>

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, 2011 is \$52,200,000. Future payments for these bonds are as follows:

Year Ending	Principal	Interest	Total
June 30			
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	1,320,000	2,665,488	3,983,238
2017-2021	7,750,000	12,173,288	19,923,175
2022-2026	10,150,000	9,771,800	19,926,175
2027-2031	9,575,000	7,040,500	17,274,000
2032-2036	12,595,000	4,010,338	16,605,163
2037-2038	6,110,000	531,875	9,964,775
Total	\$ 52,200,000	\$ 47,438,789	\$ 99,638,789

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 \$99,638,789. The Water Fund’s principal and interest paid for the current year was \$3,202,762 and the total customer net revenues paid for the current year was \$5,081,091.

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, 2011, 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 fiscal year 2008/09 and \$842,912 in fiscal year 2009/10. There were no fees paid in fiscal year 2010/11. Forecasting the annual payments beyond 2010/11 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, 2011, the City’s gross repayment obligation totaled \$27,375,540 and is being reported in the accompanying financial statement net of the unamortized discount of \$2,958,754. During fiscal year 2010/11, the City repaid \$1,807,912 on the obligation and amortized \$473,383 of the discount which was reported as interest expense.

Year Ending			
June 30	Principal	Interest	Total
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	1,977,084	304,211	2,281,295
2017-2021	10,433,804	972,671	11,406,475
2022-2023	4,441,958	120,632	4,562,590
Total	<u>\$ 24,416,786</u>	<u>\$ 2,958,754</u>	<u>\$ 27,375,540</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	\$ 8,320,000
Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2002 A & B (Refinancing of CIFP's 98-1 and 99-1) • Dated June 20, 2002 • Annual debt service payments, including interest at 2.50 percent to 6.15 percent, range from \$636,000 to \$1,332,718 • Final payment due September 2029	15,467,000
Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2004 A & B (Refinancing of CIFP 94-1) • Dated February 12, 2004 • Annual debt service payments, including interest at 2.00 percent to 5.50 percent, range from \$826,735 to \$2,407,520 • Final payment due September 2029	28,150,000
Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2004 C (Refinancing of CIFP 2000-1) • Dated November 19, 2004 • Annual debt service payments, including interest at 2.00 percent to 4.75 percent, range from \$796,706 to \$818,338 • Final payment due September 2030	10,345,000
Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2005 A & B (Refinancing of CIFP 2002-1) • Dated June 16, 2005 • Annual debt service payments, including interest at 2.50 percent to 5.15 percent, range from \$1,046,784 to \$1,057,496 • Final payment due September 2032	14,187,000
Brentwood Infrastructure Financing Authority - CIFP 2005-1 Infrastructure Revenue Bonds, Series 2005 • Dated August 3, 2005 • Annual debt service payments, including interest at 3.00 percent to 5.15 percent, range from \$2,616,165 to \$2,621,171 • Final payment due September 2035	36,650,000
Brentwood Infrastructure Financing Authority - CIFP 2006-1 Infrastructure Revenue Bonds, Series 2006 • Dated August 16, 2006 • Annual debt service payments, including interest at 3.90 percent to 5.20 percent, range from \$1,134,205 to \$1,139,455 • Final payment due September 2036	15,710,000
Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2006 A&B (Refinancing of CIFP 2003-1 & 2004-1) • Dated January 11, 2007 • Annual debt service payments, including interest at 3.63 percent to 5.00 percent, range from \$825,608 to \$1,905,000 • Final payment due September 2034	33,395,000
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	800,000
Total Assessment District Debt	\$ 163,024,000

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 which 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.
- 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. For fiscal year 2010/11, active plan members, hired September 30, 2010 or prior, in the Miscellaneous Plan are required to contribute one percent of their annual covered salary with the City paying the remaining seven percent. Miscellaneous Plan employees hired after September 30, 2010, contribute their entire employee amount of seven percent (lower due to a reduced benefit level) of their annual covered salary. Active plan members in the Safety Plan do not contribute toward the nine percent employee share of their annual covered salary. An employer is also required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The required employer contribution rate for fiscal year 2010/11 was 14.482% for miscellaneous employees and 21.523% for safety employees. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established by, and may be amended by, CalPERS.

NOTE # 9 – DEFINED BENEFIT PENSION PLAN (Continued)

C. ANNUAL PENSION COST

For fiscal year 2010/11, the City of Brentwood’s annual pension cost was \$5,447,554. This amount equals the City’s required and actual contributions. The required contribution for fiscal year 2010/11 was determined as part of the June 30, 2008 actuarial valuation using the entry age normal actuarial cost method, with the contributions determined as a percent of pay. The safety contribution was later updated on February 16, 2010 to reflect a lump sum payoff of the City’s side fund. The actuarial assumptions included: a) 7.75 percent investment rate of return (net of administrative expenses), b) projected salary increases which 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
	6/30/2009	\$ 3,607,586	100%	\$ -
	6/30/2010	\$ 3,488,116	100%	\$ -
	6/30/2011	\$ 3,452,016	100%	\$ -

Additional information regarding the Miscellaneous Plan, including the actuarial accrued liability, actuarial value of assets, unfunded actuarial accrued liability, annual covered payroll and unfunded actuarial accrued liability as a percentage of covered payroll can be found in the Defined Benefit Pension Plan section of the Required Supplementary Information on page 89.

Safety:	Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
	6/30/2009	\$ 2,028,573	100%	\$ -
	6/30/2010	\$ 2,198,844	100%	\$ -
	6/30/2011	\$ 1,995,538	100%	\$ -

NOTE # 9 – DEFINED BENEFIT PENSION PLAN (Continued)

E. FUNDING STATUS

As of the June 30, 2009 valuation date, the most recent available, the funding status of the Miscellaneous Plan is 78.6% and the Safety Plan is 82.6%. 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 on page 89.

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 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 MPANC 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); Cyber (\$2,000,000 coverage, \$50,000 deductible) and Workers Compensation (coverage to the statutory limit, \$0 deductible). The agreement provides that MPANC will be self-sustaining through member premiums and assessments. MPANC purchases commercial insurance in excess of those amounts covered by its self-insurance pool.

MPANC 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. It is governed by a Board of Directors composed of one appointed official from each City. Members as of June 30, 2011 were the cities of Antioch, Brentwood, Clayton, El Cerrito, Hercules, Lafayette, Manteca, Martinez, Oakley, Orinda, Pacifica, Pinole, Pittsburg, Pleasant Hill, San Pablo, San Ramon and Walnut Creek and the towns of Danville and Moraga. Audited financial information can be obtained from MPANC 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.

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, 67 retirees are receiving these benefits. The City pays up to \$1,151.19 per month for health insurance for miscellaneous retirees and up to \$1,175.22 per month for safety retirees. During fiscal year 2010/11, expenditures of \$690,534 and pre-funding contributions of \$321,466 were recognized for post-retirement health care.

At this time there is not a separate, audited Generally Accepted Accounting Principles (GAAP)-basis post-employment 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.

The City joined the California Employers' Retiree Benefit Trust (CERBT), an agent multiple-employer plan administered by CalPERS, consisting of an aggregation of single-employer plans. The CERBT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained from the California Public Employers' Retiree Benefit Trust, CERBT, P.O. Box 942703, Sacramento, CA 94229-2703.

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

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 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 and made its first pre-funding contributions, totaling \$321,466, in fiscal year 2010/11. The City’s current intention is to increase pre-funding annually until 85% of the full ARC is reached in fiscal year 2017/18. There are no employee contributions. For fiscal year 2010/11, the City paid \$690,534 for pay-as-you-go retiree healthcare Plan benefits and \$321,466 to pre-fund future Plan benefits.

Generally accepted accounting principles permit assets to be treated as OPEB assets and deducted from the Actuarial Accrued Liability when such assets are placed in an irrevocable trust or equivalent arrangement. Contributions to the CERBT did not begin until February 23, 2011, thus these assets were excluded from the June 30, 2010 actuarial study. The City’s current year contributions, along with investment income, resulted in assets with CERBT of \$322,920 as of June 30, 2011, which partially reduced the unfunded actuarial accrued liability. The schedule of funding progress for the OPEB Plan at the conclusion of Note #11 presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time.

C. ANNUAL OPEB COST AND NET OPEB OBLIGATION

The following table, which is based on the City’s actuarial valuation as of June 30, 2010, 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	\$ 4,079,000
Interest on Net OPEB Obligation	236,000
Adjustment to Annual Required Contribution	<u>(432,000)</u>
Annual OPEB Cost (Expense)	3,883,000
Contributions (Benefit Payments)	690,534
Contributions (Trust Pre-Funding)	<u>321,466</u>
Increase in Net OPEB Obligation	2,871,000
Net OPEB Obligation – July 1, 2010	<u>5,098,500</u>
Net OPEB Obligation – June 30, 2011	<u>\$ 7,969,500</u>

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

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for the last three 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
6/30/2011	\$ 3,883,000	26.1%	\$ 7,969,500

D. FUNDING STATUS AND FUNDING PROGRESS

The funded status of the Plan as of June 30, 2010, the Plan’s most recent actuarial valuation date, is as follows:

Actuarial Accrued Liability (AAL)	\$ 30,282,000
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	30,282,000
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0%
Covered Payroll (Active Plan Members)	21,848,000
UAAL as a Percentage of Covered Payroll	139%

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.

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

E. ACTUARIAL METHODS AND ASSUMPTIONS

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

In the June 30, 2010 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included select and ultimate investment rates of return equal to 4.62% for the 2010/11 fiscal year and increasing annually to 7.23% over seven 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 9.50% for Health Maintenance Organizations (HMOs) and 10.00% for Preferred Provider Organizations (PPOs) for 2012 premiums over 2011 premiums, both grading down to 5.00% annual increases for calendar year 2020 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 28 years on a closed basis, from June 30, 2010.

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%
6/30/2010	\$ -	\$ 30,282,000	\$ 30,282,000	0%	\$ 21,848,000	139%

NOTE # 12 – BRENTWOOD REDEVELOPMENT AGENCY

A. TAX SHARING AGREEMENTS

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

The 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 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 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 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 Agency paid a total of \$968,000 in negotiated pass-through payments for the 2010/11 fiscal year.

NOTE # 12 – BRENTWOOD REDEVELOPMENT AGENCY (Continued)

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 fiscal year 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 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 fiscal year 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 Agency paid a total of \$180,221 in statutory pass-through payments for the 2010/11 fiscal year.

C. SUPPLEMENTAL EDUCATIONAL REVENUE AUGMENTATION FUND (SERAF)

In August 2009, the Governor signed budget bill AB x4 26 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 2009/10 and \$350 million being paid in 2010/11. The Agency's portion was \$2,627,299 in fiscal year 2009/10 and \$540,915 in fiscal year 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 AB x4 26. The outcome of the appeal is uncertain at this time.

D. PROPOSED DISSOLUTION OF REDEVELOPMENT

In an effort to balance its budget, the State of California adopted ABx1 26 on June 28, 2011, which suspends all new redevelopment activities except for limited specified activities as of that date and dissolves redevelopment agencies effective October 1, 2011. The State simultaneously adopted ABx1 27 which allows redevelopment agencies to avoid dissolution by the City opting into an "alternative voluntary redevelopment program" requiring specified substantial annual contributions to local schools and special districts. Concurrently with these

NOTE # 12 – BRENTWOOD REDEVELOPMENT AGENCY (Continued)

two measures, the State passed various budget and trailer bills that are related and collectively constitute the Redevelopment Restructuring Acts. If all sponsoring communities were to opt-in to the voluntary program, these contributions amount to an estimated \$1.7 billion for fiscal year 2012 and an estimated \$400 million in each succeeding year. If the City fails to make the voluntary program payment, the Agency would become subject to the dissolution provisions of ABx1 26.

On July 18, 2011, the California Redevelopment Association, the League of California Cities and others challenged the validity and constitutionality of ABx1 26 and 27 to the California Supreme Court on numerous grounds, including that the acts violate certain provisions of the California Constitution. On August 11, 2011, as modified on August 17, 2011, the California Supreme Court agreed to hear the case and issued a partial stay of ABx1 26 and a full stay of ABx1 27, but the stay did not include the section of ABx1 26 that suspends all new redevelopment activities. It is anticipated that the Court will render its decision before January 15, 2012, the date the first voluntary program payment is due.

The suspension provisions of ABx1 26 prohibit all redevelopment agencies from a wide range of activities, including incurring new indebtedness or obligations, entering into or modifying agreements or contracts, acquiring or disposing of real property, taking actions to adopt or amend redevelopment plans and other similar actions, except actions required by law or to carry out existing enforceable obligations, as defined in ABx1 26. During the suspension period, an agency is required to prepare an Enforceable Obligation Payment Schedule no later than August 29, 2011, that allows it to continue to pay certain obligations. The Agency adopted its Enforceable Obligation Payment Schedule on August 23, 2011.

In addition, the suspension provisions require the State Controller to review the activities of all redevelopment agencies to determine whether an asset transfer between an agency and any public agency occurred on or after January 1, 2011. If an asset transfer did occur and the public agency that received the asset is not contractually committed to a third party for the expenditure or encumbrance of the asset, the State Controller is required to order the asset returned to the redevelopment agency. The State Controller's Office has not yet provided any information about the timing or the process for this statewide asset transfer review.

The Agency is currently subject to the suspension provisions as described above. These facts indicate that there is more than a remote possibility the Agency may not continue as a going concern beyond October 1, 2011. The continuation of the Agency beyond October 1, 2011 will initially depend upon whether the Supreme Court rules in favor of the petitioners. There are three possible consequences to the Agency from a decision of the Supreme Court, when it is rendered:

NOTE # 12 – BRENTWOOD REDEVELOPMENT AGENCY (Continued)

1. If the Supreme Court determines that both ABx1 26 and ABx1 27 are valid, then the City will consider whether it will enact an ordinance to opt-in to the alternative voluntary redevelopment program. If enacted, the City would be required to make annual payments to the County Auditor-Controller and the Agency would no longer be subject to the suspension provisions. It is anticipated that the City's annual remittances would be reimbursed by the Agency from tax increment revenues. After the City appealed the initial calculation, the State Department of Finance calculated the City's Voluntary Program payment for fiscal year 2012 to be \$2,726,958.
2. If the Supreme Court determines that both ABx1 26 and ABx1 27 are valid and the City decides not to participate in the alternative voluntary redevelopment program, or if the Supreme Court determines that ABx1 26 is valid, but ABx1 27 is not valid, the Agency will continue to be subject to the suspension provisions and would be dissolved in accordance with certain provisions of ABx1 26. Prior to dissolution, any transfers of Agency assets subsequent to January 1, 2011 to the City that were not obligated to third parties or encumbered may be subject to the State Controller's review discussed above and required to be returned to the Agency. Upon dissolution, all assets and obligations of the Agency would be transferred to a successor agency.

If the Supreme Court determines that both ABx1 26 and ABx1 27 are invalid, the Agency would no longer be subject to the suspension provisions and would continue in existence under California Redevelopment Law as it existed prior to the enactment of ABx1 26 and ABx1 27.

As of November 23, 2011, the Supreme Court has not ruled on the case and the Agency is subject to the suspension provisions as discussed above.

E. TRANSFER OF LAND HELD FOR REDEVELOPMENT

On February 22, 2011, the Agency entered into an option agreement with the City for real property owned by the Agency. This real property consisted of nine parcels that had been recorded as property held for resale with a book value of \$1,327,129. The option agreement, which was executed on March 4, 2011 consummated the purchase of the nine parcels at the price of \$10 per parcel.

NOTE # 13 – CONTINGENT LIABILITIES

A. LITIGATION

The City is subject to litigation arising in the normal course of business. In the opinion of the City Attorney, there is no filed litigation as of June 30, 2011 which is likely to have a material adverse affect on the financial position of the City.

NOTE # 13 – CONTINGENT LIABILITIES (Continued)

B. FEDERAL GRANTS

The City has received State and Federal Funds for specific purposes which are subject to review by the grantor agencies. Although such audits could generate expenditure disallowances under the terms of the grants, it is believed 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, 2011 was \$27,288,345, after a total of \$1,751,946 was used as credits through fiscal year 2010/11. 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 which has not yet occurred.

D. CONSTRUCTION COMMITMENTS

As of June 30, 2011, the City had the following commitments with respect to unfinished capital projects:

<u>Project Name</u>	<u>Outstanding Commitment</u>
Civic Center Plaza	\$ 712,242
New Community Center	4,699,497
New City Hall	8,576,565
Civic Center Parking Facility	2,282,230
City Park	1,049,044
Downtown Streetscape	2,850,776
Downtown Infrastructure	525,129
	<u>\$ 20,695,483</u>



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Budgetary Comparison Schedule, General Fund
 For Year Ended June 30, 2011

	Budget Amounts		Actual	Variance
	Original Budget	Final Budget		
REVENUES				
Taxes	\$ 13,139,908	\$ 13,359,908	\$ 13,583,274	\$ 223,366
Licenses	490,414	470,414	486,963	16,549
Permits and Fines	2,731,694	2,675,149	2,695,972	20,823
Uses of Money and Property	876,600	626,600	489,917	(136,683)
Intergovernmental	2,862,038	3,032,038	3,079,656	47,618
Franchises	1,200,000	1,200,000	1,183,245	(16,755)
Charges for Other Services	365,701	365,701	522,681	156,980
Charges to Other Funds	5,909,988	5,846,533	5,887,152	40,619
Fees and Other Revenues	1,454,679	1,454,679	1,249,349	(205,330)
Total Revenues	29,031,022	29,031,022	29,178,209	147,187
EXPENDITURES				
Current:				
General Government	5,731,235	5,706,135	5,019,112	687,023
Public Safety	15,994,991	15,994,991	15,612,182	382,809
Community Development	2,951,404	2,976,404	2,941,344	35,060
Engineering	2,728,415	2,728,415	2,241,604	486,811
Public Works	2,709,592	2,709,592	2,687,175	22,417
Parks and Recreation	4,459,830	4,459,830	4,141,563	318,267
Community Services	568,250	568,250	549,915	18,335
Capital Outlay	-	100	100	-
Debt Service:				
Principal	75,408	75,408	75,407	1
Total Expenditures	35,219,125	35,219,125	33,268,402	1,950,723
REVENUES OVER (UNDER) EXPENDITURES	(6,188,103)	(6,188,103)	(4,090,193)	2,097,910
OTHER FINANCING SOURCES (USES)				
Transfers In	14,039,353	14,109,356	12,919,771	(1,189,585)
Transfers Out	(8,764,777)	(8,764,777)	(5,891,981)	2,872,796
Total Other Financing Sources (Uses)	5,274,576	5,344,579	7,027,790	1,683,211
Net Change in Fund Balances	\$ (913,527)	\$ (843,524)	2,937,597	\$ 3,781,121
Fund Balance, Beginning of Year			15,333,922	
Fund Balance, End of Year			\$ 18,271,519	

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 which 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:

- Community and Neighborhood Improvement – Commitment to maintain friendly, clean, safe neighborhoods.
- Customer Service – Serve our customers as we want to be served, providing efficient and friendly professional service to our internal and external customers.
- Economic Development – Attract, retain and expand jobs, goods, services, sales tax revenues and property values.
- Fiscal Stability – Provide the City with the financial capacity to continue offering top quality public service levels.
- Infrastructure – Strive to complete the City's master plan for infrastructure and public facilities.
- Public Safety – Maintaining a community where people feel safe and secure.
- Technology – Staying current with proven technology.
- Transportation – Ensuring that people and goods move easily and safely throughout the region.
- Vision and Planning – Proactively prepare for the growth and needs of Brentwood now and in the future.

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
6/30/2007	\$ 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%
6/30/2009	\$ 59,231,285	\$ 46,529,379	\$ 12,701,906	78.6%	\$ 15,815,781	80.3%

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
6/30/2007	\$ 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%
6/30/2009	\$ 9,721,675,347	\$ 8,027,158,724	\$ 1,694,516,623	82.6%	\$ 973,814,168	174.0%

The City’s Safety Plan represents approximately 0.61%, 0.63% and 0.62% of the State-wide pool for the years ended June 30, 2009, 2008 and 2007 respectively, based on covered payroll of \$5,998,667, \$5,724,198 and \$5,161,651 for those years.



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City of Brentwood

Combining Balance Sheet
Non-Major Governmental Funds
 June 30, 2011

	Special Revenue Funds							
	Thoroughfares	Gas Tax	Police Grants	Other Grants	Citywide Parks Districts	Community Facilities Districts	Community Facilities	Vehicle Abatement
ASSETS								
Current Assets:								
Cash and Investments	\$ 2,125,948	\$ 20,495	\$ 147,606	\$ 13,275	\$ 285,269	\$ 20,176	\$ 570,131	\$ 33,334
Restricted Cash and Investments	-	-	-	-	-	-	-	-
Receivables	270,950	6	11,326	1	168	4	35,320	3
Prepays	-	-	-	-	821	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-
Interfund Advance Receivable	97,069	-	-	-	-	-	-	-
Total Assets	\$ 2,493,967	\$ 20,501	\$ 158,932	\$ 13,276	\$ 286,258	\$ 20,180	\$ 605,451	\$ 33,337
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts Payable and Accrued Liabilities	\$ 1,569	\$ -	\$ 22,558	\$ -	\$ 168,459	\$ 3,380	\$ 2,557	\$ 4
Due to Other Funds	-	-	-	-	-	-	-	-
Deferred Revenue	218,806	-	-	-	-	-	35,280	-
Deposits Held	-	-	-	-	-	-	-	-
Interfund Advance Payable	-	-	-	-	-	-	-	-
Total Liabilities	220,375	-	22,558	-	168,459	3,380	37,837	4
Fund Balances:								
Nonspendable	-	-	-	-	821	-	-	-
Restricted	-	20,501	136,374	13,276	-	-	-	-
Committed	2,273,592	-	-	-	116,978	16,800	567,614	33,333
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balances	2,273,592	20,501	136,374	13,276	117,799	16,800	567,614	33,333
Total Liabilities and Fund Balances	\$ 2,493,967	\$ 20,501	\$ 158,932	\$ 13,276	\$ 286,258	\$ 20,180	\$ 605,451	\$ 33,337

Continued

City of Brentwood

Combining Balance Sheet
Non-Major Governmental Funds (Continued)
 June 30, 2011

Special Revenue Funds (Continued)

	Infrastructure Improvements	RDA Low Income Housing	PEG Media	Asset Forfeiture	Measure C / J	Facility Fee Administration	Parks Advertising	Parks and Trails
ASSETS								
Current Assets:								
Cash and Investments	\$ 5,892	\$ 5,584,612	\$ 895,405	\$ 104,784	\$ 142,735	\$ 13,386	\$ 5,126	\$ -
Restricted Cash and Investments	-	-	-	-	-	-	-	-
Receivables	-	3,851,360	100,068	8	15	9,260	7,800	-
Prepays	-	261	-	-	-	-	-	-
Land Held for Resale	-	1,040,359	-	-	-	-	-	-
Interfund Advance Receivable	-	-	-	-	-	-	-	51,371
Total Assets	\$ 5,892	\$ 10,476,592	\$ 995,473	\$ 104,792	\$ 142,750	\$ 22,646	\$ 12,926	\$ 51,371
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts Payable and Accrued Liabilities	\$ -	\$ 10,812	\$ 91	\$ 1,496	\$ 20	\$ 3	\$ -	\$ 144
Due to Other Funds	-	-	-	-	-	-	-	-
Deferred Revenue	-	3,850,938	100,000	-	-	9,258	-	51,371
Deposits Held	-	-	-	-	-	-	-	-
Interfund Advance Payable	-	-	-	-	-	-	-	2,550,148
Total Liabilities	-	3,861,750	100,091	1,496	20	9,261	-	2,601,663
Fund Balances:								
Nonspendable	-	261	-	-	-	-	-	-
Restricted	-	6,614,581	895,382	103,296	142,730	13,385	-	-
Committed	5,892	-	-	-	-	-	12,926	-
Unassigned	-	-	-	-	-	-	-	(2,550,292)
Total Fund Balances	5,892	6,614,842	895,382	103,296	142,730	13,385	12,926	(2,550,292)
Total Liabilities and Fund Balances	\$ 5,892	\$ 10,476,592	\$ 995,473	\$ 104,792	\$ 142,750	\$ 22,646	\$ 12,926	\$ 51,371

Continued

City of Brentwood

Combining Balance Sheet
Non-Major Governmental Funds (Continued)
 June 30, 2011

Special Revenue Funds (Continued)

	Agriculture Administration	Public Art Administration	Public Art Acquisition	Arts Commission	Fire Fees	Agriculture Land	Parking In Lieu	Lighting and Landscape Districts
ASSETS								
Current Assets:								
Cash and Investments	\$ 556,868	\$ 57,209	\$ 655,668	\$ 27,052	\$ 905,692	\$ 1,334,773	\$ 26,768	\$ 4,324,331
Restricted Cash and Investments	-	-	-	-	-	-	-	-
Receivables	4,421	4	49	2	6,774	153	2	8,962
Prepays	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-
Interfund Advance Receivable	-	-	-	-	-	-	-	-
Total Assets	\$ 561,289	\$ 57,213	\$ 655,717	\$ 27,054	\$ 912,466	\$ 1,334,926	\$ 26,770	\$ 4,333,293
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts Payable and Accrued Liabilities	\$ 5,111	\$ 6	\$ 66	\$ 20,503	\$ 91	\$ 205	\$ 3	\$ 307,573
Due to Other Funds	-	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	6,706	-	-	8,600
Deposits Held	-	-	-	-	-	-	-	-
Interfund Advance Payable	-	-	-	-	-	-	-	-
Total Liabilities	5,111	6	66	20,503	6,797	205	3	316,173
Fund Balances:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	556,178	57,207	655,651	6,551	905,669	1,334,721	26,767	4,017,120
Committed	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balances	556,178	57,207	655,651	6,551	905,669	1,334,721	26,767	4,017,120
Total Liabilities and Fund Balances	\$ 561,289	\$ 57,213	\$ 655,717	\$ 27,054	\$ 912,466	\$ 1,334,926	\$ 26,770	\$ 4,333,293

Continued

City of Brentwood

Combining Balance Sheet
Non-Major Governmental Funds (Continued)
 June 30, 2011

	Debt Service Funds			Capital Project Funds				
	Capital Improvement Program 2001	2002 General Obligation Bond	Civic Center Projects Revenue Bond	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
ASSETS								
Current Assets:								
Cash and Investments	\$ 86,262	\$ 329,311	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Cash and Investments	2,195,478	-	5,471,083	7,550,571	2,578,877	400,634	4,457	1,195,431
Receivables	6	24	-	-	-	-	-	92
Prepays	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-
Interfund Advance Receivable	-	-	-	-	-	-	-	-
Total Assets	\$ 2,281,746	\$ 329,335	\$ 5,471,083	\$ 7,550,571	\$ 2,578,877	\$ 400,634	\$ 4,457	\$ 1,195,523
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts Payable and Accrued Liabilities	\$ 8	\$ 289,695	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 123
Due to Other Funds	-	-	996	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-	-	-
Deposits Held	-	-	-	-	-	-	-	-
Interfund Advance Payable	-	-	-	-	-	-	-	-
Total Liabilities	8	289,695	996	-	-	-	-	123
Fund Balances:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	2,281,738	39,640	5,470,087	7,550,571	2,578,877	400,634	4,457	1,195,400
Committed	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balances	2,281,738	39,640	5,470,087	7,550,571	2,578,877	400,634	4,457	1,195,400
Total Liabilities and Fund Balances	\$ 2,281,746	\$ 329,335	\$ 5,471,083	\$ 7,550,571	\$ 2,578,877	\$ 400,634	\$ 4,457	\$ 1,195,523

Continued

City of Brentwood

Combining Balance Sheet
Non-Major Governmental Funds (Continued)
 June 30, 2011

Capital Project Funds (Continued)

	Civic Center Projects	Park Improvement Projects	Drainage Improvement Projects	Street Improvement Projects	Economic Infrastructure Projects	Vineyards Projects	Redevelopment Projects	Total Non-Major Governmental Funds
ASSETS								
Current Assets:								
Cash and Investments	\$ -	\$ 1,492,345	\$ 45,911	\$ 6,863,660	\$ 6,483,880	\$ 1,609,084	\$ 10,337	\$ 34,777,325
Restricted Cash and Investments	8,834,919	14,633	-	-	-	-	-	28,246,083
Receivables	1	243,184	4	19,978	491	147	2,000	4,572,583
Prepays	-	-	-	-	-	-	1,155	2,237
Land Held for Resale	-	-	-	-	-	-	-	1,040,359
Interfund Advance Receivable	-	-	-	-	-	-	-	148,440
Total Assets	\$ 8,834,920	\$ 1,750,162	\$ 45,915	\$ 6,883,638	\$ 6,484,371	\$ 1,609,231	\$ 13,492	\$ 68,787,027
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts Payable and Accrued Liabilities	\$ 1	\$ 258,206	\$ -	\$ 456,116	\$ -	\$ 198	\$ 6,487	\$ 1,555,485
Due to Other Funds	-	-	-	-	-	-	-	996
Deferred Revenue	-	-	-	-	-	-	-	4,280,959
Deposits Held	-	-	-	-	-	-	5,850	5,850
Interfund Advance Payable	-	-	-	-	-	-	-	2,550,148
Total Liabilities	1	258,206	-	456,116	-	198	12,337	8,393,438
Fund Balances:								
Nonspendable	-	-	-	-	-	-	1,155	2,237
Restricted	8,834,919	1,491,956	45,915	6,427,522	6,484,371	1,609,033	-	59,914,509
Committed	-	-	-	-	-	-	-	3,027,135
Unassigned	-	-	-	-	-	-	-	(2,550,292)
Total Fund Balances	8,834,919	1,491,956	45,915	6,427,522	6,484,371	1,609,033	1,155	60,393,589
Total Liabilities and Fund Balances	\$ 8,834,920	\$ 1,750,162	\$ 45,915	\$ 6,883,638	\$ 6,484,371	\$ 1,609,231	\$ 13,492	\$ 68,787,027



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City of Brentwood

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For Year Ended June 30, 2011**

	Special Revenue Funds							
	Throughfares	Gas Tax	Police Grants	Other Grants	Citywide Parks Districts	Community Facilities Districts	Community Facilities	Vehicle Abatement
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,720,945	\$ -	\$ -	\$ -
Uses of Money and Property	38,565	1,304	2,486	63	3,816	7,051	8,178	495
Intergovernmental	-	1,235,985	127,533	21,000	-	-	-	-
Fees and Other Revenues	1,347,298	-	-	-	29,390	2,954,547	421,464	69,227
Total Revenues	1,385,863	1,237,289	130,019	21,063	1,754,151	2,961,598	429,642	69,722
EXPENDITURES								
Current:								
General Government	1,316,364	-	-	21,000	-	-	21,526	-
Public Safety	-	-	194,456	-	-	-	-	26
Community Development	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	2,588,039	-	-	-
Community Services	-	-	-	-	-	28,798	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Total Expenditures	1,316,364	-	194,456	21,000	2,588,039	28,798	21,526	26
REVENUES OVER (UNDER) EXPENDITURES	69,499	1,237,289	(64,437)	63	(833,888)	2,932,800	408,116	69,696
OTHER FINANCING SOURCES (USES)								
Transfer of Land Held to Governmental Activities	-	-	-	-	-	-	-	-
Transfers In	78,497	-	-	-	591,079	-	243,848	-
Transfers Out	(900,721)	(1,221,342)	-	-	-	(2,949,098)	(1,100,000)	(73,191)
Total Other Financing Sources (Uses)	(822,224)	(1,221,342)	-	-	591,079	(2,949,098)	(856,152)	(73,191)
Net Change in Fund Balances	(752,725)	15,947	(64,437)	63	(242,809)	(16,298)	(448,036)	(3,495)
Fund Balance, Beginning of Year	3,026,317	4,554	200,811	13,213	360,608	33,098	1,015,650	36,828
Fund Balance, End of Year	\$ 2,273,592	\$ 20,501	\$ 136,374	\$ 13,276	\$ 117,799	\$ 16,800	\$ 567,614	\$ 33,333

Continued

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
 For Year Ended June 30, 2011

Special Revenue Funds (Continued)

	Infrastructure Improvements	RDA Low Income Housing	PEG Media	Asset Forfeiture	Measure C / J	Facility Fee Administration	Parks Advertising	Parks and Trails
REVENUES								
Taxes	\$ -	\$ 1,168,617	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	93	87,154	14,119	1,774	5,454	1,033	20	-
Intergovernmental	-	-	-	-	570,377	-	-	-
Fees and Other Revenues	-	-	-	28,806	-	68,079	19,790	757,738
Total Revenues	93	1,255,771	14,119	30,580	575,831	69,112	19,810	757,738
EXPENDITURES								
Current:								
General Government	-	1,350,294	897	34,704	2,090	150,063	-	-
Public Safety	-	-	-	-	-	-	-	-
Community Development	6	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	6,884	1,046,291
Community Services	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Total Expenditures	6	1,350,294	897	34,704	2,090	150,063	6,884	1,046,291
REVENUES OVER (UNDER) EXPENDITURES	87	(94,523)	13,222	(4,124)	573,741	(80,951)	12,926	(288,553)
OTHER FINANCING SOURCES (USES)								
Transfer of Land Held to Governmental Activities	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	325,244
Transfers Out	-	-	-	-	(454,046)	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	(454,046)	-	-	325,244
Net Change in Fund Balances	87	(94,523)	13,222	(4,124)	119,695	(80,951)	12,926	36,691
Fund Balance, Beginning of Year	5,805	6,709,365	882,160	107,420	23,035	94,336	-	(2,586,983)
Fund Balance, End of Year	\$ 5,892	\$ 6,614,842	\$ 895,382	\$ 103,296	\$ 142,730	\$ 13,385	\$ 12,926	\$ (2,550,292)

Continued

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
 For Year Ended June 30, 2011

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	10,716	769	9,848	497	13,557	61,961	422	54,929
Intergovernmental	-	-	-	-	-	-	-	-
Fees and Other Revenues	7,477	16,332	45,027	-	53,560	29,909	-	5,065,839
Total Revenues	18,193	17,101	54,875	497	67,117	91,870	422	5,120,768
EXPENDITURES								
Current:								
General Government	220,980	44	430	27,408	600	3,350,708	27	-
Public Safety	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	4,620,370
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Total Expenditures	220,980	44	430	27,408	600	3,350,708	27	4,620,370
REVENUES OVER (UNDER) EXPENDITURES	(202,787)	17,057	54,445	(26,911)	66,517	(3,258,838)	395	500,398
OTHER FINANCING SOURCES (USES)								
Transfer of Land Held to Governmental Activities	-	-	-	-	-	-	-	-
Transfers In	-	-	-	1,200	-	-	-	-
Transfers Out	-	-	(5,077)	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	(5,077)	1,200	-	-	-	-
Net Change in Fund Balances	(202,787)	17,057	49,368	(25,711)	66,517	(3,258,838)	395	500,398
Fund Balance, Beginning of Year	758,965	40,150	606,283	32,262	839,152	4,593,559	26,372	3,516,722
Fund Balance, End of Year	\$ 556,178	\$ 57,207	\$ 655,651	\$ 6,551	\$ 905,669	\$ 1,334,721	\$ 26,767	\$ 4,017,120

Continued

City of Brentwood

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
For Year Ended June 30, 2011**

	Debt Service Funds			Capital Project Funds				
	Capital Improvement Program 2001	2002 General Obligation Bond	Civic Center Projects Revenue Bond	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
REVENUES								
Taxes	\$ -	\$ 349,269	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	87,818	1,831	92,777	4,633	1,457	742	70	15,135
Intergovernmental	-	-	1,128,821	-	-	-	-	-
Fees and Other Revenues	-	-	-	-	-	-	-	1,055,909
Total Revenues	87,818	351,100	1,221,598	4,633	1,457	742	70	1,071,044
EXPENDITURES								
Current:								
General Government	-	-	-	1,217,500	1,160,213	-	-	649
Public Safety	-	-	-	-	-	-	-	-
Community Development	10,424	5,977	11,750	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	295,000	230,000	-	-	-	-	-	-
Interest and Fiscal Charges	421,094	119,325	2,486,624	-	-	-	-	-
Total Expenditures	726,518	355,302	2,498,374	1,217,500	1,160,213	-	-	649
REVENUES OVER (UNDER) EXPENDITURES	(638,700)	(4,202)	(1,276,776)	(1,212,867)	(1,158,756)	742	70	1,070,395
OTHER FINANCING SOURCES (USES)								
Transfer of Land Held to Governmental Activities	-	-	-	-	-	-	-	-
Transfers In	678,057	-	11,750	-	29	-	-	1,100,000
Transfers Out	-	-	(888,080)	-	-	-	-	(1,003,711)
Total Other Financing Sources (Uses)	678,057	-	(876,330)	-	29	-	-	96,289
Net Change in Fund Balances	39,357	(4,202)	(2,153,106)	(1,212,867)	(1,158,727)	742	70	1,166,684
Fund Balance, Beginning of Year	2,242,381	43,842	7,623,193	8,763,438	3,737,604	399,892	4,387	28,716
Fund Balance, End of Year	\$ 2,281,738	\$ 39,640	\$ 5,470,087	\$ 7,550,571	\$ 2,578,877	\$ 400,634	\$ 4,457	\$ 1,195,400

Continued

City of Brentwood

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
 For Year Ended June 30, 2011

Capital Project Funds (Continued)

	Civic Center Projects	Park Improvement Projects	Drainage Improvement Projects	Street Improvement Projects	Economic Infrastructure Projects	Vineyards Projects	Redevelopment Projects	Total Non-Major Governmental Funds
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,238,831
Uses of Money and Property	113,248	24,956	2,645	104,812	102,177	30,698	75,673	982,976
Intergovernmental	-	992,531	-	540,974	-	-	-	4,617,221
Fees and Other Revenues	-	-	-	-	-	-	-	11,970,392
Total Revenues	113,248	1,017,487	2,645	645,786	102,177	30,698	75,673	20,809,420
EXPENDITURES								
Current:								
General Government	641	1,540,100	-	1,108,597	-	1,989	1,652,985	13,179,809
Public Safety	-	-	-	-	-	-	-	194,482
Community Development	-	-	-	-	-	-	-	28,157
Parks and Recreation	-	-	-	-	-	-	-	3,641,214
Community Services	-	-	-	-	-	-	-	4,649,168
Capital Outlay	-	731,023	2,491	207,156	-	-	-	940,670
Debt Service:								
Principal	-	-	-	-	-	-	-	525,000
Interest and Fiscal Charges	-	-	-	-	-	-	-	3,027,043
Total Expenditures	641	2,271,123	2,491	1,315,753	-	1,989	1,652,985	26,185,543
REVENUES OVER (UNDER) EXPENDITURES	112,607	(1,253,636)	154	(669,967)	102,177	28,709	(1,577,312)	(5,376,123)
OTHER FINANCING SOURCES (USES)								
Transfer of Land Held to Governmental Activities	-	-	-	-	-	-	(1,327,029)	(1,327,029)
Transfers In	-	1,514,002	79,434	1,040,460	-	-	10,735,301	16,398,901
Transfers Out	(27,358,581)	(325,245)	(222,645)	(78,526)	-	(337,724)	(14,103,143)	(51,021,130)
Total Other Financing Sources (Uses)	(27,358,581)	1,188,757	(143,211)	961,934	-	(337,724)	(4,694,871)	(35,949,258)
Net Change in Fund Balances	(27,245,974)	(64,879)	(143,057)	291,967	102,177	(309,015)	(6,272,183)	(41,325,381)
Fund Balance, Beginning of Year	36,080,893	1,556,835	188,972	6,135,555	6,382,194	1,918,048	6,273,338	101,718,970
Fund Balance, End of Year	\$ 8,834,919	\$ 1,491,956	\$ 45,915	\$ 6,427,522	\$ 6,484,371	\$ 1,609,033	\$ 1,155	\$ 60,393,589



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Combining Statement of Net Assets
All Internal Service Funds
 June 30, 2011

	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	\$ 3,229,846	\$ 190,536	\$ 8,194,274	\$ 1,141,973	\$ 1,567,623	\$ 22,632	\$ 146,228	\$ 493,586	\$ 4,718,416	\$ 4,805,612	\$ 10,258,815	\$ 34,769,541
Receivables	245	10	50,530	85	117	2	897	35	337	368	424	53,050
Prepays	-	2,003	-	-	-	-	1,561	1,428	-	-	-	4,992
Total Current Assets	3,230,091	192,549	8,244,804	1,142,058	1,567,740	22,634	148,686	495,049	4,718,753	4,805,980	10,259,239	34,827,583
Non-Current Assets:												
Capital Assets:												
Machinery and Equipment	-	-	2,765,662	227,818	-	-	-	-	-	-	-	2,993,480
Vehicles	-	-	7,761,131	-	-	-	-	-	-	-	-	7,761,131
Less Accumulated Depreciation	-	-	(6,203,866)	(227,818)	-	-	-	-	-	-	-	(6,431,684)
Total Capital Assets, Net of Accumulated Depreciation	-	-	4,322,927	-	-	-	-	-	-	-	-	4,322,927
Total Non-Current Assets	-	-	4,322,927	-	-	-	-	-	-	-	-	4,322,927
Total Assets	3,230,091	192,549	12,567,731	1,142,058	1,567,740	22,634	148,686	495,049	4,718,753	4,805,980	10,259,239	39,150,510
LIABILITIES AND NET ASSETS												
Current Liabilities:												
Accounts Payable and Accrued Liabilities	13,124	49,217	23,961	5,962	158	2	38,047	51,545	70,841	3,339	-	256,196
Unearned Revenue	-	-	-	-	-	-	888	-	-	-	-	888
Compensated Absences Payable	-	45,342	-	-	-	-	15,419	20,062	-	-	-	80,823
Total Current Liabilities	13,124	94,559	23,961	5,962	158	2	54,354	71,607	70,841	3,339	-	337,907
Non-Current Liabilities Due in More Than One Year:												
Net OPEB Obligation	-	306,330	-	-	-	-	126,485	216,831	-	-	-	649,646
Compensated Absences Payable	-	30,228	-	-	-	-	10,279	13,374	-	-	-	53,881
Total Non-Current Liabilities	-	336,558	-	-	-	-	136,764	230,205	-	-	-	703,527
Total Liabilities	13,124	431,117	23,961	5,962	158	2	191,118	301,812	70,841	3,339	-	1,041,434
Net Assets:												
Invested in Capital Assets	-	-	4,322,927	-	-	-	-	-	-	-	-	4,322,927
Unrestricted	3,216,967	(238,568)	8,220,843	1,136,096	1,567,582	22,632	(42,432)	193,237	4,647,912	4,802,641	10,259,239	33,786,149
Total Net Assets	\$ 3,216,967	\$ (238,568)	\$ 12,543,770	\$ 1,136,096	\$ 1,567,582	\$ 22,632	\$ (42,432)	\$ 193,237	\$ 4,647,912	\$ 4,802,641	\$ 10,259,239	\$ 38,109,076

Combining Statement of Activities and Changes in Net Assets
All Internal Service Funds
For Year Ended June 30, 2011

	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	\$ -	\$ 1,934,996	\$ 1,390,399	\$ 396,373	\$ 139,462	\$ 32,001	\$ 1,087,591	\$ 1,178,251	\$ 1,047,970	\$ 1,138,154	\$ -	\$ 8,345,197
Other Income	-	-	92,818	815	75	-	199	267	-	18,721	-	112,895
Total Operating Revenues	-	1,934,996	1,483,217	397,188	139,537	32,001	1,087,790	1,178,518	1,047,970	1,156,875	-	8,458,092
Operating Expenses:												
Personnel Services	-	1,527,718	-	-	-	-	570,788	808,007	-	-	-	2,906,513
Repairs and Maintenance	-	57	-	-	-	-	10,193	79,544	192,966	-	-	282,760
Materials, Supplies and Services	21,604	528,151	78,050	223,175	104,460	17,947	541,430	371,959	19,604	1,669,988	-	3,576,368
Depreciation and Amortization	-	-	855,308	2,810	-	-	-	-	-	-	-	858,118
Total Operating Expenses	21,604	2,055,926	933,358	225,985	104,460	17,947	1,122,411	1,259,510	212,570	1,669,988	-	7,623,759
Operating Income (Loss)	(21,604)	(120,930)	549,859	171,203	35,077	14,054	(34,621)	(80,992)	835,400	(513,113)	-	834,333
Non-Operating Revenue (Expenses):												
Interest Income	51,558	3,060	129,379	16,969	24,773	238	2,082	7,920	62,334	78,093	89,155	465,561
Loss on Disposal of Capital Assets	-	-	(4,933)	-	-	-	-	-	-	-	-	(4,933)
Total Non-Operating Revenues (Expenses)	51,558	3,060	124,446	16,969	24,773	238	2,082	7,920	62,334	78,093	89,155	460,628
Income (Loss) before Contributions and Transfers	29,954	(117,870)	674,305	188,172	59,850	14,292	(32,539)	(73,072)	897,734	(435,020)	89,155	1,294,961
Transfers In	-	15,621	62,805	-	-	-	9,098	10,629	300,000	-	4,660,000	5,058,153
Transfers Out	(51,558)	-	(711,890)	(133,000)	(4,989)	-	-	(3,227)	(88,437)	-	(102,692)	(1,095,793)
Change in Net Assets	(21,604)	(102,249)	25,220	55,172	54,861	14,292	(23,441)	(65,670)	1,109,297	(435,020)	4,646,463	5,257,321
Net Assets, Beginning 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
Net Assets, End of Year	\$ 3,216,967	\$ (238,568)	\$ 12,543,770	\$ 1,136,096	\$ 1,567,582	\$ 22,632	\$ (42,432)	\$ 193,237	\$ 4,647,912	\$ 4,802,641	\$ 10,259,239	\$ 38,109,076

City of Brentwood

Combining Statement of Cash Flows
All Internal Service Funds
For Year Ended June 30, 2011

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	6,538	\$ 3,622	\$ -	\$ -	\$ -	\$ 10,160
Cash Received from Interfund Services	-	1,934,996	1,390,399	396,373	139,462	32,001	1,081,053	1,174,896	1,047,970	958,951	-	8,156,101
Cash Payments to Suppliers of Goods and Services	(8,535)	(317,985)	(57,619)	(221,751)	(104,574)	(17,949)	(471,449)	(365,500)	(155,048)	(1,667,522)	-	(3,387,932)
Cash Payments to Employees for Services	-	(1,394,781)	-	-	-	-	(527,038)	(675,985)	-	-	-	(2,597,804)
Cash Payments for Interfund Services	-	(178,262)	-	-	-	-	(70,633)	(75,267)	-	-	-	(324,162)
Other Receipts/Payments	82	569	43,117	4,374	1,024	-	(3,374)	11,054	-	209,250	(211)	265,885
Net Cash Provided By (Used for) Operating Activities	(8,453)	44,537	1,375,897	178,996	35,912	14,052	15,097	72,820	892,922	(499,321)	(211)	2,122,248
Cash Flows from Non-Capital Financing Activities												
Transfers Received	-	15,621	62,805	-	-	-	9,098	10,629	300,000	-	4,660,000	5,058,153
Transfers Paid	(51,558)	-	(711,890)	(133,000)	(4,989)	-	-	(3,227)	(88,437)	-	(102,692)	(1,095,793)
Net Cash Provided By (Used for) Non-Capital Financing Activities	(51,558)	15,621	(649,085)	(133,000)	(4,989)	-	9,098	7,402	211,563	-	4,557,308	3,962,360
Cash Flows from Capital and Related Financing Activities												
Acquisition and Construction of Assets	-	-	(916,355)	-	-	-	-	-	-	-	-	(916,355)
Net Cash Provided By (Used for) Capital and Related Financing Activities	-	-	(916,355)	-	-	-	-	-	-	-	-	(916,355)
Cash Flows from Investing Activities												
Interest on Investments	51,558	3,060	129,379	16,969	24,773	238	2,082	7,920	62,334	78,093	89,155	465,561
Net Cash Provided By Investing Activities	51,558	3,060	129,379	16,969	24,773	238	2,082	7,920	62,334	78,093	89,155	465,561
Net Increase (Decrease) in Cash and Cash Equivalents	(8,453)	63,218	(60,164)	62,965	55,696	14,290	26,277	88,142	1,166,819	(421,228)	4,646,252	5,633,814
Cash and Cash Equivalents - Beginning 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
Cash and Cash Equivalents - End of Year	\$ 3,229,846	\$ 190,536	\$ 8,194,274	\$ 1,141,973	\$ 1,567,623	\$ 22,632	\$ 146,228	\$ 493,586	\$ 4,718,416	\$ 4,805,612	\$ 10,258,815	\$ 34,769,541
Reconciliation of Operating Income to Net Cash Provided By (Used for) Operating Activities:												
Operating Income (Loss)	\$ (21,604)	\$ (120,930)	\$ 549,859	\$ 171,203	\$ 35,077	\$ 14,054	\$ (34,621)	\$ (80,992)	\$ 835,400	\$ (513,113)	\$ -	\$ 834,333
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used for) Operating Activities:												
Depreciation	-	-	855,308	2,810	-	-	-	-	-	-	-	858,118
Change in Assets and Liabilities:												
Receivables, Net	82	3	(49,701)	3,558	949	-	4	6	-	11,326	(211)	(33,984)
Prepaid Items	-	566	-	-	-	-	3,729	(629)	-	-	-	3,666
Accounts Payable and Other Payables	13,069	164,898	20,431	1,425	(114)	(2)	45,985	154,435	57,522	2,466	-	460,115
Net Cash Provided By (Used for) Operating Activities	\$ (8,453)	\$ 44,537	\$ 1,375,897	\$ 178,996	\$ 35,912	\$ 14,052	\$ 15,097	\$ 72,820	\$ 892,922	\$ (499,321)	\$ (211)	\$ 2,122,248



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Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2011

	<u>Assessments</u>	<u>Pass-Through Funds</u>	<u>Asset Seizure</u>	<u>Total</u>
ASSETS				
Cash and Investments	\$ 10,097,999	\$ 952,695	\$ 34,898	\$ 11,085,592
Restricted Cash and Investments	6,623,864	-	-	6,623,864
Interest Receivable	21,246	65	3	21,314
Total Assets	<u>\$ 16,743,109</u>	<u>\$ 952,760</u>	<u>\$ 34,901</u>	<u>\$ 17,730,770</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 976	\$ 952,760	\$ -	\$ 953,736
Due to Others	-	-	34,901	34,901
Due to Bondholders	16,742,133	-	-	16,742,133
Total Liabilities	<u>\$ 16,743,109</u>	<u>\$ 952,760</u>	<u>\$ 34,901</u>	<u>\$ 17,730,770</u>

Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
For Year Ended June 30, 2011

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
<u>Assessments</u>				
ASSETS				
Cash and Investments	\$ 10,140,179	\$ 19,782,932	\$ 19,825,112	\$ 10,097,999
Restricted Cash and Investments	6,622,876	1,198,764	1,197,776	6,623,864
Interest Receivable	21,493	66,206	66,453	21,246
Total Assets	<u>\$ 16,784,548</u>	<u>\$ 21,047,902</u>	<u>\$ 21,089,341</u>	<u>\$ 16,743,109</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 1,006	\$ 14,609,633	\$ 14,609,663	\$ 976
Due to Bondholders	16,783,542	18,758,090	18,799,499	16,742,133
Total Liabilities	<u>\$ 16,784,548</u>	<u>\$ 33,367,723</u>	<u>\$ 33,409,162</u>	<u>\$ 16,743,109</u>
<u>Pass-Through Funds</u>				
ASSETS				
Cash and Investments	\$ 869,858	\$ 1,600,574	\$ 1,517,737	\$ 952,695
Interest Receivable	91	65	91	65
Total Assets	<u>\$ 869,949</u>	<u>\$ 1,600,639</u>	<u>\$ 1,517,828</u>	<u>\$ 952,760</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 834,595	\$ 1,605,114	\$ 1,486,949	\$ 952,760
Due to Others	35,354	15,470	50,824	-
Total Liabilities	<u>\$ 869,949</u>	<u>\$ 1,620,584</u>	<u>\$ 1,537,773</u>	<u>\$ 952,760</u>
<u>Asset Seizure</u>				
ASSETS				
Cash and Investments	\$ 34,347	\$ 665	\$ 114	\$ 34,898
Interest Receivable	3	3	3	3
Total Assets	<u>\$ 34,350</u>	<u>\$ 668</u>	<u>\$ 117</u>	<u>\$ 34,901</u>
LIABILITIES				
Due to Others	\$ 34,350	\$ 665	\$ 114	\$ 34,901
Total Liabilities	<u>\$ 34,350</u>	<u>\$ 665</u>	<u>\$ 114</u>	<u>\$ 34,901</u>
<u>Total - All Agency Funds</u>				
ASSETS				
Cash and Investments	\$ 11,044,384	\$ 21,384,171	\$ 21,342,963	\$ 11,085,592
Restricted Cash and Investments	6,622,876	1,198,764	1,197,776	6,623,864
Interest Receivable	21,587	66,274	66,547	21,314
Total Assets	<u>\$ 17,688,847</u>	<u>\$ 22,649,209</u>	<u>\$ 22,607,286</u>	<u>\$ 17,730,770</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 835,601	\$ 16,214,747	\$ 16,096,612	\$ 953,736
Due to Others	69,704	16,135	50,938	34,901
Due to Bondholders	16,783,542	18,758,090	18,799,499	16,742,133
Total Liabilities	<u>\$ 17,688,847</u>	<u>\$ 34,988,972</u>	<u>\$ 34,947,049</u>	<u>\$ 17,730,770</u>

Balance Sheet

General Fund

June 30, 2011

	General Fund
ASSETS	
Current Assets:	
Cash and Investments	\$ 21,970,025
Receivables	1,187,514
Prepays	168,127
Total Assets	\$ 23,325,666
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts Payable and Accrued Liabilities	\$ 1,119,922
Deferred Revenue	628,669
Deposits Held	3,305,556
Total Liabilities	5,054,147
Fund Balances:	
Nonspendable	168,127
Committed	600,000
Assigned	7,667,955
Unassigned	9,835,437
Total Fund Balances	18,271,519
Total Liabilities and Fund Balances	\$ 23,325,666

City of Brentwood

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For Year Ended June 30, 2011

	Budget	Actual	Variance
REVENUES			
Taxes	\$ 13,359,908	\$ 13,583,274	\$ 223,366
Licenses	470,414	486,963	16,549
Permits and Fines	2,675,149	2,695,972	20,823
Uses of Money and Property	626,600	489,917	(136,683)
Intergovernmental	3,032,038	3,079,656	47,618
Franchises	1,200,000	1,183,245	(16,755)
Charges for Other Services	365,701	522,681	156,980
Charges to Other Funds	5,846,533	5,887,152	40,619
Fees and Other Revenues	1,454,679	1,249,349	(205,330)
Total Revenues	29,031,022	29,178,209	147,187
EXPENDITURES			
Current:			
General Government	5,706,135	5,019,112	687,023
Public Safety	15,994,991	15,612,182	382,809
Community Development	2,976,404	2,941,344	35,060
Engineering	2,728,415	2,241,604	486,811
Public Works	2,709,592	2,687,175	22,417
Parks and Recreation	4,459,830	4,141,563	318,267
Community Services	568,250	549,915	18,335
Capital Outlay	100	100	-
Debt Service:			
Principal	75,408	75,407	1
Total Expenditures	35,219,125	33,268,402	1,950,723
REVENUES OVER (UNDER) EXPENDITURES	(6,188,103)	(4,090,193)	2,097,910
OTHER FINANCING SOURCES (USES)			
Transfers In	14,109,356	12,919,771	(1,189,585)
Transfers Out	(8,764,777)	(5,891,981)	2,872,796
Total Other Financing Sources (Uses)	5,344,579	7,027,790	1,683,211
NET CHANGE IN FUND BALANCES	\$ (843,524)	2,937,597	\$ 3,781,121
Fund Balance, Beginning of Year		15,333,922	
Fund Balance, End of Year		\$ 18,271,519	

City of Brentwood

Combining Balance Sheet

All Special Revenue Funds

June 30, 2011

	Thoroughfares	Gas Tax	Police Grants	Other Grants	Citywide Parks Districts	Community Facilities Districts	Community Facilities	Vehicle Abatement
ASSETS								
Current Assets:								
Cash and Investments	\$ 2,125,948	\$ 20,495	\$ 147,606	\$ 13,275	\$ 285,269	\$ 20,176	\$ 570,131	\$ 33,334
Receivables	270,950	6	11,326	1	168	4	35,320	3
Prepays	-	-	-	-	821	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-
Interfund Advance Receivable	97,069	-	-	-	-	-	-	-
Total Assets	\$ 2,493,967	\$ 20,501	\$ 158,932	\$ 13,276	\$ 286,258	\$ 20,180	\$ 605,451	\$ 33,337
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts Payable and Accrued Liabilities	\$ 1,569	\$ -	\$ 22,558	\$ -	\$ 168,459	\$ 3,380	\$ 2,557	\$ 4
Due to Other Funds	-	-	-	-	-	-	-	-
Deferred Revenue	218,806	-	-	-	-	-	35,280	-
Interfund Advance Payable	-	-	-	-	-	-	-	-
Total Liabilities	220,375	-	22,558	-	168,459	3,380	37,837	4
Fund Balances:								
Nonspendable	-	-	-	-	821	-	-	-
Restricted	-	20,501	136,374	13,276	-	-	-	-
Committed	2,273,592	-	-	-	116,978	16,800	567,614	33,333
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balances	2,273,592	20,501	136,374	13,276	117,799	16,800	567,614	33,333
Total Liabilities and Fund Balances	\$ 2,493,967	\$ 20,501	\$ 158,932	\$ 13,276	\$ 286,258	\$ 20,180	\$ 605,451	\$ 33,337

Continued

City of Brentwood

Combining Balance Sheet
All Special Revenue Funds (Continued)
 June 30, 2011

	Infrastructure Improvements	RDA Low Income Housing	PEG Media	Asset Forfeiture	Measure C / J	Facility Fee Administration	Parks Advertising	Parks and Trails
ASSETS								
Current Assets:								
Cash and Investments	\$ 5,892	\$ 5,584,612	\$ 895,405	\$ 104,784	\$ 142,735	\$ 13,386	\$ 5,126	\$ -
Receivables	-	3,851,360	100,068	8	15	9,260	7,800	-
Prepays	-	261	-	-	-	-	-	-
Land Held for Resale	-	1,040,359	-	-	-	-	-	-
Interfund Advance Receivable	-	-	-	-	-	-	-	51,371
Total Assets	\$ 5,892	\$ 10,476,592	\$ 995,473	\$ 104,792	\$ 142,750	\$ 22,646	\$ 12,926	\$ 51,371
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts Payable and Accrued Liabilities	\$ -	\$ 10,812	\$ 91	\$ 1,496	\$ 20	\$ 3	\$ -	\$ 144
Due to Other Funds	-	-	-	-	-	-	-	-
Deferred Revenue	-	3,850,938	100,000	-	-	9,258	-	51,371
Interfund Advance Payable	-	-	-	-	-	-	-	2,550,148
Total Liabilities	-	3,861,750	100,091	1,496	20	9,261	-	2,601,663
Fund Balances:								
Nonspendable	-	261	-	-	-	-	-	-
Restricted	-	6,614,581	895,382	103,296	142,730	13,385	-	-
Committed	5,892	-	-	-	-	-	12,926	-
Unassigned	-	-	-	-	-	-	-	(2,550,292)
Total Fund Balances	5,892	6,614,842	895,382	103,296	142,730	13,385	12,926	(2,550,292)
Total Liabilities and Fund Balances	\$ 5,892	\$ 10,476,592	\$ 995,473	\$ 104,792	\$ 142,750	\$ 22,646	\$ 12,926	\$ 51,371

Continued

City of Brentwood

Combining Balance Sheet
All Special Revenue Funds (Continued)
 June 30, 2011

	Agriculture Administration	Public Art Administration	Public Art Acquisition	Arts Commission	Fire Fees	Agriculture Land	Parking In Lieu	Lighting and Landscape Districts	Totals
ASSETS									
Current Assets:									
Cash and Investments	\$ 556,868	\$ 57,209	\$ 655,668	\$ 27,052	\$ 905,692	\$ 1,334,773	\$ 26,768	\$ 4,324,331	\$ 17,856,535
Receivables	4,421	4	49	2	6,774	153	2	8,962	4,306,656
Prepays	-	-	-	-	-	-	-	-	1,082
Land Held for Resale	-	-	-	-	-	-	-	-	1,040,359
Interfund Advance Receivable	-	-	-	-	-	-	-	-	148,440
Total Assets	\$ 561,289	\$ 57,213	\$ 655,717	\$ 27,054	\$ 912,466	\$ 1,334,926	\$ 26,770	\$ 4,333,293	\$ 23,353,072
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts Payable and Accrued Liabilities	\$ 5,111	\$ 6	\$ 66	\$ 20,503	\$ 91	\$ 205	\$ 3	\$ 307,573	\$ 544,651
Due to Other Funds	-	-	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	6,706	-	-	8,600	4,280,959
Interfund Advance Payable	-	-	-	-	-	-	-	-	2,550,148
Total Liabilities	5,111	6	66	20,503	6,797	205	3	316,173	7,375,758
Fund Balances:									
Nonspendable	-	-	-	-	-	-	-	-	1,082
Restricted	556,178	57,207	655,651	6,551	905,669	1,334,721	26,767	4,017,120	15,499,389
Committed	-	-	-	-	-	-	-	-	3,027,135
Unassigned	-	-	-	-	-	-	-	-	(2,550,292)
Total Fund Balances	556,178	57,207	655,651	6,551	905,669	1,334,721	26,767	4,017,120	15,977,314
Total Liabilities and Fund Balances	\$ 561,289	\$ 57,213	\$ 655,717	\$ 27,054	\$ 912,466	\$ 1,334,926	\$ 26,770	\$ 4,333,293	\$ 23,353,072



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Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Special Revenue Funds
For Year Ended June 30, 2011

	Thoroughfares	Gas Tax	Police Grants	Other Grants	Citywide Parks Districts	Community Facilities Districts	Community Facilities	Vehicle Abatement
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,720,945	\$ -	\$ -	\$ -
Uses of Money and Property	38,565	1,304	2,486	63	3,816	7,051	8,178	495
Intergovernmental	-	1,235,985	127,533	21,000	-	-	-	-
Fees and Other Revenues	1,347,298	-	-	-	29,390	2,954,547	421,464	69,227
Total Revenues	1,385,863	1,237,289	130,019	21,063	1,754,151	2,961,598	429,642	69,722
EXPENDITURES								
Current:								
General Government	1,316,364	-	-	21,000	-	-	21,526	-
Public Safety	-	-	194,456	-	-	-	-	26
Community Development	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	2,588,039	-	-	-
Community Services	-	-	-	-	-	28,798	-	-
Total Expenditures	1,316,364	-	194,456	21,000	2,588,039	28,798	21,526	26
REVENUES OVER (UNDER) EXPENDITURES	69,499	1,237,289	(64,437)	63	(833,888)	2,932,800	408,116	69,696
OTHER FINANCING SOURCES (USES)								
Transfers In	78,497	-	-	-	591,079	-	243,848	-
Transfers Out	(900,721)	(1,221,342)	-	-	-	(2,949,098)	(1,100,000)	(73,191)
Total Other Financing Sources (Uses)	(822,224)	(1,221,342)	-	-	591,079	(2,949,098)	(856,152)	(73,191)
Net Change in Fund Balances	(752,725)	15,947	(64,437)	63	(242,809)	(16,298)	(448,036)	(3,495)
Fund Balance, Beginning of Year	3,026,317	4,554	200,811	13,213	360,608	33,098	1,015,650	36,828
Fund Balance, End of Year	\$ 2,273,592	\$ 20,501	\$ 136,374	\$ 13,276	\$ 117,799	\$ 16,800	\$ 567,614	\$ 33,333

Continued

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Special Revenue Funds (Continued)
 For Year Ended June 30, 2011

	Infrastructure Improvements	RDA Low Income Housing	PEG Media	Asset Forfeiture	Measure C / J	Facility Fee Administration	Parks Advertising	Parks and Trails
REVENUES								
Taxes	\$ -	\$ 1,168,617	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	93	87,154	14,119	1,774	5,454	1,033	20	-
Intergovernmental	-	-	-	-	570,377	-	-	-
Fees and Other Revenues	-	-	-	28,806	-	68,079	19,790	757,738
Total Revenues	93	1,255,771	14,119	30,580	575,831	69,112	19,810	757,738
EXPENDITURES								
Current:								
General Government	-	1,350,294	897	34,704	2,090	150,063	-	-
Public Safety	-	-	-	-	-	-	-	-
Community Development	6	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	6,884	1,046,291
Community Services	-	-	-	-	-	-	-	-
Total Expenditures	6	1,350,294	897	34,704	2,090	150,063	6,884	1,046,291
REVENUES OVER (UNDER) EXPENDITURES	87	(94,523)	13,222	(4,124)	573,741	(80,951)	12,926	(288,553)
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	-	325,244
Transfers Out	-	-	-	-	(454,046)	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	(454,046)	-	-	325,244
Net Change in Fund Balances	87	(94,523)	13,222	(4,124)	119,695	(80,951)	12,926	36,691
Fund Balance, Beginning of Year	5,805	6,709,365	882,160	107,420	23,035	94,336	-	(2,586,983)
Fund Balance, End of Year	\$ 5,892	\$ 6,614,842	\$ 895,382	\$ 103,296	\$ 142,730	\$ 13,385	\$ 12,926	\$ (2,550,292)

Continued

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Special Revenue Funds (Continued)
 For Year Ended June 30, 2011

	<u>Agriculture Administration</u>	<u>Public Art Administration</u>	<u>Public Art Acquisition</u>	<u>Arts Commission</u>	<u>Fire Fees</u>	<u>Agriculture Land</u>	<u>Parking In Lieu</u>	<u>Lighting and Landscape Districts</u>	<u>Totals</u>
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,889,562
Uses of Money and Property	10,716	769	9,848	497	13,557	61,961	422	54,929	324,304
Intergovernmental	-	-	-	-	-	-	-	-	1,954,895
Fees and Other Revenues	7,477	16,332	45,027	-	53,560	29,909	-	5,065,839	10,914,483
Total Revenues	<u>18,193</u>	<u>17,101</u>	<u>54,875</u>	<u>497</u>	<u>67,117</u>	<u>91,870</u>	<u>422</u>	<u>5,120,768</u>	<u>16,083,244</u>
EXPENDITURES									
Current:									
General Government	220,980	44	430	27,408	600	3,350,708	27	-	6,497,135
Public Safety	-	-	-	-	-	-	-	-	194,482
Community Development	-	-	-	-	-	-	-	-	6
Parks and Recreation	-	-	-	-	-	-	-	-	3,641,214
Community Services	-	-	-	-	-	-	-	4,620,370	4,649,168
Total Expenditures	<u>220,980</u>	<u>44</u>	<u>430</u>	<u>27,408</u>	<u>600</u>	<u>3,350,708</u>	<u>27</u>	<u>4,620,370</u>	<u>14,982,005</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(202,787)</u>	<u>17,057</u>	<u>54,445</u>	<u>(26,911)</u>	<u>66,517</u>	<u>(3,258,838)</u>	<u>395</u>	<u>500,398</u>	<u>1,101,239</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	1,200	-	-	-	-	1,239,868
Transfers Out	-	-	(5,077)	-	-	-	-	-	(6,703,475)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(5,077)</u>	<u>1,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,463,607)</u>
Net Change in Fund Balances	<u>(202,787)</u>	<u>17,057</u>	<u>49,368</u>	<u>(25,711)</u>	<u>66,517</u>	<u>(3,258,838)</u>	<u>395</u>	<u>500,398</u>	<u>(4,362,368)</u>
Fund Balance, Beginning of Year	<u>758,965</u>	<u>40,150</u>	<u>606,283</u>	<u>32,262</u>	<u>839,152</u>	<u>4,593,559</u>	<u>26,372</u>	<u>3,516,722</u>	<u>20,339,682</u>
Fund Balance, End of Year	<u>\$ 556,178</u>	<u>\$ 57,207</u>	<u>\$ 655,651</u>	<u>\$ 6,551</u>	<u>\$ 905,669</u>	<u>\$ 1,334,721</u>	<u>\$ 26,767</u>	<u>\$ 4,017,120</u>	<u>\$ 15,977,314</u>



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**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds
For Year Ended June 30, 2011**

	Thoroughfares			Gas Tax			Police Grants		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	68,503	38,565	(29,938)	-	1,304	1,304	3,200	2,486	(714)
Intergovernmental	-	-	-	1,349,569	1,235,985	(113,584)	197,466	127,533	(69,933)
Fees and Other Revenues	1,165,089	1,347,298	182,209	-	-	-	-	-	-
Total Revenues	<u>1,233,592</u>	<u>1,385,863</u>	<u>152,271</u>	<u>1,349,569</u>	<u>1,237,289</u>	<u>(112,280)</u>	<u>200,666</u>	<u>130,019</u>	<u>(70,647)</u>
EXPENDITURES									
Current:									
General Government	1,733,138	1,316,364	416,774	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	272,465	194,456	78,009
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>1,733,138</u>	<u>1,316,364</u>	<u>416,774</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>272,465</u>	<u>194,456</u>	<u>78,009</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(499,546)</u>	<u>69,499</u>	<u>569,045</u>	<u>1,349,569</u>	<u>1,237,289</u>	<u>(112,280)</u>	<u>(71,799)</u>	<u>(64,437)</u>	<u>7,362</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	-	78,497	78,497	-	-	-	-	-	-
Transfers Out	(1,961,619)	(900,721)	1,060,898	(1,349,569)	(1,221,342)	128,227	-	-	-
Total Other Financing Sources (Uses)	<u>(1,961,619)</u>	<u>(822,224)</u>	<u>1,139,395</u>	<u>(1,349,569)</u>	<u>(1,221,342)</u>	<u>128,227</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (2,461,165)</u>	<u>(752,725)</u>	<u>\$ 1,708,440</u>	<u>\$ -</u>	<u>15,947</u>	<u>\$ 15,947</u>	<u>\$ (71,799)</u>	<u>(64,437)</u>	<u>\$ 7,362</u>
Fund Balance, Beginning of Year		<u>3,026,317</u>			<u>4,554</u>			<u>200,811</u>	
Fund Balance, End of Year		<u>\$ 2,273,592</u>			<u>\$ 20,501</u>			<u>\$ 136,374</u>	

Continued

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds (Continued)
For Year Ended June 30, 2011**

	Other Grants			Citywide Parks Districts			Community Facilities Districts		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ 1,714,052	\$ 1,720,945	\$ 6,893	\$ -	\$ -	\$ -
Uses of Money and Property	160	63	(97)	6,000	3,816	(2,184)	2,730	7,051	4,321
Intergovernmental	67,000	21,000	(46,000)	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	38,000	29,390	(8,610)	3,031,436	2,954,547	(76,889)
Total Revenues	67,160	21,063	(46,097)	1,758,052	1,754,151	(3,901)	3,034,166	2,961,598	(72,568)
EXPENDITURES									
Current:									
General Government	78,751	21,000	57,751	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	2,588,040	2,588,039	1	-	-	-
Community Services	-	-	-	-	-	-	36,500	28,798	7,702
Total Expenditures	78,751	21,000	57,751	2,588,040	2,588,039	1	36,500	28,798	7,702
REVENUES OVER (UNDER) EXPENDITURES	(11,591)	63	11,654	(829,988)	(833,888)	(3,900)	2,997,666	2,932,800	(64,866)
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	591,079	591,079	-	-	-	-
Transfers Out	-	-	-	-	-	-	(3,000,000)	(2,949,098)	50,902
Total Other Financing Sources (Uses)	-	-	-	591,079	591,079	-	(3,000,000)	(2,949,098)	50,902
Net Change in Fund Balances	\$ (11,591)	63	\$ 11,654	\$ (238,909)	(242,809)	\$ (3,900)	\$ (2,334)	(16,298)	\$ (13,964)
Fund Balance, Beginning of Year		13,213			360,608			33,098	
Fund Balance, End of Year		\$ 13,276			\$ 117,799			\$ 16,800	

Continued

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds (Continued)
For Year Ended June 30, 2011**

	Community Facilities			Vehicle Abatement			Infrastructure Improvements		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	172,159	8,178	(163,981)	200	495	295	110	93	(17)
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	465,887	421,464	(44,423)	40,000	69,227	29,227	19,160	-	(19,160)
Total Revenues	638,046	429,642	(208,404)	40,200	69,722	29,522	19,270	93	(19,177)
EXPENDITURES									
Current:									
General Government	21,526	21,526	-	-	-	-	-	-	-
Public Safety	-	-	-	200	26	174	-	-	-
Community Development	-	-	-	-	-	-	25,020	6	25,014
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Total Expenditures	21,526	21,526	-	200	26	174	25,020	6	25,014
REVENUES OVER (UNDER) EXPENDITURES	616,520	408,116	(208,404)	40,000	69,696	29,696	(5,750)	87	5,837
OTHER FINANCING SOURCES (USES)									
Transfers In	-	243,848	243,848	-	-	-	-	-	-
Transfers Out	(11,544,233)	(1,100,000)	10,444,233	(73,191)	(73,191)	-	-	-	-
Total Other Financing Sources (Uses)	(11,544,233)	(856,152)	10,688,081	(73,191)	(73,191)	-	-	-	-
Net Change in Fund Balances	\$ (10,927,713)	(448,036)	\$ 10,479,677	\$ (33,191)	(3,495)	\$ 29,696	\$ (5,750)	87	\$ 5,837
Fund Balance, Beginning of Year		1,015,650			36,828			5,805	
Fund Balance, End of Year		\$ 567,614			\$ 33,333			\$ 5,892	

Continued

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds (Continued)
For Year Ended June 30, 2011**

	RDA Low Income Housing			PEG Media			Asset Forfeiture		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ 1,139,307	\$ 1,168,617	\$ 29,310	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	95,000	87,154	(7,846)	14,100	14,119	19	450	1,774	1,324
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	-	-	-	10,000	28,806	18,806
Total Revenues	<u>1,234,307</u>	<u>1,255,771</u>	<u>21,464</u>	<u>14,100</u>	<u>14,119</u>	<u>19</u>	<u>10,450</u>	<u>30,580</u>	<u>20,130</u>
EXPENDITURES									
Current:									
General Government	2,177,007	1,350,294	826,713	2,250	897	1,353	42,565	34,704	7,861
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>2,177,007</u>	<u>1,350,294</u>	<u>826,713</u>	<u>2,250</u>	<u>897</u>	<u>1,353</u>	<u>42,565</u>	<u>34,704</u>	<u>7,861</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(942,700)</u>	<u>(94,523)</u>	<u>848,177</u>	<u>11,850</u>	<u>13,222</u>	<u>1,372</u>	<u>(32,115)</u>	<u>(4,124)</u>	<u>27,991</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (942,700)</u>	<u>(94,523)</u>	<u>\$ 848,177</u>	<u>\$ 11,850</u>	<u>13,222</u>	<u>\$ 1,372</u>	<u>\$ (32,115)</u>	<u>(4,124)</u>	<u>\$ 27,991</u>
Fund Balance, Beginning of Year		<u>6,709,365</u>			<u>882,160</u>			<u>107,420</u>	
Fund Balance, End of Year		<u>\$ 6,614,842</u>			<u>\$ 895,382</u>			<u>\$ 103,296</u>	

Continued

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds (Continued)
For Year Ended June 30, 2011**

	Measure C / J			Facility Fee Administration			Parks Advertising		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	4,000	5,454	1,454	250	1,033	783	-	20	20
Intergovernmental	436,086	570,377	134,291	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	71,376	68,079	(3,297)	-	19,790	19,790
Total Revenues	440,086	575,831	135,745	71,626	69,112	(2,514)	-	19,810	19,810
EXPENDITURES									
Current:									
General Government	5,832	2,090	3,742	152,575	150,063	2,512	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	10,000	6,884	3,116
Community Services	-	-	-	-	-	-	-	-	-
Total Expenditures	5,832	2,090	3,742	152,575	150,063	2,512	10,000	6,884	3,116
REVENUES OVER (UNDER) EXPENDITURES	434,254	573,741	139,487	(80,949)	(80,951)	(2)	(10,000)	12,926	22,926
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	(454,046)	(454,046)	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(454,046)	(454,046)	-	-	-	-	-	-	-
Net Change in Fund Balances	\$ (19,792)	119,695	\$ 139,487	\$ (80,949)	(80,951)	\$ (2)	\$ (10,000)	12,926	\$ 22,926
Fund Balance, Beginning of Year		23,035			94,336			-	
Fund Balance, End of Year		\$ 142,730			\$ 13,385			\$ 12,926	

Continued

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds (Continued)
For Year Ended June 30, 2011**

	Parks and Trails			Agriculture Administration			Public Art Administration		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	-	-	-	18,000	10,716	(7,284)	550	769	219
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	583,000	757,738	174,738	-	7,477	7,477	26,800	16,332	(10,468)
Total Revenues	583,000	757,738	174,738	18,000	18,193	193	27,350	17,101	(10,249)
EXPENDITURES									
Current:									
General Government	-	-	-	260,072	220,980	39,092	250	44	206
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	1,078,024	1,046,291	31,733	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Total Expenditures	1,078,024	1,046,291	31,733	260,072	220,980	39,092	250	44	206
REVENUES OVER (UNDER) EXPENDITURES	(495,024)	(288,553)	206,471	(242,072)	(202,787)	39,285	27,100	17,057	(10,043)
OTHER FINANCING SOURCES (USES)									
Transfers In	-	325,244	325,244	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	325,244	325,244	-	-	-	-	-	-
Net Change in Fund Balances	\$ (495,024)	36,691	\$ 531,715	\$ (242,072)	(202,787)	\$ 39,285	\$ 27,100	17,057	\$ (10,043)
Fund Balance, Beginning of Year		(2,586,983)			758,965			40,150	
Fund Balance, End of Year		\$ (2,550,292)			\$ 556,178			\$ 57,207	

Continued

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds (Continued)
For Year Ended June 30, 2011**

	Public Art Acquisition			Arts Commission			Fire Fees		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	20,000	9,848	(10,152)	400	497	97	20,050	13,557	(6,493)
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	107,200	45,027	(62,173)	-	-	-	50,408	53,560	3,152
Total Revenues	<u>127,200</u>	<u>54,875</u>	<u>(72,325)</u>	<u>400</u>	<u>497</u>	<u>97</u>	<u>70,458</u>	<u>67,117</u>	<u>(3,341)</u>
EXPENDITURES									
Current:									
General Government	430	430	-	31,800	27,408	4,392	600	600	-
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>430</u>	<u>430</u>	<u>-</u>	<u>31,800</u>	<u>27,408</u>	<u>4,392</u>	<u>600</u>	<u>600</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>126,770</u>	<u>54,445</u>	<u>(72,325)</u>	<u>(31,400)</u>	<u>(26,911)</u>	<u>4,489</u>	<u>69,858</u>	<u>66,517</u>	<u>(3,341)</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	1,200	1,200	-	-	-	-
Transfers Out	(5,077)	(5,077)	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(5,077)</u>	<u>(5,077)</u>	<u>-</u>	<u>1,200</u>	<u>1,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 121,693</u>	<u>49,368</u>	<u>\$ (72,325)</u>	<u>\$ (30,200)</u>	<u>(25,711)</u>	<u>\$ 4,489</u>	<u>\$ 69,858</u>	<u>66,517</u>	<u>\$ (3,341)</u>
Fund Balance, Beginning of Year		<u>606,283</u>			<u>32,262</u>			<u>839,152</u>	
Fund Balance, End of Year		<u>\$ 655,651</u>			<u>\$ 6,551</u>			<u>\$ 905,669</u>	

Continued

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds (Continued)
For Year Ended June 30, 2011**

	Agriculture Land			Parking In Lieu			Lighting and Landscape Districts			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES												
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,853,359	\$ 2,889,562	\$ 36,203
Uses of Money and Property	125,000	61,961	(63,039)	510	422	(88)	-	54,929	54,929	551,372	324,304	(227,068)
Intergovernmental	-	-	-	-	-	-	-	-	-	2,050,121	1,954,895	(95,226)
Fees and Other Revenues	-	29,909	29,909	-	-	-	5,125,867	5,065,839	(60,028)	10,734,223	10,914,483	180,260
Total Revenues	<u>125,000</u>	<u>91,870</u>	<u>(33,130)</u>	<u>510</u>	<u>422</u>	<u>(88)</u>	<u>5,125,867</u>	<u>5,120,768</u>	<u>(5,099)</u>	<u>16,189,075</u>	<u>16,083,244</u>	<u>(105,831)</u>
EXPENDITURES												
Current:												
General Government	3,396,507	3,350,708	45,799	40	27	13	-	-	-	7,903,343	6,497,135	1,406,208
Public Safety	-	-	-	-	-	-	-	-	-	272,665	194,482	78,183
Community Development	-	-	-	-	-	-	-	-	-	25,020	6	25,014
Parks and Recreation	-	-	-	-	-	-	-	-	-	3,676,064	3,641,214	34,850
Community Services	-	-	-	-	-	-	5,740,309	4,620,370	1,119,939	5,776,809	4,649,168	1,127,641
Total Expenditures	<u>3,396,507</u>	<u>3,350,708</u>	<u>45,799</u>	<u>40</u>	<u>27</u>	<u>13</u>	<u>5,740,309</u>	<u>4,620,370</u>	<u>1,119,939</u>	<u>17,653,901</u>	<u>14,982,005</u>	<u>2,671,896</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(3,271,507)</u>	<u>(3,258,838)</u>	<u>12,669</u>	<u>470</u>	<u>395</u>	<u>(101)</u>	<u>(614,442)</u>	<u>500,398</u>	<u>1,114,840</u>	<u>(1,464,826)</u>	<u>1,101,239</u>	<u>2,566,065</u>
OTHER FINANCING SOURCES (USES)												
Transfers In	-	-	-	-	-	-	-	-	-	592,279	1,239,868	647,589
Transfers Out	-	-	-	-	-	-	-	-	-	(18,387,735)	(6,703,475)	11,684,260
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,795,456)</u>	<u>(5,463,607)</u>	<u>12,331,849</u>
Net Change in Fund Balances	<u>\$ (3,271,507)</u>	<u>(3,258,838)</u>	<u>\$ 12,669</u>	<u>\$ 470</u>	<u>395</u>	<u>\$ (101)</u>	<u>\$ (614,442)</u>	<u>500,398</u>	<u>\$ 1,114,840</u>	<u>\$ (19,260,282)</u>	<u>(4,362,368)</u>	<u>\$ 14,897,914</u>
Fund Balance, Beginning of Year		<u>4,593,559</u>			<u>26,372</u>			<u>3,516,722</u>			<u>20,339,682</u>	
Fund Balance, End of Year		<u>\$ 1,334,721</u>			<u>\$ 26,767</u>			<u>\$ 4,017,120</u>			<u>\$ 15,977,314</u>	

Combining Balance Sheet

All Debt Service Funds

June 30, 2011

	Redevelopment Debt	Capital Improvement Program 2001	2002 General Obligation Bond	Civic Center Projects Revenue Bond	Totals
ASSETS					
Current Assets:					
Cash and Investments	\$ 812,117	\$ 86,262	\$ 329,311	\$ -	\$ 1,227,690
Restricted Cash and Investments	-	2,195,478	-	5,471,083	7,666,561
Receivables	99	6	24	-	129
Total Assets	\$ 812,216	\$ 2,281,746	\$ 329,335	\$ 5,471,083	\$ 8,894,380
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable and Accrued Liabilities	\$ 812,216	\$ 8	\$ 289,695	\$ -	\$ 1,101,919
Due to Other Funds	-	-	-	996	996
Total Liabilities	812,216	8	289,695	996	1,102,915
Fund Balances:					
Restricted	-	2,281,738	39,640	5,470,087	7,791,465
Total Fund Balances	-	2,281,738	39,640	5,470,087	7,791,465
Total Liabilities and Fund Balances	\$ 812,216	\$ 2,281,746	\$ 329,335	\$ 5,471,083	\$ 8,894,380

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Debt Service Funds
For Year Ended June 30, 2011

	Redevelopment Debt	Capital Improvement Program 2001	2002 General Obligation Bond	Civic Center Projects Revenue Bond	Totals
REVENUES					
Taxes	\$ 4,674,469	\$ -	\$ 349,269	\$ -	\$ 5,023,738
Uses of Money and Property	183,775	87,818	1,831	92,777	366,201
Intergovernmental	-	-	-	1,128,821	1,128,821
Total Revenues	4,858,244	87,818	351,100	1,221,598	6,518,760
EXPENDITURES					
Current:					
Community Development	1,689,136	10,424	5,977	11,750	1,717,287
Debt Service:					
Principal	485,000	295,000	230,000	-	1,010,000
Interest and Fiscal Charges	1,768,849	421,094	119,325	2,486,624	4,795,892
Total Expenditures	3,942,985	726,518	355,302	2,498,374	7,523,179
REVENUES OVER (UNDER) EXPENDITURES	915,259	(638,700)	(4,202)	(1,276,776)	(1,004,419)
OTHER FINANCING SOURCES (USES)					
Transfers In	888,080	678,057	-	11,750	1,577,887
Transfers Out	(10,518,393)	-	-	(888,080)	(11,406,473)
Total Other Financing Sources (Uses)	(9,630,313)	678,057	-	(876,330)	(9,828,586)
Net Change in Fund Balances	(8,715,054)	39,357	(4,202)	(2,153,106)	(10,833,005)
Fund Balance, Beginning of Year	8,715,054	2,242,381	43,842	7,623,193	18,624,470
Fund Balance, End of Year	\$ -	\$ 2,281,738	\$ 39,640	\$ 5,470,087	\$ 7,791,465

City of Brentwood

***Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Certain Debt Service Funds
For Year Ended June 30, 2011***

	Redevelopment Debt		
	Budget	Actual	Variance
REVENUES			
Taxes	\$ 4,557,547	\$ 4,674,469	\$ 116,922
Uses of Money and Property	248,500	183,775	(64,725)
Total Revenues	4,806,047	4,858,244	52,197
EXPENDITURES			
Current:			
Community Development	1,790,397	1,689,136	101,261
Debt Service:			
Principal	485,000	485,000	-
Interest and Fiscal Charges	1,768,850	1,768,849	1
Total Expenditures	4,044,247	3,942,985	101,262
REVENUES OVER (UNDER) EXPENDITURES	761,800	915,259	153,459
OTHER FINANCING SOURCES (USES)			
Transfers In	888,080	888,080	-
Transfers Out	(16,645,112)	(10,518,393)	6,126,719
Total Other Financing Sources (Uses)	(15,757,032)	(9,630,313)	6,126,719
Net Change in Fund Balances	\$ (14,995,232)	(8,715,054)	\$ 6,280,178
Fund Balance, Beginning of Year		8,715,054	
Fund Balance, End of Year		\$ -	



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City of Brentwood

Combining Balance Sheet

All Capital Project Funds

June 30, 2011

	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	Community Facilities Improvement Projects
ASSETS							
Current Assets:							
Cash and Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,679,550
Restricted Cash and Investments	7,550,571	2,578,877	400,634	4,457	1,195,431	8,834,919	1,966,473
Receivables	-	-	-	-	92	1	1,873
Prepays	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	996
Interfund Advance Receivable	-	-	-	-	-	-	2,550,148
Total Assets	\$ 7,550,571	\$ 2,578,877	\$ 400,634	\$ 4,457	\$ 1,195,523	\$ 8,834,920	\$ 26,199,040
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ 123	\$ 1	\$ 7,542,010
Deposits Held	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	123	1	7,542,010
Fund Balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	7,550,571	2,578,877	400,634	4,457	1,195,400	8,834,919	18,657,030
Total Fund Balances	7,550,571	2,578,877	400,634	4,457	1,195,400	8,834,919	18,657,030
Total Liabilities and Fund Balances	\$ 7,550,571	\$ 2,578,877	\$ 400,634	\$ 4,457	\$ 1,195,523	\$ 8,834,920	\$ 26,199,040

Continued

City of Brentwood

Combining Balance Sheet
All Capital Project Funds (Continued)
June 30, 2011

	Park Improvement Projects	Drainage Improvement Projects	Street Improvement Projects	Economic Infrastructure Projects	Vineyards Projects	Redevelopment Projects	Totals
ASSETS							
Current Assets:							
Cash and Investments	\$ 1,492,345	\$ 45,911	\$ 6,863,660	\$ 6,483,880	\$ 1,609,084	\$ 10,337	\$ 38,184,767
Restricted Cash and Investments	14,633	-	-	-	-	-	22,545,995
Receivables	243,184	4	19,978	491	147	2,000	267,770
Prepays	-	-	-	-	-	1,155	1,155
Due from Other Funds	-	-	-	-	-	-	996
Interfund Advance Receivable	-	-	-	-	-	-	2,550,148
Total Assets	\$ 1,750,162	\$ 45,915	\$ 6,883,638	\$ 6,484,371	\$ 1,609,231	\$ 13,492	\$ 63,550,831
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts Payable and Accrued Liabilities	\$ 258,206	\$ -	\$ 456,116	\$ -	\$ 198	\$ 6,487	\$ 8,263,141
Deposits Held	-	-	-	-	-	5,850	5,850
Total Liabilities	258,206	-	456,116	-	198	12,337	8,268,991
Fund Balances:							
Nonspendable	-	-	-	-	-	1,155	1,155
Restricted	1,491,956	45,915	6,427,522	6,484,371	1,609,033	-	55,280,685
Total Fund Balances	1,491,956	45,915	6,427,522	6,484,371	1,609,033	1,155	55,281,840
Total Liabilities and Fund Balances	\$ 1,750,162	\$ 45,915	\$ 6,883,638	\$ 6,484,371	\$ 1,609,231	\$ 13,492	\$ 63,550,831

City of Brentwood

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Capital Project Funds
For Year Ended June 30, 2011***

	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	Community Facilities Improvement Projects
REVENUES							
Uses of Money and Property	\$ 4,633	\$ 1,457	\$ 742	\$ 70	\$ 15,135	\$ 113,248	\$ 333,663
Intergovernmental	-	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	-	1,055,909	-	-
Total Revenues	<u>4,633</u>	<u>1,457</u>	<u>742</u>	<u>70</u>	<u>1,071,044</u>	<u>113,248</u>	<u>333,663</u>
EXPENDITURES							
Current:							
General Government	1,217,500	1,160,213	-	-	649	641	14,090
Capital Outlay	-	-	-	-	-	-	27,407,214
Total Expenditures	<u>1,217,500</u>	<u>1,160,213</u>	<u>-</u>	<u>-</u>	<u>649</u>	<u>641</u>	<u>27,421,304</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,212,867)</u>	<u>(1,158,756)</u>	<u>742</u>	<u>70</u>	<u>1,070,395</u>	<u>112,607</u>	<u>(27,087,641)</u>
OTHER FINANCING SOURCES (USES)							
Transfer of Land Held to Governmental Activities	-	-	-	-	-	-	-
Transfers In	-	29	-	-	1,100,000	-	40,805,806
Transfers Out	-	-	-	-	(1,003,711)	(27,358,581)	(7,969,532)
Total Other Financing Sources (Uses)	<u>-</u>	<u>29</u>	<u>-</u>	<u>-</u>	<u>96,289</u>	<u>(27,358,581)</u>	<u>32,836,274</u>
Net Change in Fund Balances	<u>(1,212,867)</u>	<u>(1,158,727)</u>	<u>742</u>	<u>70</u>	<u>1,166,684</u>	<u>(27,245,974)</u>	<u>5,748,633</u>
Fund Balance, Beginning of Year	<u>8,763,438</u>	<u>3,737,604</u>	<u>399,892</u>	<u>4,387</u>	<u>28,716</u>	<u>36,080,893</u>	<u>12,908,397</u>
Fund Balance, End of Year	<u>\$ 7,550,571</u>	<u>\$ 2,578,877</u>	<u>\$ 400,634</u>	<u>\$ 4,457</u>	<u>\$ 1,195,400</u>	<u>\$ 8,834,919</u>	<u>\$ 18,657,030</u>

Continued

City of Brentwood

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Capital Project Funds (Continued)***

For Year Ended June 30, 2011

	Park Improvement Projects	Drainage Improvement Projects	Street Improvement Projects	Economic Infrastructure Projects	Vineyards Projects	Redevelopment Projects	Totals
REVENUES							
Uses of Money and Property	\$ 24,956	\$ 2,645	\$ 104,812	\$ 102,177	\$ 30,698	\$ 75,673	\$ 809,909
Intergovernmental	992,531	-	540,974	-	-	-	1,533,505
Fees and Other Revenues	-	-	-	-	-	-	1,055,909
Total Revenues	<u>1,017,487</u>	<u>2,645</u>	<u>645,786</u>	<u>102,177</u>	<u>30,698</u>	<u>75,673</u>	<u>3,399,323</u>
EXPENDITURES							
Current:							
General Government	1,540,100	-	1,108,597	-	1,989	1,652,985	6,696,764
Capital Outlay	731,023	2,491	207,156	-	-	-	28,347,884
Total Expenditures	<u>2,271,123</u>	<u>2,491</u>	<u>1,315,753</u>	<u>-</u>	<u>1,989</u>	<u>1,652,985</u>	<u>35,044,648</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,253,636)</u>	<u>154</u>	<u>(669,967)</u>	<u>102,177</u>	<u>28,709</u>	<u>(1,577,312)</u>	<u>(31,645,325)</u>
OTHER FINANCING SOURCES (USES)							
Transfer of Land Held to Governmental Activities	-	-	-	-	-	(1,327,029)	(1,327,029)
Transfers In	1,514,002	79,434	1,040,460	-	-	10,735,301	55,275,032
Transfers Out	(325,245)	(222,645)	(78,526)	-	(337,724)	(14,103,143)	(51,399,107)
Total Other Financing Sources (Uses)	<u>1,188,757</u>	<u>(143,211)</u>	<u>961,934</u>	<u>-</u>	<u>(337,724)</u>	<u>(4,694,871)</u>	<u>2,548,896</u>
Net Change in Fund Balances	<u>(64,879)</u>	<u>(143,057)</u>	<u>291,967</u>	<u>102,177</u>	<u>(309,015)</u>	<u>(6,272,183)</u>	<u>(29,096,429)</u>
Fund Balance, Beginning of Year	<u>1,556,835</u>	<u>188,972</u>	<u>6,135,555</u>	<u>6,382,194</u>	<u>1,918,048</u>	<u>6,273,338</u>	<u>84,378,269</u>
Fund Balance, End of Year	<u>\$ 1,491,956</u>	<u>\$ 45,915</u>	<u>\$ 6,427,522</u>	<u>\$ 6,484,371</u>	<u>\$ 1,609,033</u>	<u>\$ 1,155</u>	<u>\$ 55,281,840</u>

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Certain Capital Project Funds
For Year Ended June 30, 2011**

	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	\$ 18,500	\$ 15,135	\$ (3,365)	\$ 60,000	\$ 113,248	\$ 53,248	\$ -	\$ 102,177	\$ 102,177
Fees and Other Revenues	1,067,418	1,055,909	(11,509)	-	-	-	-	-	-
Total Revenues	<u>1,085,918</u>	<u>1,071,044</u>	<u>(14,874)</u>	<u>60,000</u>	<u>113,248</u>	<u>53,248</u>	<u>-</u>	<u>102,177</u>	<u>102,177</u>
EXPENDITURES									
Current:									
General Government	1,289	649	640	7,500	641	6,859	28,000	-	28,000
Total Expenditures	<u>1,289</u>	<u>649</u>	<u>640</u>	<u>7,500</u>	<u>641</u>	<u>6,859</u>	<u>28,000</u>	<u>-</u>	<u>28,000</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,084,629</u>	<u>1,070,395</u>	<u>(14,234)</u>	<u>52,500</u>	<u>112,607</u>	<u>60,107</u>	<u>(28,000)</u>	<u>102,177</u>	<u>130,177</u>
OTHER FINANCING SOURCES (USES)									
Transfer of Land Held to Governmental Activities	-	-	-	-	-	-	-	-	-
Transfers In	1,455,000	1,100,000	(355,000)	-	-	-	-	-	-
Transfers Out	(1,003,711)	(1,003,711)	-	(29,277,070)	(27,358,581)	1,918,489	(2,350,000)	-	2,350,000
Total Other Financing Sources (Uses)	<u>451,289</u>	<u>96,289</u>	<u>(355,000)</u>	<u>(29,277,070)</u>	<u>(27,358,581)</u>	<u>1,918,489</u>	<u>(2,350,000)</u>	<u>-</u>	<u>2,350,000</u>
Net Change in Fund Balances	<u>\$ 1,535,918</u>	<u>1,166,684</u>	<u>\$ (369,234)</u>	<u>\$ (29,224,570)</u>	<u>(27,245,974)</u>	<u>\$ 1,978,596</u>	<u>\$ (2,378,000)</u>	<u>102,177</u>	<u>\$ 2,480,177</u>
Fund Balance, Beginning of Year		<u>28,716</u>			<u>36,080,893</u>			<u>6,382,194</u>	
Fund Balance, End of Year		<u>\$ 1,195,400</u>			<u>\$ 8,834,919</u>			<u>\$ 6,484,371</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, 2011**

	Vineyards Projects			Redevelopment Projects			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Uses of Money and Property	\$ 57,500	\$ 30,698	\$ (26,802)	\$ 119,600	\$ 75,673	\$ (43,927)	\$ 255,600	\$ 336,931	\$ 81,331
Fees and Other Revenues	-	-	-	-	-	-	1,067,418	1,055,909	(11,509)
Total Revenues	<u>57,500</u>	<u>30,698</u>	<u>(26,802)</u>	<u>119,600</u>	<u>75,673</u>	<u>(43,927)</u>	<u>1,323,018</u>	<u>1,392,840</u>	<u>69,822</u>
EXPENDITURES									
Current:									
General Government	2,500	1,989	511	2,088,554	1,652,985	435,569	2,127,843	1,656,264	471,579
Total Expenditures	<u>2,500</u>	<u>1,989</u>	<u>511</u>	<u>2,088,554</u>	<u>1,652,985</u>	<u>435,569</u>	<u>2,127,843</u>	<u>1,656,264</u>	<u>471,579</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>55,000</u>	<u>28,709</u>	<u>(26,291)</u>	<u>(1,968,954)</u>	<u>(1,577,312)</u>	<u>391,642</u>	<u>(804,825)</u>	<u>(263,424)</u>	<u>(401,757)</u>
OTHER FINANCING SOURCES (USES)									
Transfer of Land Held to Governmental Activities	-	-	-	(1,327,029)	(1,327,029)	-	(1,327,029)	(1,327,029)	-
Transfers In	-	-	-	16,645,112	10,735,301	(5,909,811)	18,100,112	11,835,301	(6,264,811)
Transfers Out	(337,724)	(337,724)	-	(15,479,529)	(14,103,143)	1,376,386	(48,448,034)	(42,803,159)	5,644,875
Total Other Financing Sources (Uses)	<u>(337,724)</u>	<u>(337,724)</u>	<u>-</u>	<u>(161,446)</u>	<u>(4,694,871)</u>	<u>(4,533,425)</u>	<u>(31,674,951)</u>	<u>(32,294,887)</u>	<u>(619,936)</u>
Net Change in Fund Balances	<u>\$ (282,724)</u>	<u>(309,015)</u>	<u>\$ (26,291)</u>	<u>\$ (2,130,400)</u>	<u>(6,272,183)</u>	<u>\$ (4,141,783)</u>	<u>\$ (32,479,776)</u>	<u>\$ (32,558,311)</u>	<u>\$ (1,021,693)</u>
Fund Balance, Beginning of Year		<u>1,918,048</u>			<u>6,273,338</u>			<u>50,683,189</u>	
Fund Balance, End of Year		<u>\$ 1,609,033</u>			<u>\$ 1,155</u>			<u>\$ 18,124,878</u>	

STATISTICAL SECTION CONTENTS

	<u>Page</u>
Financial Trends	S-1 to S-4
<p>These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.</p>	
Revenue Capacity	S-5 to S-13
<p>These schedules contain information to help the reader assess the factors affecting the City’s ability to generate its property taxes, sales taxes and water user fee revenue.</p>	
Debt Capacity	S-14 to S-18
<p>These schedules contain information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.</p>	
Demographic and Economic Information	S-19 to S-20
<p>These schedules contain demographic and economic information to help the reader understand the environment within which the City’s financial activities take place.</p>	
Operating Information	S-21 to S-24
<p>These schedules contain operational and resource information to help the reader understand how the City’s financial information relates to the services the City provides and the activities it performs.</p>	

Sources: Unless otherwise noted, the information in these schedules is derived from the City’s relevant Comprehensive Annual Financial Reports.

City of Brentwood

NET ASSETS BY COMPONENT

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

(Unaudited)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	\$ 391,780,662
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	71,281,324
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	50,583,234
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	\$ 513,645,220
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	\$ 154,107,936
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	33,796,393
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	41,033,910
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	\$ 228,938,239
Primary Government										
Invested in Capital Assets, Net of Related Debt	\$ 175,856,111	\$ 242,490,066	\$ 331,911,721	\$ 360,234,885	\$ 399,593,406	\$ 464,640,901	\$ 510,649,362	\$ 548,387,951	\$ 540,061,061	\$ 545,888,598
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	105,077,717
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	91,617,144
Total Primary Government Net Assets	\$ 280,596,906	\$ 363,905,807	\$ 414,142,335	\$ 490,085,074	\$ 579,289,269	\$ 656,262,592	\$ 707,508,530	\$ 746,534,989	\$ 742,575,140	\$ 742,583,459

City of Brentwood

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	\$ 21,178,861
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	16,444,355
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	4,614,882
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	2,287,863
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	7,563,837
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	9,831,303
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	5,193,300
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	5,068,172
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	72,182,573
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	6,137,929	7,180,354
Public Safety	371,995	396,267	391,286	417,939	463,693	563,191	611,166	512,853	555,434	498,354
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	1,112,381
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	1,191,544
Public Works	6,650	4,861	15,953	20,260	36,618	53,474	87,670	84,910	119,960	75,927
Parks and Recreation	-	-	-	-	1,804,256	1,687,292	1,128,180	936,023	920,233	962,966
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	12,109,521
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	13,903,165
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	37,034,212
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)	(35,148,361)
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	16,247,078	15,684,496
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	5,258,382
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	1,183,245
Public Service Taxes	391,088	589,266	743,890	914,426	1,000,573	527,766	342,627	298,911	283,407	251,092
Measure C / J, TOT	449,654	448,498	457,883	480,838	532,035	598,358	635,411	674,000	676,635	775,964
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	2,925,219
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	2,256,133
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	317,681
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	(426,118)
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	28,226,094
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)	\$ (6,922,267)

City of Brentwood

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	\$ 7,706,249
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	7,839,662
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	17,122,586
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	218,218
Housing	-	-	7,504	1,022,306	1,215,548	1,481,274	792,055	307,298	419,217	430,024
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	33,316,739
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	8,333,225
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	9,045,607
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	16,114,907
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	425,607
Housing	-	-	-	1,000	30,290	117,601	174,368	188,137	175,186	193,610
Capital Grants and Contributions	-	-	-	-	6,287,482	22,969,310	11,971,155	12,590,057	3,996,082	4,635,461
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	38,748,417
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	5,431,678
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 Program	-	-	-	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	1,072,790
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)	426,118
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	1,498,908
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	6,930,586
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)	\$ 8,319

City of Brentwood

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	168,127
Restricted*	-	-	-	-	-	-	-	-	-	-
Committed*	-	-	-	-	-	-	-	-	600,000	600,000
Assigned*	-	-	-	-	-	-	-	-	2,200,000	7,667,955
Unassigned*	-	-	-	-	-	-	-	-	12,464,539	9,835,437
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	\$ 18,271,519
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	2,237
Restricted*	-	-	-	-	-	-	-	-	119,080,851	78,571,539
Committed*	-	-	-	-	-	-	-	-	4,477,489	3,027,135
Assigned*	-	-	-	-	-	-	-	-	-	-
Unassigned*	-	-	-	-	-	-	-	-	(2,586,983)	(2,550,292)
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	\$ 79,050,619

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

City of Brentwood

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

(Unaudited)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	\$ 21,496,574
Licenses	66,810	124,823	325,143	405,246	471,668	509,618	454,678	530,025	494,958	486,963
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	2,695,972
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	1,990,331
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	7,696,877
Franchises	338,692	428,731	584,868	672,172	808,389	965,066	1,018,540	1,057,537	1,168,412	1,183,245
Charges for Other Services	825,618	531,791	570,455	546,251	1,580,198	776,584	515,471	407,429	437,338	522,681
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	5,887,152
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	13,219,741
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	55,179,536
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	18,213,011
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	15,806,664
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	4,658,637
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	2,241,604
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	2,687,175
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	7,782,777
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	5,199,083
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	28,347,984
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	1,085,407
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	4,795,892
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	90,818,234
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)	(35,638,698)
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	-	-	-	-	-	-	-	-
Transfer of Land Held to Governmental Activities	-	-	-	-	-	-	-	-	-	(1,327,029)
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	71,012,558
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)	(75,401,036)
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	(5,715,507)
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	\$ (41,354,205)
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%	9.41%

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
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%
2011	4,660,132,845	723,838,787	50,993,755	302,157,802	122,763,045	5,859,886,234	1.0060%

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
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%
2011	1.00%	0.0060%	1.0060%	0.0390%	0.0715%	0.0248%

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 2011			Fiscal Year 2002		
	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	\$ 107,477,530	1	1.83%	\$ -		0.00%
Trilogy Vineyards LLC	49,388,189	2	0.84%	-		0.00%
Sand Creek Crossing LLC	41,285,400	3	0.70%	-		0.00%
John Muir Mt Diablo Health	36,275,782	4	0.62%	-		0.00%
DS Lone Tree Plaza LLC	33,651,362	5	0.57%	-		0.00%
Towncentre Professional LP	25,724,856	6	0.44%	-		0.00%
WK LLC	25,460,087	7	0.43%	-		0.00%
Festival Retail Fund Brentwood	23,277,184	8	0.40%	-		0.00%
Discovery Builders Inc.	21,777,852	9	0.37%	-		0.00%
Brentwood Arbor Ridge LP	20,965,383	10	0.36%	-		0.00%
Pulte Home Corporation	-		0.00%	44,604,499	1	2.03%
Brookfield Brentwood Lakes Inc.	-		0.00%	44,344,558	2	2.02%
California Sun Properties	-		0.00%	23,948,863	3	1.09%
Len-Brentwood II LLC	-		0.00%	23,258,195	4	1.06%
HPH Properties	-		0.00%	21,528,671	5	0.98%
Signature Properties Inc.	-		0.00%	20,438,147	6	0.93%
US Print Corporation	-		0.00%	17,025,596	7	0.78%
Shea Homes LP	-		0.00%	14,264,999	8	0.65%
Centex Homes	-		0.00%	12,887,217	9	0.59%
Beck Properties	-		0.00%	12,316,563	10	0.56%
Total	\$ 385,283,625		6.57%	\$ 234,617,308		10.69%

Source: HdL Coren & Cone, Contra Costa County Assessor

City of Brentwood

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN TAX YEARS
(Unaudited)

Fiscal Year Ended June 30,	Taxes Levied For The Fiscal Year ⁽¹⁾	Collected Within the Fiscal Year of the Levy ⁽²⁾	
		Amount	Percentage of Levy
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%
2011	15,684,496	15,684,496	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)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Apparel Stores	\$ 948	\$ 4,230	\$ 13,172	\$ 21,115	\$ 30,140	\$ 32,314	\$ 32,851	\$ 37,472	\$ 53,285	\$ 56,132
General Merchandise	107	113	136	246	295	813	1,961	1,896	2,325	2,698
Food Stores	21,742	23,799	27,556	33,424	36,433	39,462	40,428	41,738	44,421	43,179
Eating & Drinking Establishments	20,509	22,476	25,885	29,466	39,548	44,538	49,947	51,701	59,586	63,983
Building Materials	21,534	19,074	19,551	57,860	72,917	64,761	59,947	53,098	47,014	51,066
Auto Dealers and Supplies	55,192	51,653	47,542	48,377	57,165	62,226	57,138	33,031	39,622	43,685
Service Stations	31,014	33,403	40,419	51,259	62,580	73,906	84,455	103,129	77,188	85,337
Other Retail Stores	20,150	24,860	33,388	39,931	55,263	57,824	73,833	87,720	94,401	96,000
All Other Outlets	52,971	57,504	59,426	90,820	95,745	97,382	93,793	87,977	86,599	94,031
Total	\$ 224,167	\$ 237,112	\$ 267,075	\$ 372,498	\$ 450,086	\$ 473,226	\$ 494,353	\$ 497,762	\$ 504,441	\$ 536,111
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
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%
2011	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%; Expires July 1, 2011

City of Brentwood

TOP 25 SALES TAX PRODUCERS CURRENT YEAR AND NINE YEARS AGO

(Unaudited)

2011		2002	
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
Best Buy	Electronics/Appliance Store	Albertsons	Grocery Stores - Liquor
Big B Lumber	Lumber/Building Materials	Auto Brokers Unlimited	Used Automotive Dealers
Bill Brandt Ford	New Motor Vehicle Dealers	Big B Lumber	Lumber/Building Materials
Brentwood Service Station	Service Stations	Bill Brandt Ford	New Motor Vehicle Dealers
Chevron	Service Stations	Brentwood Auto Parts	Automotive Supply Stores
CVS Pharmacy	Drug Stores	Brentwood Dodge Chrysler Plymouth	New Motor Vehicle Dealers
Dallas Shanks Services	Service Stations	Brentwood Ready Mix	Contractors
Home Depot	Lumber/Building Materials	Bunkers Grille	Restaurants - Liquor
Home Goods	Home Furnishings	Burger King	Restaurants - No Alcohol
Kohls	Family Apparel	Centro Mart	Grocery Stores - Liquor
Michaels	Florist Shops	Chevron	Service Stations
Quik Stop - Gasoline Sales	Service Stations	Dallas Shanks Services	Service Stations
Raleys	Grocery Stores - Liquor	Golden Gate Petroleum	Petroleum Prod/Equipment
Ross	Family Apparel	Longs	Drug Stores
Safeway	Grocery Stores - Liquor	McDonalds	Restaurants - No Alcohol
Save Mart Supermarkets	Grocery Stores - Liquor	Mt Diablo Supply	Lumber/Building Materials
TJ Maxx	Family Apparel	Pee Wee Muldoons	Restaurants - Liquor
Tower Mart	Service Stations	Quick Stop Markets	Service Stations
Tri City Auto Plaza	Service Stations	Safeway	Grocery Stores - Liquor
Vintners Distributors	Service Stations	Savers Fuel Mart	Service Stations
Walgreens	Drug Stores	Technipure	Light Industrial/Printers
Whybuynewautos Com	Used Automotive Dealers	Tower Mart	Service Stations
Winco Foods	Grocery Stores - Liquor	Ultramart	Service Stations
Percent of Fiscal Year Total Paid by Top 25 Accounts = 51.14%		Percent of Fiscal Year Total Paid by Top 25 Accounts = 68.72%	

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 SIX FISCAL YEARS
(Unaudited)

	2006	2007	2008	2009	2010	2011
Type of Customer						
Residential	\$ 6,618,564	\$ 8,037,936	\$ 7,967,434	\$ 7,771,514	\$ 7,298,520	\$ 7,559,361
Commercial	1,243,223	1,588,280	1,535,388	1,353,079	1,243,055	1,270,571
Industrial	86,581	104,434	308,275	594,218	474,029	502,181
Government	379,228	596,973	828,672	1,062,688	1,129,991	1,000,586
Total	\$ 8,327,596	\$ 10,327,622	\$ 10,639,768	\$ 10,781,499	\$ 10,145,595	\$ 10,332,699

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)

	2002 ⁽¹⁾	2003 ⁽¹⁾	2004	2005	2006	2007	2008	2009	2010	2011
Monthly Base Rate										
5/8" or 3/4" meter	\$ 11.66	\$ 12.20	\$ 14.00	\$ 14.59	\$ 15.24	\$ 15.98	\$ 16.46	\$ 16.95	\$ 17.46	\$ 17.99
1" meter	17.57	18.38	21.09	21.98	22.96	24.07	24.69	25.43	26.19	26.98
1 1/2" meter	34.90	36.51	41.90	43.68	45.62	47.84	49.38	50.86	52.39	53.96
2" meter	58.21	60.89	69.89	72.85	76.09	79.79	82.30	84.77	87.31	89.93
3" meter	97.03	101.50	116.50	120.60	125.96	132.08	148.13	152.58	157.16	161.87
4" meter	155.24	162.39	186.39	194.30	202.94	212.80	213.97	220.39	227.00	233.81
6" meter	310.57	324.86	372.87	388.70	405.99	425.70	444.40	457.74	471.47	485.61
Consumption Charge (per 1,000 gallons = 1 unit)										
Residential Tiers										
Tier 1: Units 1-10	\$ 1.81	\$ 1.89	\$ 2.19	\$ 2.28	\$ 2.38	\$ 2.50	\$ 2.58	\$ 2.65	\$ 2.73	\$ 2.81
Tier 2: Units 11-20	N/A	N/A	2.61	2.72	2.84	2.98	3.07	3.16	3.26	3.35
Tier 3: Units 21-30	N/A	N/A	3.13	3.26	3.41	3.57	3.68	3.79	3.90	4.02
Tier 4: Units 31+	N/A	N/A	3.65	3.80	3.97	4.16	4.28	4.41	4.55	4.68
Non Residential Tiers										
Tier 1: Units 1-10	N/A	N/A	\$ 2.19	\$ 2.28	\$ 2.38	\$ 2.50	\$ 2.58	\$ 2.65	\$ 2.73	\$ 2.81
Tier 2: Units 11+	N/A	N/A	2.61	2.72	2.84	2.98	3.07	3.16	3.26	3.35
Non Potable										
Tier 1: Units 1+	N/A	N/A	N/A	N/A	N/A	N/A	\$ 0.95	\$ 0.98	\$ 1.01	\$ 1.04

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	COP Bonds	Notes Payable	Capital Leases (Internal Service)	Capital Leases (Governmental)			
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	-	-			
2011	6,544,040	26,110,000	48,000,000	-	-	-	-			

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⁾
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
2011	52,200,000	-	-	-	-	24,416,786	7,432,445	164,703,271	10.62%	3,205

Note: Details regarding the City's outstanding debt can be found in Note #6, found on pages 63 - 71 of this report.

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

(2) See Schedule 19 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
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%	127
2011	6,544,040	6,544,040	0.11%	126

Note: Details regarding the City's outstanding debt can be found in Note #6, found on pages 63 - 71 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, 2011

(Unaudited)

2010-11 Assessed Valuation:	\$ 5,859,886,234
Redevelopment Incremental Valuation:	<u>560,758,033</u>
Adjusted Assessed Valuation:	\$ 5,299,128,201

	<u>Total Debt 6/30/11</u>	<u>Percentage Applicable ⁽¹⁾</u>	<u>City's Share of Debt 6/30/11</u>
DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:			
Bay Area Rapid Transit	\$ 413,865,000	1.218%	\$ 5,040,876
Contra Costa Community College District	237,095,000	4.246%	10,067,054
Liberty Union High School District	59,830,000	49.690%	29,729,527
Brentwood Union School District	53,840,289	91.706%	49,374,775
Oakley Union School District	23,035,000	0.003%	691
City of Brentwood	6,544,040 ⁽²⁾	100.000%	6,544,040
City of Brentwood 1915 Act Bonds	165,281,849	100.000%	165,281,849
California Statewide Communities Development Authority Assessment District No. 04-1& 05-1	9,450,981	100.000%	9,450,981
East Bay Regional Park District	<u>153,990,000</u>	1.887%	<u>2,905,791</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT	\$ 1,122,932,159		\$ 278,395,584
DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:			
Contra Costa County General Fund Obligations	\$ 319,867,903	4.228%	\$ 13,524,015
Contra Costa County Pension Obligations	399,840,000	4.228%	16,905,235
Contra Costa Community College District Certificates of Participation	925,000	4.246%	39,276
Brentwood Union School District Certificates of Participation	2,940,000	91.706%	2,696,156
City of Brentwood General Fund Obligations	56,450,000	100.000%	56,450,000
GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT	<u>780,022,903</u>		<u>\$ 89,614,682</u>
Less: Contra Costa Obligations Supported From Revenue Funds			<u>5,126,454</u>
NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 84,488,228
TOTAL DIRECT DEBT			\$ 62,994,040
TOTAL GROSS OVERLAPPING DEBT			\$ 305,016,226
TOTAL NET OVERLAPPING DEBT			\$ 299,889,772
GROSS COMBINED TOTAL DEBT			\$ 368,010,266 ⁽³⁾
NET COMBINED TOTAL DEBT			\$ 362,883,812

Ratios to Adjusted Assessed Valuation:	
Total Direct Debt (\$62,994,040)	1.19%
Net Combined Total Debt	6.94%
Gross Combined Total Debt	6.85%

Source: California Municipal Statistics, Inc.

(1) Percentage of overlapping agency's assessed valuation located within the boundaries of the city.

(2) Includes \$1,789,064 accreted value.

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

City of Brentwood

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt Limit	\$ 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	\$ 219,745,734
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	6,513,343	6,534,783	6,544,040
Legal Debt Margin	<u>\$ 76,277,333</u>	<u>\$ 100,562,804</u>	<u>\$ 127,684,461</u>	<u>\$ 162,220,661</u>	<u>\$ 203,590,536</u>	<u>\$ 262,514,313</u>	<u>\$ 297,953,724</u>	<u>\$ 271,163,388</u>	<u>\$ 222,589,592</u>	<u>\$ 213,201,694</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	7.29%	5.81%	4.67%	3.80%	3.04%	2.39%	2.13%	2.35%	2.85%	2.98%

Legal Debt Margin Calculation for Fiscal Year 2011

Assessed Value ¹	\$5,859,886,234
Debt Limit (3.75% of Assessed Value) ²	219,745,734
Debt Applicable to Limit:	
General Obligation Bonds	<u>6,544,040</u>
Total Net Debt Applicable to Limit	<u>6,544,040</u>
Legal Debt Margin	<u>\$ 213,201,694</u>

Source: Contra Costa County Assessor

(1) Contra Costa County Auditor / Controller

(2) State of California Government Code 25 and 43605

City of Brentwood

PLEGGED REVENUE COVERAGE
LAST THREE 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
2011	16,427,617	11,336,197	5,091,420	300,000	2,902,763	1.59

Source: City of Brentwood Finance Department

Note: Details regarding the City's outstanding debt can be found in Note #6, found on pages 63 - 71 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⁾
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%
2010	51,394	1,550,929	30,177	35.1	15,744	10.0%

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.

Note:

2001-2009 – Income, Age and Economic Data are based on the last available census. Projections are developed by incorporating all of the prior census data released to date.

2010 – Income, Age and Economic Data is based on the most recent American Community Survey, US Census Bureau.

City of Brentwood

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

(Unaudited)

Employer	2011			2002		
	Employees	Rank	Percent of Total City Employment	Employees	Rank	Percent of Total City Employment
Brentwood Union School District	900-1,000	1	13.49%	300-400	1	7.48%
Liberty Union High School District	200-300	2	3.00%	200-300	2	4.99%
City of Brentwood	200-300	3	3.00%	200-300	3	4.99%
Safeway Stores, Inc.	200-300	4	3.00%	50-100	8	1.25%
Winco Foods, Inc.	150-200	5	2.25%	-		
Kohl's	150-200	6	2.25%	-		
Precision Cabinets	100-150	7	1.50%	200-300	4	4.99%
Raleys Super Markets	100-150	8	1.50%	-		
Home Depot	100-150	9	1.50%	-		
John Muir	50-100	10	0.75%	-		
Albertsons	-			100-200	5	2.49%
US Print	-			50-100	6	1.25%
Lucky Stores, Inc.	-			50-100	7	1.25%
Brentwood Dodge Chrysler Plymouth	-			25-50	9	0.62%
Longs Drugs Stores	-			25-50	10	0.62%
Total	2,150-2,850		32.24%	1,200-1,900		29.93%

Source: City of Brentwood Community Development Department

City of Brentwood

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

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government	23	27	29	33	35	39	39	39	37	37
Public Safety	48	66	71	78	77	77	78	78	79	79
Community Development	26	31	34	37	38	39	29	27	26	26
Engineering	33	34	37	35	32	31	20	12	12	13
Public Works	12	14	15	19	19	19	20	20	20	23
Parks and Recreation	24	26	26	32	32	33	29	27	27	24
Wastewater	10	14	14	15	16	16	16	17	17	17
Solid Waste	12	14	18	20	20	22	23	23	23	24
Water	15	17	17	21	21	22	23	25	25	25
City Rentals	1	2	2	2	2	2	2	-	-	-
Housing	-	-	-	3	3	3	2	1	1	1
	<u>204</u>	<u>245</u>	<u>263</u>	<u>295</u>	<u>295</u>	<u>303</u>	<u>281</u>	<u>269</u>	<u>267</u>	<u>269</u>

Source: City of Brentwood Finance Department

City of Brentwood

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

Function / Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government										
Building Permits Issued	1,157	1,400	1,421	1,452	978	404	129	31	136	109
Accounts Payable Invoices Processed	14,872	15,224	15,855	15,357	15,686	15,255	15,093	13,695	12,085	10,272
Purchase Orders Issued ⁽¹⁾	476	413	487	581	526	414	382	319	238	280
Checks Issued	13,721	14,710	16,624	17,215	18,058	17,628	16,968	15,043	14,328	14,366
Public Works										
Street Miles Swept	N/A	6,313	18,481	22,488	21,715	20,869	20,308	18,031	17,885	17,237
Debris Collected (tons)	N/A	608	1,987	2,265	2,215	2,215	2,017	2,047	1,832	2,226
Streetlights Maintenance Requests	N/A	235	656	576	438	570	834	871	760	806
Police										
Physical Arrests (est.)	1,100	1,086	1,202	1,339	1,314	1,500	1,852	1,603	1,625	1,448
Calls for Service (est.) ⁽²⁾	16,386	19,197	21,190	22,491	23,553	26,000	27,953	32,608	38,922	35,168
Case Files Taken (est.)	4,480	5,032	5,367	5,449	5,571	6,000	6,162	5,941	6,117	5,450
Parks and Recreation										
Total Programs Offered (est.)	699	972	1,214	1,464	1,975	2,123	2,231	945	832	986
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	729,046
Refuse Collection										
Refuse Collected (tons per day)	40	45	52	64	71	82	99	96	95	90
Yard Waste (tons per day)	10	12	14	17	18	23	29	29	31	32
Recyclables Collected (tons per day)	11	13	15	18	19	21	25	22	22	22
Residential Services	9,310	10,807	12,303	13,540	14,489	15,183	14,893	15,263	15,469	15,562
Commercial Services	425	525	624	541	546	475	463	453	459	468
Water										
New Connections	1,421	1,531	1,800	961	900	536	225	39	113	117
Average Daily Consumption (millions of gallons)	5	5	5	8	9	11	11	10	10	9
Peak Daily Consumption (millions of gallons)	10	10	14	15	15	17	17	16	16	16
Number of Utility Customers	9,644	11,022	12,581	13,995	15,289	16,078	16,324	16,442	16,769	16,827
Wastewater										
New Connections	1,400	1,500	1,916	886	830	1,049	225	39	113	119
Average Daily Sewage Treatment (millions of gallons)	2	3	3	3	3	4	4	4	3	3

Source: Various City Departments

⁽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 TEN FISCAL YEARS
(Unaudited)

Function / Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	-	-	-	-	-	-	-	1	1	1
Patrol Vehicles	27	29	33	36	40	52	52	50	50	51
Parks and Recreation										
Neighborhood Park Acreage	76	95	148	171	194	228	256	256	256	256
Play Areas	20	22	25	32	40	40	43	43	45	45
Multi-Use Trails (miles)	N/A	N/A	13	15	15	15	16	16	16	16
Multi-Use Ball and Soccer Fields	14	14	17	20	23	23	23	23	23	23
Picnic Areas/Tables ⁽¹⁾	23	23	23	25	214	253	276	276	276	276
Refuse Collection										
Collection Trucks	8	9	12	12	13	14	14	14	14	14
Water										
Water Mains (miles)	100	120	149	164	173	173	173	173	184	191
Fire Hydrants	1,323	1,323	1,397	1,521	1,628	1,628	1,869	1,910	1,940	1,945
Number of Wells	7	8	8	9	10	10	9	9	9	9
Number of Reservoirs	4	4	4	5	5	6	6	6	6	6
Storage Capacity (millions of gallons)	11	11	11	15	15	19	19	19	19	19
Wastewater										
Sanitary Sewers (miles)	67	67	92	101	138	150	150	150	150	152
Lift Stations	4	4	3	3	3	2	3	2	2	2
Other Public Works										
Streets (miles)	119	119	145	161	168	168	168	190	190	190
Street Lights	2,858	2,858	3,614	3,873	3,882	4,255	5,299	5,836	5,836	5,836

Source: Various City Departments

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

City of Brentwood

General Information

(Unaudited)

Date of Incorporation:	January 19, 1948
Forms of Government:	General Law Council-Manager
Fiscal Year Begins:	July 1
Area of City:	14.83 Sq Miles
Population as of January 2011:	52,029

<u>Miles of Streets</u>	
Miles of Streets	190
Miles of Sanitary Sewers	150
Miles of Water Mains	191
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>Municipal Wastewater System</u>	
Number of Lift Stations	2
Sanitary	3
Storm	1
Number of Connections	15,679
Average Daily Flow	3.2 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>Number of Full-time Equivalent Positions</u>	<u>Year End</u>
268.75	2011
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

<u>Municipal Water System</u>	
Number of Wells	9
Number of Reservoirs	6
Storage Capacity (gallons)	19 MG
Average Daily Consumption	9.2 MGD
Peak Daily Consumption	16.1 MGD
Number of Fire Hydrants	1,945
Number of Connections	16,827

<u>Police Protection</u>	
Sworn Officers	62
Non-Sworn	17
Reserves	0
Vehicles	51
Motorcycles	6

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

<u>Municipal Solid Waste</u>	
Number of Residential Services	15,562
Number of Commercial Services	468

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

Source: Various City Departments