

# CITY OF BRENTWOOD

150 City Park Way Brentwood, CA 94513



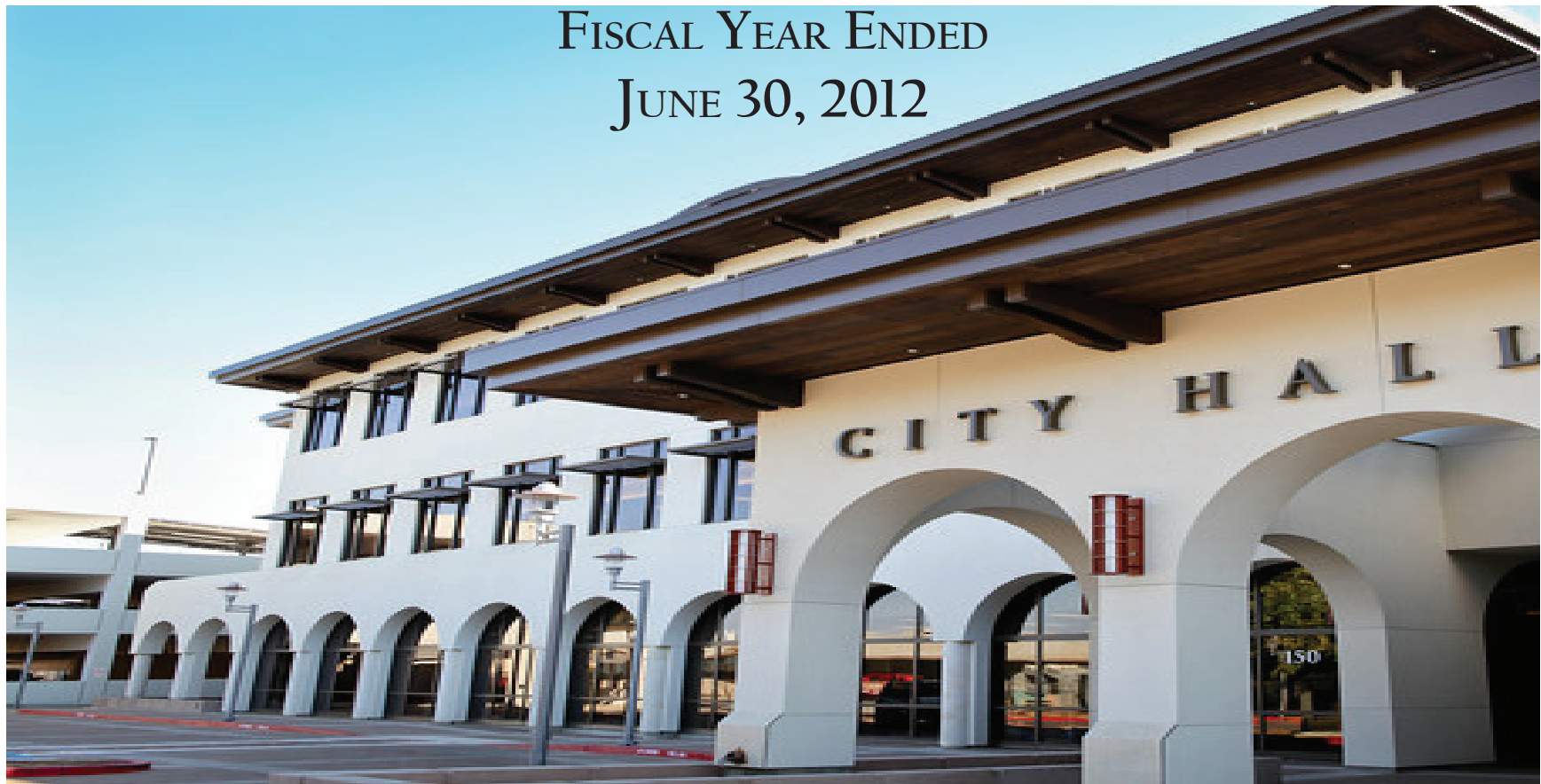
## COMPREHENSIVE Annual Financial Report Fiscal Year Ended June 30, 2012



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 the “Road to Revitalization.”*

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED  
JUNE 30, 2012



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



For Fiscal Year Ended June 30, 2012

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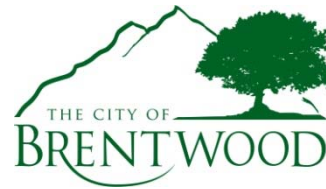
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February 12, 2013

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:

We are pleased to submit the Comprehensive Annual Financial Report for the City of Brentwood, California for the fiscal year ended June 30, 2012. The City of Brentwood is required to annually publish a complete set of financial statements, presented in conformity with Generally Accepted Accounting Principles and audited by an independent, certified public accounting firm. While the City has historically published a complete set of financial statements within six months of the close of the fiscal year, the passage of California Assembly Bill 1484 (AB 1484) precluded these financials from being published within that timeframe. AB 1484, commonly referred to as the “Redevelopment Dissolution Legislation”, mandated the completion of time-consuming due diligence reviews which delayed the City’s financial statement audit.

This is the twelfth year the City’s Finance Department has prepared this report and the eleventh 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

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misuse. The internal control structure is designed to provide reasonable assurance these objectives are met, while recognizing that this assurance is not absolute. The concept of reasonable assurance recognizes: 1) the cost of a control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits requires estimates and judgments by management. City management 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 thirteenth consecutive "Unqualified" Audit issued for the fiscal year ended June 30, 2012.

### **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 presents the results of their assessment of the adequacy of internal accounting controls and the quality of financial reporting directly to the City Council. 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 January 1, 2012, the City had a population of approximately 52,575 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.



The City had been financially accountable for the Brentwood Redevelopment Agency (“Agency”) prior to the dissolution of the Agency, which became effective February 1, 2012 as a matter of State law. Although a legally separate entity, the Agency had been a blended component unit and was, in substance, a part of the government’s operations. Financial data for the Agency through January 31, 2012 is combined with the data of the primary government, while financial data for activities subsequent to that date is the responsibility of a Successor Agency and therefore, has been segregated in a private-purpose trust fund. In addition, the City is financially accountable for the Brentwood Infrastructure Financing Authority (BIFA), a component unit of the City. Although a legally separate entity, this blended component unit is also substantively part of the government’s operations. Financial data for BIFA is combined with the data of the primary government. For accounting purposes, BIFA, the Agency and the City all have a June 30 year-end date. See Note #1 – A, found on page 30, for a more detailed discussion of these 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 City operates on a two-year budget cycle. The budget cycle 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 at a Budget Workshop during the spring, with the final adoption of the two-year budget scheduled for City Council consideration in June. The newly adopted two-year budget is then formally reviewed by the City Council at a public meeting every six months.

Activities of the General Fund, Special Revenue Funds, Debt Service Funds, Proprietary Funds, Internal Service Funds 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 Improvements Fund; Community Facilities Improvement Projects Fund; Park Improvement Projects Fund; Drainage Improvement Projects Fund; Street Improvement Projects Fund; Capital Improvement Revenue

Refunding Bonds Series 2012 Fund; 2002 General Obligation Bond Fund and Civic Center Project Lease Revenue Bonds Fund. See Note #2 – A, on page 44, for additional information.

### ECONOMIC OUTLOOK

The City experienced a period of 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, are projected to decline for a fifth consecutive year in fiscal year 2012/13, with a total decline of slightly over 33% since fiscal year 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 received 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 responsible for a repayment amount of \$96,136 over the 2010/11 and 2011/12 fiscal years. Chevron has appealed its 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. The majority of cities in Contra Costa County, including Brentwood, along with several special districts filed a legal complaint against the Contra Costa County Auditor-Controller regarding the allocation of the Chevron refund amongst those agencies, including Brentwood, which did not receive any of the benefits in previous years. On January 9, 2013 the Superior Court denied the writ petition and decided that the Auditor-Controller can require all of the local governments in the County who receive property taxes to pay for part of the refund, even if, in effect, they never received the taxes that were being refunded. A decision as to whether to appeal this decision has not yet been reached.



In April 2012, the Contra Costa County Assessment Appeals Board rejected Chevron’s claims for the 2008 – 2010 tax years, and ruled Chevron was actually under-assessed and is required to pay additional taxes. While the payment of these additional taxes would be apportioned to all taxing entities, including Brentwood, in a manner similar to how the refunds were apportioned, it is likely that Chevron will appeal this ruling. There is a possibility Chevron may yet be successful in one or more of its appeals which could have a negative impact on the City’s budget.

While property tax and development related revenues have declined significantly, the City’s sales tax revenues have posted annual increases throughout the economic downturn. While most agencies suffered double digit percentage declines at the depths of the recession, the City was able to avoid these declines, largely due to the 2008 opening of the Streets of Brentwood Lifestyle Center (“The Streets”). With consumer activity showing signs of a modest recovery, the City’s sales tax revenues are expected to continue to show moderate increases 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.

The City is also facing significant challenges on the expenditure side of the budget. While revenues have fallen, operational costs continue to escalate. These budgetary challenges will be much more difficult in the coming years, as increases in the City's pension contribution requirements are phased in and funding requirements for Other Post-Employment Benefits (OPEB) continue to increase. In addition to adopting an OPEB pre-funding plan, the City Council has also taken steps to address long-term cost concerns through labor contract negotiations. As discussed below, a second tier package addressing health insurance, pension and OPEB costs was approved by each one of the City's bargaining units. The cost savings generated from these contracts will go a long way towards ensuring a strong fiscal future for the City.

### **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 2011/12 – 2020/21 General Fund Fiscal Model, adopted by the City Council in March 2012, 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 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 forecast of an extremely challenging financial environment in the City's 10-year financial forecast, as well as fiscal prudence, highlighted the need for cost containment to be a focal point in labor contract negotiations with the City's employee bargaining units as described below.

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 negotiated labor contracts, and other proposed long-term cost savings, to accumulate and ultimately allow for the General Fund to operate in balance without this subsidy. In fiscal year 2012/13, the General Fund is not expected to need a transfer from the Budget Stabilization Fund, although a \$2.1 million transfer has been budgeted for fiscal year 2013/14. 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.

**Labor Contracts** – All of the City’s labor contracts were set to expire on June 30, 2012. Negotiations for new labor contracts were conducted with the knowledge that a balance must be struck between achieving the cost savings necessary to ensure a fiscally sustainable future, while at the same time maintaining a competitive compensation plan to protect the City’s ability to recruit and retain qualified employees. Through the labor negotiation process, the City succeeded in this objective with the new contracts including: 1) second tier retirement benefits for new sworn employees (non-sworn agreed to a second tier retirement in 2010); 2) reduced health insurance coverage limits; 3) reduced OPEB coverage commitments and 4) increased pension contributions for employees. All of the City’s labor groups agreed to these necessary cost reductions.

**Retirement** – The City is a member of the Public Employee Retirement System (PERS). PERS rates fall into two categories: Police Safety and Miscellaneous Members. Employees in the PERS system are not covered by Social Security. One component required to help restore long-term fiscal stability was the implementation of a second tier and increased pension cost sharing requirements for both the Safety and Miscellaneous groups.

The City’s Safety members have two tiers. The first tier, for employees hired prior to September 1, 2012, participate in the 3% at 50 retirement plan, have their “final compensation” based on their highest one-year salary and are provided with annual cost of living adjustments of up to 5%. The City will pay 6% of the required 9% PERS employee contribution in fiscal year 2012/13, 3% in fiscal year 2013/14 and will cease paying any portion of the employees share in fiscal year 2014/15. The second tier, for employees hired on or after September 1, 2012, will participate in the 3% at 55 retirement plan, have their “final compensation” based on their highest average three-year salary and are provided with annual cost of living adjustments of up to 2%. The employee is responsible for the entire 9% required PERS employee contribution.

The City’s Miscellaneous members also have two tiers. The first tier, for those employees hired prior to October 1, 2010, participate in the 2.7% at 55 retirement plan, have their “final compensation” based on their highest one-year salary and are provided with annual cost of living adjustments of up to 5%. The City will pay 4% of the required 8% PERS employee contribution in fiscal year 2012/13, 2% in fiscal year 2013/14 and will cease paying any portion of the employee share in fiscal year 2014/15. The second tier, for those employees hired on or after October 1, 2010, will participate in the 2.0% at 60 retirement plan, have their “final compensation” based on their highest average three-year salary and are provided with annual cost of living adjustments of up to 2%. The employee is responsible for the entire 7% required PERS employee contribution.

The City also provides retiree medical coverage to employees who retire from the City and who have met 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. As a part of the new labor contracts, the City’s maximum coverage amount for retiree medical coverage is divided into three tiers:

- The first tier, which includes retirees who separated from service prior to July 1, 2012, have a current maximum monthly City paid coverage amount of \$1,226.63 for Miscellaneous and \$1,250.66 for Safety. This amount will increase based on increases in medical coverage rates, and over the long-term will equal the “Kaiser plus one dependent” rate.



- The second tier, which includes active employees hired prior to July 1, 2012, will provide monthly coverage of the greater of: 1) \$1,226.63 for Miscellaneous employees, \$1,500 for Safety employees or 2) the “Kaiser employee only” rate, which is currently \$610.44. It is anticipated it will be several years before the Kaiser employee only rate will exceed the current medical caps, resulting in a long period without City cost increases for retiree medical coverage.
- The third tier, which includes employees hired on or after July 1, 2012, will provide monthly coverage of the Public Employees Medical and Hospital Care Act (PEMHCA) minimum, as set annually by the State of California. The current PEMHCA monthly minimum is \$112.

**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 strategy which includes achieving 85% funding of the ARC, on an annual basis, by fiscal year 2017/18. 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. In addition, the recently signed contracts with the City’s labor bargaining units included a reduced OPEB commitment for future retirees. The impacts from the pre-funding strategy and the new labor agreements have been incorporated into the City’s Operating Budget.

**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 program for 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, 2012, the City had issued 227 permits under the fee deferral program. Since incorporation of the program, the City has deferred a total of \$3,048,006, of which \$2,916,464 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 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. In addition, through the Business License Tax Grant, the Parks and Recreation Department was able to offer several special event programs, including Concerts in the Park, Lunch with Bunny, Mad Hatter Tea Party, Date Night and the Sweetheart Brunch.

#### **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.

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

- **Perez Nursery Site Development:** A development application was received from Meta Housing, an award-winning, for-profit affordable housing developer, for a 54-unit affordable apartment complex, known as The Grove at Sunset Court, located at the former Perez Nursery site. The project consists of one-, two- and three-bedroom units, two-story buildings, community building, common open space, community pool, on-site covered parking, gated entry and related improvements. The project site area is 3.26 acres, which includes a portion of the abandoned Sunset Court roadway. In August of 2012, Meta Housing broke ground at The Groves at Sunset Court. Total development costs are \$16,100,000, including \$3,950,000 from City of Brentwood Affordable Housing funds.



- **Website, Business Incentives, Employment Centers:** In October of 2011, the City Council adopted the City's Comprehensive Economic Development Strategy, consisting of the following policies affecting: 1) marketing and public information; 2) business retention; 3) office and industrial development; 4) retail development and 5) miscellaneous initiatives. Staff also completed the re-design of the Economic Development website to provide business resources such as site location assistance; tools for success; recruitment and training; market data and programs; financing and electronic newsletters for the business community.

**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 had already implemented a second tier retirement system for non-safety employees hired after September 30, 2010; however, a more comprehensive long-term compensation strategy was needed to bring costs in line with ongoing revenues. The compensation strategy was negotiated with, and agreed to, by all of the City's labor bargaining units and will give the City the ability to responsibly manage its expenses without having to resort to undesirable reductions which would negatively impact the service levels provided to residents. The new labor contracts include the following cost reductions: 1) second tier pension benefits for new hires; 2) employees contributing towards pension costs; 3) caps on City paid medical coverage including a second tier and 4) caps on City paid retiree medical coverage including a second tier.

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

- **Downtown / Redevelopment Agency:** The City of Brentwood Redevelopment Agency was responsible for implementing redevelopment projects in support of the City of Brentwood and promoted, established, developed and supported economic development, business and affordable housing opportunities within the Merged Redevelopment Project Areas. All California Redevelopment Agencies were dissolved by the State, as a matter of law, on February 1, 2012. With the dissolution of the Brentwood Redevelopment Agency, a critical source of funds for infrastructure improvements has been lost.
- **Park Master Plan Review:** The City Council Park Ad Hoc committee has been established to hold public meetings to accept feedback and information related to the review of the City of Brentwood Parks, Trails, and Recreation Master Plan. As a result of a number of public meetings, and meetings with the Park and Recreation Commission, three applications were made to, and accepted by, the East Bay Regional Park District for use of Measure WW funds. These funds are being used for the construction of the King Park Dog Area Expansion, the Veterans Park Universal Abilities Playground and the Veterans Park Bocce Court Expansion projects. All three of these projects meet the objectives of the Parks, Trails and Recreation Master Plan. In addition, Summerset Commons Park was recently completed using Measure WW funds. 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.





- **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. The City Council awarded construction contracts for the new Solid Waste Transfer Station facility on March 3, 2012. This facility will provide the City 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 requirements and meeting or exceeding mandated solid waste diversion requirements.

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

- **Bicycle Patrol:** The addition of six new bicycles, equipped with police markings, emergency lights, first aid and trauma kits, allow officers to have increased bicycle patrol in the Downtown business district, parks and other areas needing special police presence. In addition, bicycle patrols also allow officers to be more visible and approachable to residents.
- **Citizen Police Academy:** This is a citizens program which provides insight to the operations of the Police Department. Citizens attend one evening per week for 12 weeks. They receive education and training and participate in various activities relating to police work. This is a great public relations tool utilized by many agencies across the country.
- **Community Alerts for Businesses:** In an effort to be more responsive to issues affecting Brentwood businesses, the City is currently working on a new email alert program. This program will allow the Police Department to send broadcast emails to Brentwood businesses when there is public safety information which needs to get to them quickly. This will provide the business community with real-time crime alert information.

**Technology** – *Staying current with proven technology.*

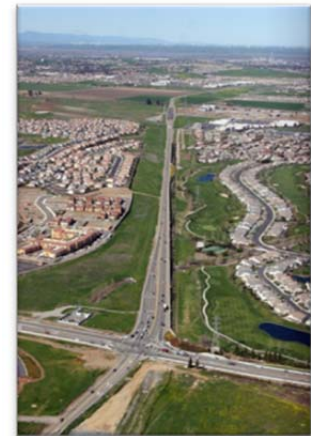
- **Detailed Telecommunications System Assessment:** The current trend of phone systems involves moving towards Voice Over Internet Protocol (VOIP). With VOIP, the phone system uses the data network for all voice traffic. In the past all voice traffic used separate phone lines. This will consolidate 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.
- **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 network is very reliable and has enough bandwidth to push video, phone, data and any future technology that requires high bandwidth. 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 and second phases, connecting the City Data Center to City Hall and connecting Public Works Operations to the Data Center, have been completed. The third phase, connecting the Aquatic Park/Senior Activity Center to the Data Center, is scheduled to begin in fiscal year 2013/14. The City also recently completed the Downtown Wi-Fi CIP project which provides free public access to the internet throughout the downtown area. Providing Wi-Fi in the downtown area enhances the experience of visiting downtown and encourages the public to spend more time in the area.

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

- Highway 4 (Bypass):** Although the decline in development activity has reduced funding for State Route 4 (SR4) Bypass projects, the State Route 4 Bypass Authority (“Bypass Authority”), in coordination with the Contra Costa Transportation Authority, has successfully received funding for future phases of the SR4 Bypass. This includes the connector ramps to State Route 160 and the Sand Creek Road Interchange project. The Sand Creek Road interchange project, which began construction in June of 2012, widens the SR4 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. Longer-term phases include the Balfour Road interchange, currently under design, and widening from Sand Creek Road to Balfour Road. The City continues to work with the transportation agencies to seek available funding for the additional phases.
- Highway 4 (Brentwood Boulevard) Relinquishment:** The SR4 Bypass has been accepted into the State Highway System by Caltrans as an extension of the existing SR4 and, as a result, Caltrans relinquished the portion of SR4, known as Brentwood Boulevard, to the City.
- 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. In January of 2012, the City Council received a staff report of the status of proposed modifications to the Affordable Housing Ordinance and a draft Housing Element was adopted by the City Council. This draft was circulated to the State Department of Housing and Community Development (HCD), which returned the document with comments including additional amendments to the City Affordable Housing Ordinance. The comments were incorporated into a revised Affordable Housing Ordinance which was approved by the City Council on December 11, 2012. The Ordinance reduces the moderate affordable housing obligation to zero (until market conditions change) and reduces the overall affordable housing obligation from 10% to 2%.

- Brentwood Boulevard Specific Plan:** This project involved creating a specific plan for the Brentwood Boulevard corridor, which extends from Delta Road on the north to Second Street on the south. The plan, adopted by the City Council on March 27, 2012, includes a comprehensive and long-term vision for development and redevelopment of the corridor and provides all of the regulations needed to evaluate development projects.
- Downtown Zoning – Specific Plan:** This initiative requests the Downtown Specific Plan (DSP) be amended to address technical revisions and land use policies. On June 4, 2012, the City Council’s Downtown Specific Plan/Business Promotion Ad Hoc Committee reviewed an outline of the proposed revisions to the DSP. These revisions have been prepared and are currently undergoing staff review. The draft amended plan will be presented to the Ad Hoc Committee in late 2012 or early 2013 for review and recommendation, with subsequent review by the Planning Commission and ultimate action by the City Council.
- Sciortino Ranch Development:** In May of 2011, the City Council approved a new initiative directing staff to actively work for the promotion and development of the Sciortino Ranch site, adjoining the east side of Brentwood Boulevard at Sand Creek Road. However, the responsibility for proposing and implementing a development project is either the property owner’s or a developer’s; therefore, actual timelines for development will largely depend on the initiative of the development community. To date, no development projects have been proposed.
- General Plan Update:** In October of 2011, the City Council approved a new initiative, committing the City to undertake and complete a comprehensive update of the General Plan, including an accompanying Environmental Impact Report (EIR). On September 11, 2012, the City Council approved a contract with the DeNovo Planning Group to complete this two-year project. A General Plan Update Working Group will be appointed by the City Council in early 2013. This group will be responsible for overseeing the work of the consultants and staff and will serve as a liaison to the City Council for completion of the project. The draft General Plan and draft EIR are scheduled to be reviewed for adoption in the spring of 2014.

**Brentwood General Plan Update**

**General Plan Documents**  
The General Plan update process will take approximately two years, with an anticipated completion date of late summer 2014. As the General Plan is prepared, a number of major documents will be available for public review and comment.

**Existing Conditions Report** This document will provide a snapshot of the conditions, trends, and regulations that are influencing the City today. The report will focus on development patterns, natural resources, economic conditions, environmental constraints, housing resources, and demographics.

**Opportunities and Constraints Report** This report will provide a summary of the critical policy and program issues to be addressed in the General Plan. The report will present alternative approaches that can be used to address each issue. This document will be used by the City to provide direction on the focus of the General Plan update.

**Land Use Alternatives Report** This report will present four different Land Use Map alternatives. An analysis of the land use, circulation, fiscal viability, economic development, and public services and infrastructure effects relative to each alternative will be provided. The report will be accompanied by a detailed fiscal analysis that will address long-range fiscal impacts in terms of the cost to provide services to projected land uses and growth versus the revenues generated under each alternative.

**Draft General Plan** The General Plan will contain the goals and policies that will guide future activities, services, and development in the city. The General Plan establishes land uses and policies for the use and preservation of resources. It also identifies a full set of implementation measures that will ensure the policies of the General Plan are carried out.

**Environmental Impact Report (EIR)** The EIR prepared for the General Plan will meet the requirements of the California Environmental Quality Act (CEQA). The Planning Commission and City Council will use the EIR during their consideration of the draft General Plan to understand the potential environmental implications associated with it.

**Visioning Workshops**  
Your input on the General Plan is important!  
Please attend a Visioning Workshop and share your vision and goals for Brentwood. The first community outreach step is a series of three Visioning Workshops. The purpose of these workshops is to:

- Communicate the intent of the General Plan update
- Receive public input on community goals and priorities
- Develop a Vision Statement that guides the General Plan process
- Identify preferred land uses

The workshops will provide an opportunity for the public to learn about the General Plan, provide input regarding key challenges and issues facing the City, and provide input on land use preferences. Each workshop will address identifying a vision for Brentwood, specific concerns to be considered, and conceptual land use and design preferences. The first two Visioning Workshops will be similar in terms of information presented and activities, while the third workshop will have a different set of activities. All members of the public are invited and encouraged to attend the Visioning Workshops.

Visit the website at [brentwoodgeneralplan.org](http://brentwoodgeneralplan.org) for up to date meeting information.

**VISIONING WORKSHOP #1**  
Wednesday, November 7, 2012 - 7 to 9 pm  
Brentwood Community Center  
35 Oak Street

**VISIONING WORKSHOP #2**  
Thursday, November 8, 2012 - 7 to 9 pm  
Brentwood Senior Activity Center  
193 Griffith Lane

**VISIONING WORKSHOP #3**  
Wednesday, December 12, 2012 - 7 to 9 pm  
Brentwood Community Center  
35 Oak Street

**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, 2011. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

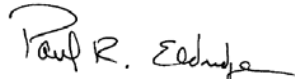
A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.


**ACKNOWLEDGEMENTS**

We wish to thank the City Council for providing the clear policy direction and goals 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,

  
Paul R. Eldredge  
City Manager

  
Pamela Ehler  
City Treasurer  
Director of Finance and Information Systems

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, 2011

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. Enos*

Executive Director

**LIST OF PRINCIPAL OFFICIALS**

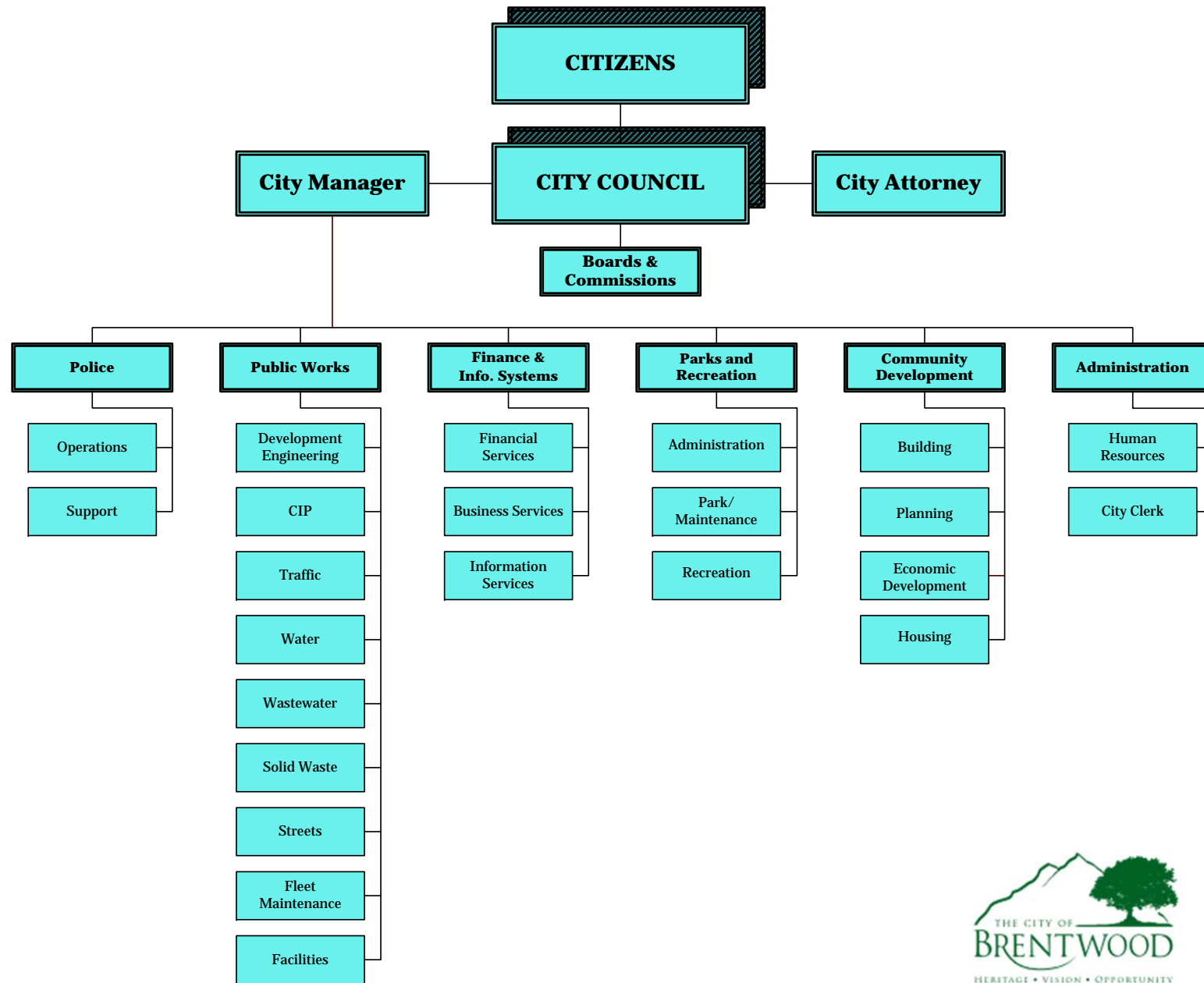
*(As of June 30, 2012)*

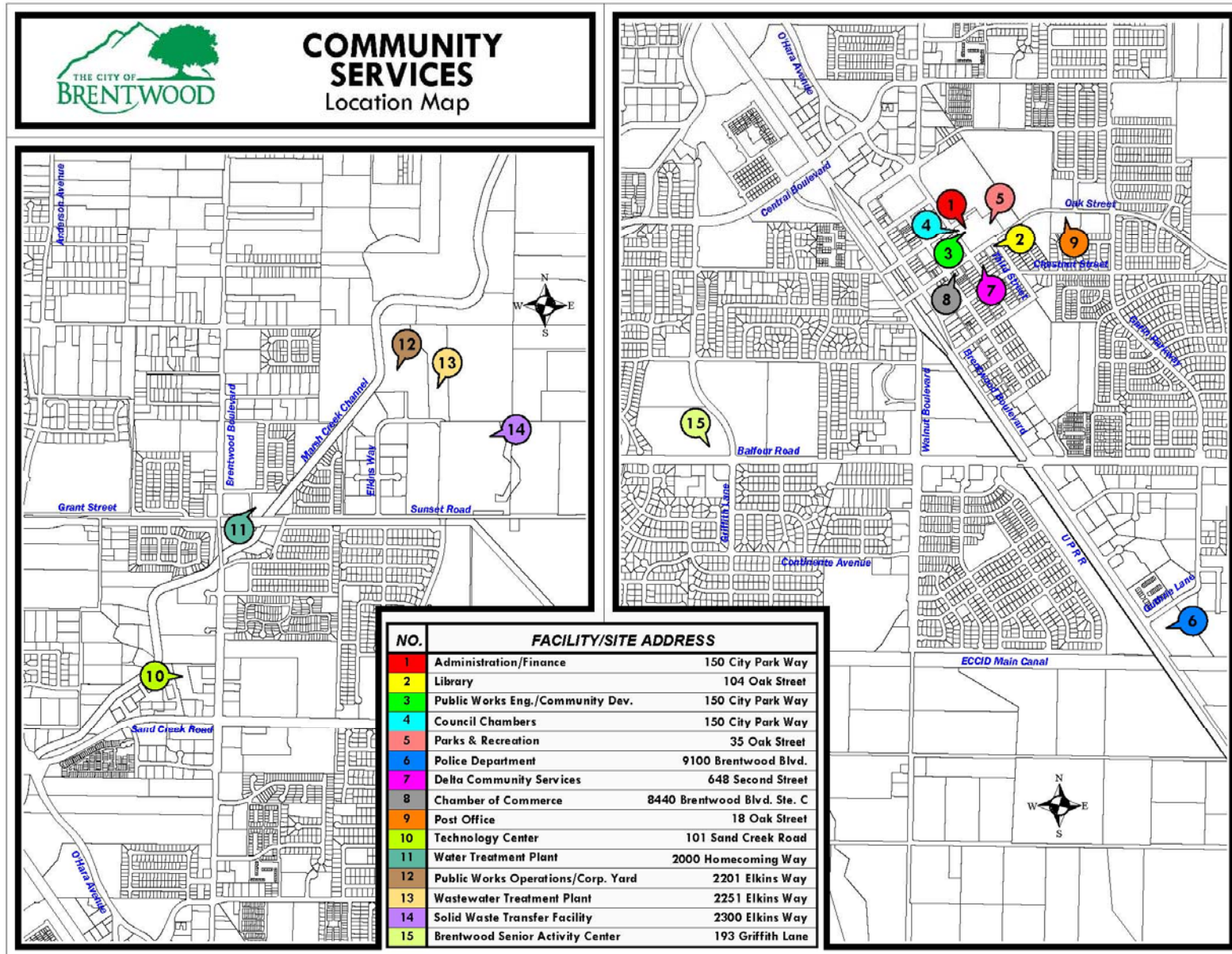
***City Officials***

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

***Executive Team***

Paul Eldredge ..... City Manager  
 Damien Brower ..... City Attorney  
 Craig Bronzan ..... Director of Parks & Recreation  
 Karen Chew ..... Assistant City Manager  
 Pamela Ehler ..... City Treasurer / Director of Finance & Information Systems  
 Mark Evenson ..... Police Chief  
 Bailey Grewal ..... Director of Public Works / City Engineer  
 Casey McCann ..... Director of Community Development







*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.

***Quality*** – the highest degree of excellence.

## AWARDS

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

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

The City of Brentwood was recognized by the Arbor Day Foundation as a **“Tree City USA Community”** for 2011.

The City was recognized by the Metropolitan Transportation Commission for having the **“Highest Pavement Condition Index (PCI)”** in the Bay Area.

The City was recognized by the Metropolitan Transportation Commission for having the **“Best All-Around Pavement Management Program in 2011”**.

The City received the Government Finance Officers Association (GFOA) Awards for the following:

- “Excellence in Financial Reporting for Fiscal Year 2010/11”**
- “Distinguished Budget Presentation for Fiscal Year 2010/11”**

The City received the California Society of Municipal Finance Officers (CSMFO) Awards for the following:

- “Excellence in Capital Budget for Fiscal Year 2011/12”**
- “Excellence Award for Public Communications Fiscal Year 2011/12”**

The City received the **“Platinum Award”** from the Association of Marketing and Communication Professionals for the Economic Development Website.





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## INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council  
City of Brentwood, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brentwood, California (City), as of and for the year ended June 30, 2012, 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 opinions 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 opinions.

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 as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows 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 discussed in Note 12, pursuant to ABx1 26 adopted by the State of California which was validated by the California Supreme Court on December 28, 2011, the Brentwood Redevelopment Agency has been dissolved and its assets turned over to and liabilities assumed by Successor Agencies effective January 31, 2012. Certain transactions undertaken by the Brentwood Redevelopment Agency prior to the date of dissolution may be subject to review by the State as discussed in Note 12, but the effect of that review cannot be determined as of June 30, 2012.

As discussed in Note 4, prior to the Redevelopment Agency dissolution, the Agency approved a loan agreement which obligated certain Redevelopment funds. The loan agreement was rejected by the Department of Finance, and the City funded the loan from the City Housing Enterprise Fund. The City and the Department of Finance are scheduled to meet and confer to settle the matter. Redevelopment Agency funding in the amount of \$3,989,500 remains in the City Low Income Housing Special Revenue Fund pending the resolution of this matter. Management continues to believe this transaction is valid and should be funded with the Redevelopment funds.

The City's position on these matters is not a position of settled law and there is considerable legal uncertainty regarding these matters. It is possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue favorably or unfavorably to the City. No provision for liabilities resulting from the outcome of these uncertain matters has been recorded in the accompanying financial statements.

In accordance with Government Auditing Standards, we have also issued our report dated January 11, 2013, 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.

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and budgetary comparison information for the General Fund be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The Introductory Section, Supplemental Information, and Statistical Section listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the financial statements. The Supplemental Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Information is fairly stated in all material respects in relation to the financial statements as a whole. The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

A handwritten signature in cursive script that reads "Mary & Associates". The signature is written in black ink and is positioned above the date.

January 11, 2013



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, 2012. 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 \$759.6 million. Of this amount, \$117.4 million may be used to meet the City's ongoing obligations to citizens and creditors.
- Aside from an extraordinary gain of \$27.7 million, associated with dissolution of the Redevelopment Agency and the recording of a receivable from the Successor Agency to the Redevelopment Agency for its share of outstanding debt, the City's total net assets declined by \$10.6 million. This decline is largely attributable to a slowdown of development, with depreciation expense exceeding developer dedicated infrastructure by \$11.5 million.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$75.6 million, a decrease of \$21.7 million in comparison to the prior year. This is primarily due to drawdown of the funds for capital projects, with the capital projects funds reporting a cumulative fund balance decline of \$18.6 million.
- The City's total long-term debt decreased by \$1.9 million as increases of \$2.5 million in net Other Post Employment Benefits (OPEB) obligations were more than offset by reductions from annual debt service payments on remaining City debt.
- Internal Service Funds have net assets of \$37.8 million at year end, which is a decrease of \$0.3 million from the prior year. The decrease is entirely attributable a reduction of \$1.1 million in fund balance in the Insurance Fund as a result of increased pre-funding of the City's OPEB obligation.

### **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, 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 City's Fiduciary Funds include Agency Funds, which are purely custodial in nature and do not involve a measurement of operational results, and Private-Purpose Trust Funds which, in addition to being custodial in nature, also include operational activities under which the principal and income benefit several specific local taxing entities. While both Agency and Private-Purpose Trust Funds include a Statement of Net Assets, only the latter is required to include a Statement of Changes in Net Assets. The Fund Financial Statements can be found on pages 17 – 26 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, governmental agencies and others. The City's fiduciary activities are reported in a separate Statement of Fiduciary Net Assets. These activities are excluded 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 pages 25 – 26 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 – 92 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 budgetary comparison schedules for the General Fund and each major Special Revenue Fund. Required Supplementary Information can be found on pages 93 – 94 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 95 – 142 of this report: Non-Major Governmental Funds, Internal Service Funds, Agency Funds, General Fund, Special Revenue Funds, Debt Service Funds and Capital Project Funds.



**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The net assets for the City as a whole increased by 2.29%, or \$17.0 million, from \$742.6 million at June 30, 2011 to \$759.6 million being reported at June 30, 2012. 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 by \$5.8 million during the year as a result of the construction of capital assets. 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 \$90.5 million as of June 30, 2012. The remaining balance of unrestricted net assets, \$117.4 million as of June 30, 2012, may be used to meet the City's ongoing obligations to citizens and creditors.

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Totals</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
Current Assets	\$ 121,423,764	\$ 147,301,010	\$ 76,099,708	\$ 77,487,417	\$ 197,523,472	\$ 224,788,427
Capital Assets	479,683,756	468,372,398	236,732,214	238,157,167	716,415,970	706,529,565
Other Non-Current Assets	30,428,928	1,173,092	1,949,509	1,906,064	32,378,437	3,079,156
<b>Total Assets</b>	<b>631,536,448</b>	<b>616,846,500</b>	<b>314,781,431</b>	<b>317,550,648</b>	<b>946,317,879</b>	<b>934,397,148</b>
Current Liabilities	\$ 14,417,576	\$ 17,065,584	\$ 6,018,719	\$ 5,471,448	\$ 20,436,295	\$ 22,537,032
Long-Term Liabilities Outstanding	85,620,922	86,135,696	80,657,630	83,140,961	166,278,552	169,276,657
<b>Total Liabilities</b>	<b>100,038,498</b>	<b>103,201,280</b>	<b>86,676,349</b>	<b>88,612,409</b>	<b>186,714,847</b>	<b>191,813,689</b>
Net Assets:						
Invested in Capital Assets, Net of Related Debt	\$ 396,203,826	\$ 391,780,662	\$ 155,440,943	\$ 154,107,936	\$ 551,644,769	\$ 545,888,598
Restricted	55,501,023	71,281,324	35,030,908	33,796,393	90,531,931	105,077,717
Unrestricted	79,793,101	50,583,234	37,633,231	41,033,910	117,426,332	91,617,144
<b>Total Net Assets</b>	<b>\$ 531,497,950</b>	<b>\$ 513,645,220</b>	<b>\$ 228,105,082</b>	<b>\$ 228,938,239</b>	<b>\$ 759,603,032</b>	<b>\$ 742,583,459</b>

**Governmental Activities** – The City’s net assets from governmental activities increased 3.5%, from \$513.6 million to \$531.5 million. The dissolution of the Brentwood Redevelopment Agency resulted in a \$27.7 million extraordinary gain and caused significant annual variances, including a reduction in property tax revenues, community development expenses, and general government expenses. Absent the extraordinary gain, net assets would have declined by \$9.8 million, largely as a result of a slowdown of development, with depreciation expense exceeding developer dedicated infrastructure by \$7.2 million. Additional significant annual variances included a reduction of \$7.6 million in capital grants and contributions owing to the timing of developer dedicated infrastructure and a decline of \$6.1 million in general government expenses resulting from a \$2.1 million reduction in agricultural easement purchases, pavement management expenses and the dissolution of redevelopment.

**Business-Type Activities** – The City’s net assets from Business-Type activities decreased 0.4%, from \$228.9 million to \$228.1 million. Investment in capital assets, net of related debt, increased \$1.3 million as long-term debt continued to be repaid. Overall, the unrestricted net assets decreased by \$3.4 million. The stability of the net assets balances of the Business-Type activities is indicative that user fees are appropriately covering their share of operational costs. A significant annual variance occurred within the capital grants and contributions revenue, with revenues declining by \$3.0 million, due to the timing of acceptance of developer dedicated infrastructure. An increase in Housing expenses of \$4.4 million was the result of an allocation of \$4.0 million for the construction of the Grove at Sunset Court affordable housing project.

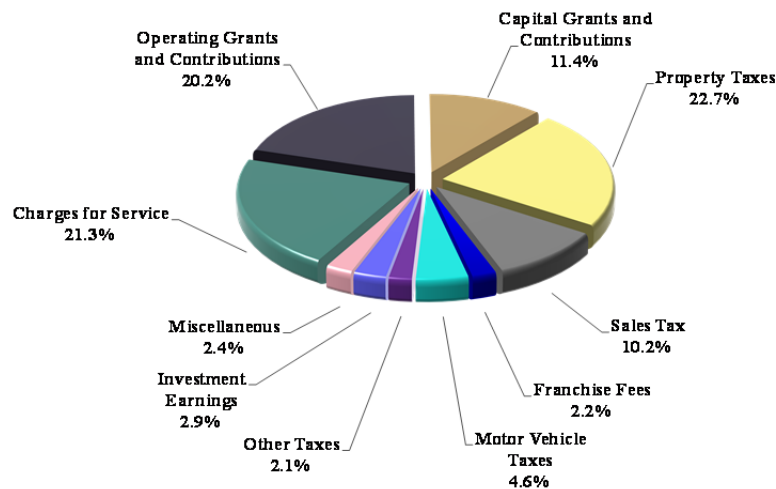
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 11,924,751	\$ 11,021,526	\$ 36,402,283	\$ 34,112,956	\$ 48,327,034	\$ 45,134,482
Operating Grants and Revenues	11,266,602	12,109,521	-	-	11,266,602	12,109,521
Capital Grants and Contributions	6,384,355	13,903,165	1,629,204	4,635,461	8,013,559	18,538,626
<b>General Revenues:</b>						
Taxes:						
Property Taxes	12,682,260	15,684,496	-	-	12,682,260	15,684,496
Sales Tax	5,691,384	5,258,382	-	-	5,691,384	5,258,382
Franchise Fees	1,216,589	1,183,245	-	-	1,216,589	1,183,245
Public Service Taxes	257,426	251,092	-	-	257,426	251,092
Measure C/J, TOT	885,565	775,964	-	-	885,565	775,964
Motor Vehicle Taxes	2,593,907	2,925,219	-	-	2,593,907	2,925,219
Investment Earnings	1,626,128	2,256,133	935,886	1,072,790	2,562,014	3,328,923
Miscellaneous	1,338,025	317,681	-	-	1,338,025	317,681
<b>Total Revenues</b>	<b>55,866,992</b>	<b>65,686,424</b>	<b>38,967,373</b>	<b>39,821,207</b>	<b>94,834,365</b>	<b>105,507,631</b>
<b>Expenses:</b>						
General Government	14,136,546	21,178,861	-	-	14,136,546	21,178,861
Public Safety	17,504,773	16,444,355	-	-	17,504,773	16,444,355
Community Development	3,330,613	4,614,882	-	-	3,330,613	4,614,882
Engineering	2,426,348	2,287,863	-	-	2,426,348	2,287,863
Public Works	7,785,203	7,563,837	-	-	7,785,203	7,563,837
Parks and Recreation	9,966,107	9,831,303	-	-	9,966,107	9,831,303
Community Services	5,507,421	5,193,300	-	-	5,507,421	5,193,300
Interest on Long-Term Debt	5,121,265	5,068,172	-	-	5,121,265	5,068,172
Wastewater	-	-	7,980,916	7,706,249	7,980,916	7,706,249
Solid Waste	-	-	8,050,319	7,839,662	8,050,319	7,839,662
Water	-	-	18,787,680	17,122,586	18,787,680	17,122,586
City Rentals	-	-	182,239	218,218	182,239	218,218
Housing	-	-	4,699,623	430,024	4,699,623	430,024
<b>Total Expenses</b>	<b>65,778,276</b>	<b>72,182,573</b>	<b>39,700,777</b>	<b>33,316,739</b>	<b>105,479,053</b>	<b>105,499,312</b>
Net Assets Before Transfers and Extraordinary Items	(9,911,284)	(6,496,149)	(733,404)	6,504,468	(10,644,688)	8,319
Transfers	99,753	(426,118)	(99,753)	426,118	-	-
Extraordinary Items	27,664,261	-	-	-	27,664,261	-
Increase in Net Assets	17,852,730	(6,922,267)	(833,157)	6,930,586	17,019,573	8,319
Net Assets 7/1	513,645,220	520,567,487	228,938,239	222,007,653	742,583,459	742,575,140
Net Assets 6/30	\$ 531,497,950	\$ 513,645,220	\$ 228,105,082	\$ 228,938,239	\$ 759,603,032	\$ 742,583,459



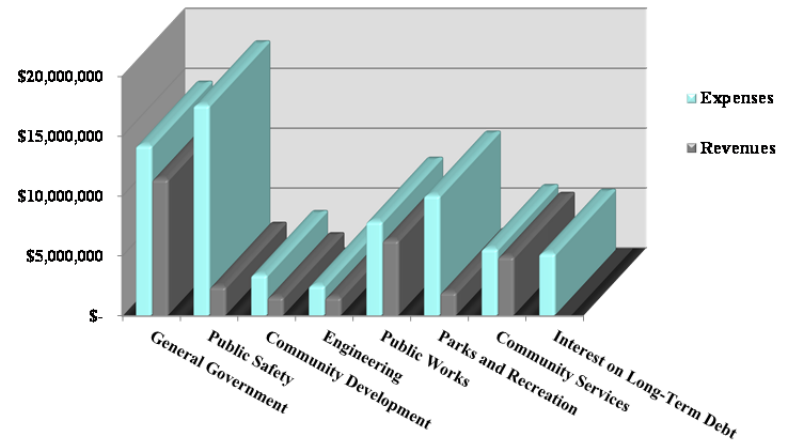
**Governmental Activities** – The cost of all Governmental activities this year was \$65.8 million. Net expenses, as shown in the Statement of Activities, were \$36.2 million. A portion of the cost for these activities was paid either by those who directly benefited from the programs (\$11.9 million), by other governments and organizations that subsidized certain programs with operating grants and contributions (\$11.3 million), or capital grants and contributions (\$6.4 million). Overall, the City's governmental program revenues were \$29.6 million.

Total resources available during the year to finance governmental operations were \$597.3 million consisting of net assets at July 1, 2011 of \$513.6 million, program revenues of \$29.6 million, general revenues and transfers of \$26.4 million and an extraordinary gain of \$27.7 million. Total Governmental activities during the year were \$65.8 million, thus net assets were increased by \$17.9 million to \$531.5 million.

**Revenues by Source**



**Program Revenues and Expenses**

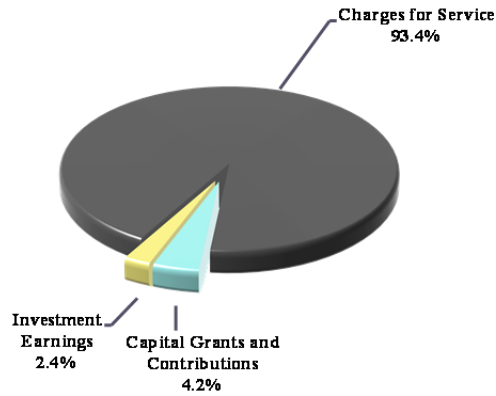




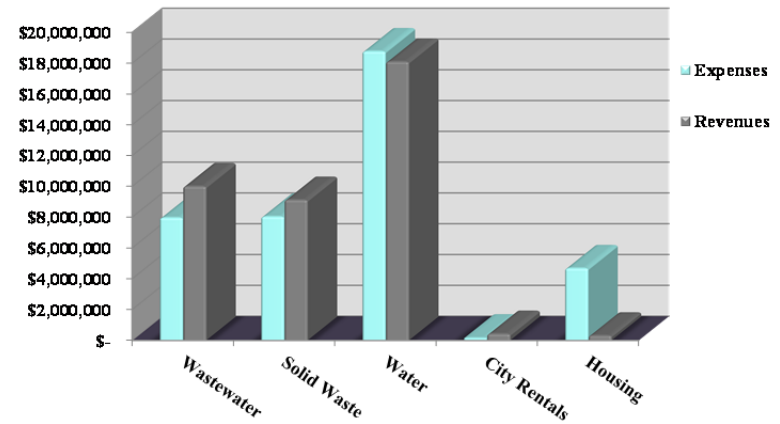
**Business-Type Activities** – The cost of all Business-Type activities this year was \$39.7 million. As shown in the Statement of Activities and Changes in Net Assets, the amounts paid by users of the systems were \$36.4 million. Capital Grants and Contributions totaled \$1.6 million and Investment earnings were \$0.9 million.

Total resources available during the year to finance Business-Type activities were \$267.8 million, consisting of net assets at July 1, 2011 of \$228.9 million, charges for services of \$36.4 million, capital contributions of \$1.6 million and general revenues and net transfers of \$0.9 million. Total Business-Type activities during the year were \$39.7 million, thus net assets decreased by \$0.8 million to \$228.1 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 \$18,539,970. This is an increase of \$268,451 compared to last year. The increase was largely attributable to higher than anticipated expenditure budgetary savings. These savings were sufficient to allow the General Fund to avoid a transfer in of funds from the Budget Stabilization Fund.

RDA Low Income Housing, which is reported as a Special Revenue Fund, had a decrease in fund balance, before extraordinary items, of \$1,079,466. This decline was attributable to grants made for affordable housing in the City. The fund was closed as of January 31, 2012 as a result of the dissolution of the RDA.

The City Low Income Housing Fund, which is reported as a Special Revenue Fund, was established on February 1, 2012 to account for the housing assets of the former RDA, as the City elected to serve as Housing Successor to the former RDA.

Agriculture Land, which is reported as a Special Revenue fund, had a decrease in fund balance of \$868,346. This decline was attributable to the use of \$1,039,000 to fund agricultural conservation deed restrictions on 207.79 acres.

Civic Center Project Lease Revenue Bonds, which is reported as a Debt Service fund, saw a decline of \$2,094,383 in fund balance. This fund accounts for debt service transactions relating to the 2009 Civic Center Revenue Bond. During fiscal year 2011/12, a portion of capitalized interest was used to make the debt service payment. The remaining fund balance is comprised primarily of 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 \$1,500,941. 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 \$1,146,515. This is a result of a transfer of funds to the Community Facilities Improvement Projects fund during the fiscal year.

Community Facilities Improvement Projects, which is reported as a Capital Projects fund, had a decrease in fund balance of \$10,643,830. This decrease is attributable to the construction of the Community Center, Downtown Streetscapes and City Hall capital improvement projects.

Park Improvement Projects, which is reported as a Capital Projects fund, had a decrease in fund balance of \$2,408,656. This decrease is attributable to the construction of the City Park capital improvement project.

Street Improvement Projects, which is reported as a Capital Projects fund, had a decrease in fund balance of \$2,316,924. This decrease is attributable to a combination of a return of excess funds not needed for projects (\$1,532,017) and the continued use of funds for capital projects including pavement management.



**GENERAL FUND BUDGETARY HIGHLIGHTS**

Comparing the fiscal year 2011/12 original budget (or adopted) General Fund expenditures and transfers out in the amount of \$37,284,603, to the final budget amount of \$41,521,072, there was an increase in budgeted expenditures and transfers out of \$4,236,469. The causes of these increases have been summarized at the bottom of the page.

<u>Beginning Balance</u>	+	<u>Supplemental Changes</u>	=	<u>Final Budget</u>
\$37,284,603		\$4,236,469		\$41,521,072

During the fiscal year, the total revenues and transfers in for the General Fund were \$37,015,390. This was \$3,652,307 less than budgeted. The total expenditures and transfers out for the General Fund were \$36,746,939. This was \$4,774,133 less than budgeted.

One of the major causes of both the revenue and expenditure shortfalls was the non-payment of a budgeted redevelopment payment to the State in the amount of \$2,793,982. These funds were budgeted to be transferred to, and then paid from the General Fund. Subsequent redevelopment dissolution legislation removed the need for these transactions to occur. The other significant revenue shortfall was related to the lack of a transfer in from the Budget Stabilization Fund, as expenditure savings alleviated the need for these funds. A transfer of \$2,846,618 had been budgeted to supplement the General Fund for the fiscal year. Offsetting a portion of the budgetary shortfall in revenue was a transfer of \$760,033 to the General Fund for reimbursement of costs incurred during the Downtown Streetscape Project.

The City continued to remain vigilant in reducing costs wherever possible. This resulted in expenditure savings of \$1,532,866 in the supplies and services budget and \$1,244,803 in the personnel budget, as vacancies remained unfilled.

Supplemental changes to the 2011/12 fiscal year General Fund budget were:

- Increase of \$868,584 for personnel costs, resulting from increased pension, health insurance and workers compensation rates.
- Increase of \$141,458 for supplies and services, of which \$96,000 was for police department booking fees.
- Increase of \$2,793,982 for the anticipated redevelopment payment discussed above.
- Net increase of \$432,445 in transfers and capital expenses.



**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, 2012, capital assets net of accumulated amortization and depreciation of the Governmental activities totaled \$479,683,756. Capital assets net of accumulated amortization and depreciation of the Business-Type activities totaled \$236,732,214. Amortization and depreciation on capital assets is recognized in the Government-Wide financial statements. Refer to Note #5, found on pages 62 – 64 of this report, for detailed information regarding capital assets. The City has elected to use the amortization and depreciation method for infrastructure reporting.

	<b>Original Cost</b>	<b>Accumulated Depreciation</b>	<b>Book Value</b>
<b>Capital Assets – Governmental:</b>			
Intangible Assets	\$ 6,258,156	\$ 688,692	\$ 5,569,464
Land	36,438,382	-	36,438,382
Buildings	56,004,743	2,595,261	53,409,482
Infrastructure	411,549,310	65,841,027	345,708,283
Machinery and Equipment	6,141,895	2,030,145	4,111,750
Vehicles	7,912,061	4,702,028	3,210,033
Land Improvements	27,254,973	2,738,433	24,516,540
Work in Progress – CIP	6,719,822	-	6,719,822
<b>Total Capital Assets – Governmental</b>	<b>\$ 558,279,342</b>	<b>\$ 78,595,586</b>	<b>\$ 479,683,756</b>
<b>Capital Assets – Business-Type:</b>			
Intangible Assets	\$ 10,597,532	\$ 2,111,078	\$ 8,486,454
Land	2,034,202	-	2,034,202
Buildings	24,834,912	4,210,293	20,624,619
Infrastructure	221,914,377	29,346,166	192,568,211
Machinery and Equipment	1,296,718	949,119	347,599
Land Improvements	10,925,186	1,549,378	9,375,808
Work in Progress – CIP	3,295,321	-	3,295,321
<b>Total Capital Assets – Business-Type</b>	<b>\$ 274,898,248</b>	<b>\$ 38,166,034</b>	<b>\$ 236,732,214</b>



**Debt Administration** – Debt, considered a liability of Governmental Activities, increased in fiscal year 2011/12 by \$476,772 primarily as a result of the capital lease associated with the Motorola purchase agreement. The City also refunded the CIP 2001 Revenue Bonds with the issuance of the CIP 2012 Revenue Refunding Bonds. Per capita debt outstanding decreased from \$1,690 to \$1,682 per capita compared to the prior fiscal year. Debt considered a liability of Business-Type activities decreased by \$2,387,052 in fiscal year 2011/12 as annual debt service payments were made.

Detailed information regarding long-term debt activity can be found in Note #6 on pages 64 – 72 in this report.

	<b>Balance June 30, 2011</b>	<b>Incurred or Issued</b>	<b>Satisfied or Matured</b>	<b>Balance June 30, 2012</b>
<b>Governmental Activities</b>				
Bonds Payable	\$ 80,654,040	\$ 24,312,805	\$ 26,370,000	\$ 78,596,845
Capital Lease	-	832,970	277,657	555,313
Net OPEB Obligation	6,066,583	1,951,673	4,501	8,013,755
Accumulated Compensated Absences	1,225,183	1,521,049	1,489,567	1,256,665
<b>Total Governmental Activities</b>	<b>\$ 87,945,806</b>	<b>\$ 28,618,497</b>	<b>\$ 28,141,725</b>	<b>\$ 88,422,578</b>
<b>Business-Type Activities</b>				
Bonds Payable	\$ 52,200,000	\$ -	\$ 1,100,000	\$ 51,100,000
Notes Payable	31,849,231	64,950	1,979,066	29,935,115
Net OPEB Obligation	1,902,917	596,971	-	2,499,888
Accumulated Compensated Absences	323,401	528,104	498,011	353,494
<b>Total Business-Type Activities</b>	<b>\$ 86,275,549</b>	<b>\$ 1,190,025</b>	<b>\$ 3,577,077</b>	<b>\$ 83,888,497</b>



### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

The key assumptions in the General Fund revenue forecast for fiscal year 2012/13 are:

1. Development activity will remain slow, with approximately 100 new housing units being constructed. This is down from a peak of 1,400 units several years ago, yet up from the low of 31 units which occurred 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 fifth consecutive year, resulting in property tax revenues declining due to the continued aggressive reductions being implemented by the Contra Costa County Assessor.
4. Persistently low interest rates will result in continued low levels of investment income.

For several years the City of Brentwood has felt a significant financial impact from the slow housing market and slowdown in general building activity. The City's population, which had increased in excess of 10% per year for the decade prior to the downturn, is expected to increase by less than 2% per year over the next several years. All of the following key budgetary impacts were addressed in fiscal year 2012/13 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
- The effects of a county-wide property valuation reassessment, which includes a 2% decline
- A reduction of one full-time equivalent position

The largest impact on future City budgets will come from recent negotiations of new labor contracts with the City's bargaining groups. All of the City's labor groups agreed to five year contracts, effective July 1, 2012. The City's long-term financial forecast had illustrated the critical need for the City to strike a balance between achieving the cost savings necessary to ensure a fiscally sustainable future; while at the same time maintaining a competitive compensation plan to protect the City's ability to recruit and retain qualified employees. Through the labor negotiation process, the City succeeded in this objective with the new contracts including: 1) second tier retirement benefits for new sworn employees (non-sworn agreed to a second tier retirement in 2010); 2) reduced health insurance coverage limits; 3) reduced OPEB coverage commitments and 4) increased pension contributions for employees. All of the City's labor groups agreed to these necessary cost reductions.

### **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, 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](mailto:dept-finance@brentwoodca.gov).

Statement of Net Assets

June 30, 2012

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current Assets:			
Cash and Investments	\$ 93,799,694	\$ 65,774,984	\$ 159,574,678
Restricted Cash and Investments	24,767,497	3,994,504	28,762,001
Receivables (net of allowance for doubtful accounts)	1,524,806	6,105,767	7,630,573
Prepays	291,408	27,224	318,632
Land Held for Resale	1,040,359	-	1,040,359
Notes and Loans Receivable	-	197,229	197,229
Total Current Assets	121,423,764	76,099,708	197,523,472
Non-Current Assets:			
Deferred Charges	393,909	865,525	1,259,434
Long-Term Notes and Loans Receivable	29,886,579	1,232,424	31,119,003
Internal Balances	148,440	(148,440)	-
Capital Assets, Net of Accumulated Depreciation and Amortization:			
Intangible Assets	5,569,464	8,486,454	14,055,918
Land	36,438,382	2,034,202	38,472,584
Buildings	53,409,482	20,624,619	74,034,101
Infrastructure	345,708,283	192,568,211	538,276,494
Machinery and Equipment	4,111,750	347,599	4,459,349
Vehicles	3,210,033	-	3,210,033
Land Improvements	24,516,540	9,375,808	33,892,348
Work in Progress	6,719,822	3,295,321	10,015,143
Total Non-Current Assets	510,112,684	238,681,723	748,794,407
<b>Total Assets</b>	<b>631,536,448</b>	<b>314,781,431</b>	<b>946,317,879</b>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	7,754,469	2,658,301	10,412,770
Unearned Revenue	670,951	58,500	729,451
Deposits Held	3,190,500	71,051	3,261,551
Long-Term Liabilities Due Within One Year	2,801,656	3,230,867	6,032,523
Total Current Liabilities	14,417,576	6,018,719	20,436,295
Non-Current Liabilities Due in More Than One Year:			
Bonds Payable	76,826,845	49,955,000	126,781,845
Lease Payable	277,656	-	277,656
Notes Payable	-	28,061,344	28,061,344
Net OPEB Obligation	8,013,755	2,499,888	10,513,643
Compensated Absences Payable	502,666	141,398	644,064
Total Non-Current Liabilities	85,620,922	80,657,630	166,278,552
<b>Total Liabilities</b>	<b>100,038,498</b>	<b>86,676,349</b>	<b>186,714,847</b>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	396,203,826	155,440,943	551,644,769
Restricted for:			
Capital Projects	36,755,827	12,297,747	49,053,574
Debt Service	5,310,474	4,860,029	10,170,503
Housing	5,186,809	6,361,612	11,548,421
Redevelopment	27,500	-	27,500
Streets and Roadways	174,765	-	174,765
Lighting and Landscaping Districts	3,966,204	-	3,966,204
Off Street Parking Facilities in Downtown	27,082	-	27,082
Agricultural/Farmland Mitigation	976,349	-	976,349
Public Art	843,866	-	843,866
Developer Facility Fee Program	1,107,936	11,511,520	12,619,456
Drug Prevention Programs	44,969	-	44,969
Public Safety	159,866	-	159,866
Economic Development	13,447	-	13,447
PEG Television Media	905,929	-	905,929
Unrestricted	79,793,101	37,633,231	117,426,332
<b>Total Net Assets</b>	<b>\$ 531,497,950</b>	<b>\$ 228,105,082</b>	<b>\$ 759,603,032</b>

**City of Brentwood**

**Statement of Activities and Changes in Net Assets**  
For Year Ended June 30, 2012

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
<b>Primary Government:</b>								
<b>Governmental Activities</b>								
General Government	\$ 14,136,546	\$ 7,579,622	\$ 1,583,378	\$ 2,166,558	\$ 11,329,558	\$ (2,806,988)	\$ -	\$ (2,806,988)
Public Safety	17,504,773	512,727	1,709,518	127,416	2,349,661	(15,155,112)	-	(15,155,112)
Community Development	3,330,613	1,273,788	-	206,577	1,480,365	(1,850,248)	-	(1,850,248)
Engineering	2,426,348	1,457,470	-	-	1,457,470	(968,878)	-	(968,878)
Public Works	7,785,203	39,302	3,124,806	3,066,659	6,230,767	(1,554,436)	-	(1,554,436)
Parks and Recreation	9,966,107	1,061,842	-	817,145	1,878,987	(8,087,120)	-	(8,087,120)
Community Services	5,507,421	-	4,848,900	-	4,848,900	(658,521)	-	(658,521)
Interest on Long-Term Debt	5,121,265	-	-	-	-	(5,121,265)	-	(5,121,265)
<b>Total Governmental Activities</b>	<b>65,778,276</b>	<b>11,924,751</b>	<b>11,266,602</b>	<b>6,384,355</b>	<b>29,575,708</b>	<b>(36,202,568)</b>	<b>-</b>	<b>(36,202,568)</b>
<b>Business-Type Activities</b>								
Wastewater	7,980,916	9,388,285	-	631,172	10,019,457	-	2,038,541	2,038,541
Solid Waste	8,050,319	9,139,494	-	-	9,139,494	-	1,089,175	1,089,175
Water	18,787,680	17,254,244	-	859,305	18,113,549	-	(674,131)	(674,131)
City Rentals	182,239	435,736	-	-	435,736	-	253,497	253,497
Housing	4,699,623	184,524	-	138,727	323,251	-	(4,376,372)	(4,376,372)
<b>Total Business-Type Activities</b>	<b>39,700,777</b>	<b>36,402,283</b>	<b>-</b>	<b>1,629,204</b>	<b>38,031,487</b>	<b>-</b>	<b>(1,669,290)</b>	<b>(1,669,290)</b>
<b>Total Primary Government</b>	<b>\$ 105,479,053</b>	<b>\$ 48,327,034</b>	<b>\$ 11,266,602</b>	<b>\$ 8,013,559</b>	<b>\$ 67,607,195</b>	<b>\$ (36,202,568)</b>	<b>\$ (1,669,290)</b>	<b>\$ (37,871,858)</b>

General Revenues:

Taxes:			
Property Taxes	12,682,260	-	12,682,260
Sales Tax	5,691,384	-	5,691,384
Franchise Fees	1,216,589	-	1,216,589
Public Service Taxes	257,426	-	257,426
Measure C / J, TOT	885,565	-	885,565
Motor Vehicle Taxes	2,593,907	-	2,593,907
Investment Earnings	1,626,128	935,886	2,562,014
Miscellaneous	1,338,025	-	1,338,025
Transfers	99,753	(99,753)	-
Extraordinary Items:			
Assets Transferred To/Liabilities Assumed by Successor Agency	27,664,261	-	27,664,261
<b>Total General Revenues, Transfers and Extraordinary Items</b>	<b>54,055,298</b>	<b>836,133</b>	<b>54,891,431</b>
<b>Change in Net Assets</b>	<b>17,852,730</b>	<b>(833,157)</b>	<b>17,019,573</b>
<b>Net Assets - Beginning of Year</b>	<b>513,645,220</b>	<b>228,938,239</b>	<b>742,583,459</b>
<b>Net Assets - End of Year</b>	<b>\$ 531,497,950</b>	<b>\$ 228,105,082</b>	<b>\$ 759,603,032</b>

**City of Brentwood**

**Balance Sheet**  
**Governmental Funds**  
*June 30, 2012*

	Debt Service Funds			Capital Projects		Other Governmental Funds	Total Governmental Funds
	General Fund	Capital Improvement Revenue Refunding Bonds Series 2012	Civic Center Project Lease Revenue Bonds	Community Facilities Improvement Projects			
<b>ASSETS</b>							
Current Assets:							
Cash and Investments	\$ 22,434,587	\$ 76,740	\$ 33,128	\$ 5,874,424	\$ 31,408,915	\$ 59,827,794	
Restricted Cash and Investments	-	1,812,296	3,342,574	3,116,449	16,496,178	24,767,497	
Receivables	1,199,347	17,155,004	12,631,581	2,163,070	6,190,156	39,339,158	
Prepays	75,163	-	-	-	1,324	76,487	
Due from Other Funds	-	-	-	401,384	-	401,384	
Land Held for Resale	-	-	-	-	1,040,359	1,040,359	
Non-Current Assets:							
Interfund Advance Receivable	-	-	-	2,501,419	148,440	2,649,859	
<b>Total Assets</b>	<b>\$ 23,709,097</b>	<b>\$ 19,044,040</b>	<b>\$ 16,007,283</b>	<b>\$ 14,056,746</b>	<b>\$ 55,285,372</b>	<b>\$ 128,102,538</b>	
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts Payable and Accrued Liabilities	\$ 1,308,564	\$ -	\$ -	\$ 3,881,016	\$ 2,366,665	\$ 7,556,245	
Due to Other Funds	-	-	-	-	401,384	401,384	
Deferred Revenue	670,063	17,155,000	12,631,579	2,162,530	6,186,590	38,805,762	
Deposits Held	3,190,500	-	-	-	-	3,190,500	
Interfund Advance Payable	-	-	-	-	2,501,419	2,501,419	
<b>Total Liabilities</b>	<b>5,169,127</b>	<b>17,155,000</b>	<b>12,631,579</b>	<b>6,043,546</b>	<b>11,456,058</b>	<b>52,455,310</b>	
Fund Balances:							
Nonspendable	75,163	-	-	-	1,324	76,487	
Restricted	27,500	1,889,040	3,375,704	8,013,200	43,035,792	56,341,236	
Committed	-	-	-	-	4,210,317	4,210,317	
Assigned	7,676,327	-	-	-	-	7,676,327	
Unassigned	10,760,980	-	-	-	(3,418,119)	7,342,861	
<b>Total Fund Balances</b>	<b>18,539,970</b>	<b>1,889,040</b>	<b>3,375,704</b>	<b>8,013,200</b>	<b>43,829,314</b>	<b>75,647,228</b>	
<b>Total Liabilities and Fund Balances</b>	<b>\$ 23,709,097</b>	<b>\$ 19,044,040</b>	<b>\$ 16,007,283</b>	<b>\$ 14,056,746</b>	<b>\$ 55,285,372</b>	<b>\$ 128,102,538</b>	

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

*June 30, 2012*

**Total Fund Balances - Total Governmental Funds** \$ 75,647,228

Amounts reported for Governmental Activities in the Statement of Net Assets are different because:

Capital assets used in Governmental Activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet. 474,406,763

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. 37,767,069

The long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds. 30,180,500

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. 393,909

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

Bonds	(78,596,845)
Net OPEB Obligation	(7,166,371)
Compensated Absences	(1,109,466)
Accrued Liabilities	(24,837)
	(97,897,519)

**Net Assets of Governmental Activities** \$ 531,497,950

Statement of Revenues, Expenditures and Changes in Fund Balances  
 Governmental Funds  
 June 30, 2012

	General Fund	Debt Service Funds		Capital Projects		Other Governmental Funds	Total Governmental Funds
		Capital Improvement Revenue Refunding Bonds Series 2012	Civic Center Project Lease Revenue Bonds	Community Facilities Improvement Projects			
<b>REVENUES</b>							
Taxes	\$ 13,752,875	\$ -	\$ -	\$ -	\$ -	\$ 5,213,854	\$ 18,966,729
Licenses	519,368	-	-	-	-	-	519,368
Permits and Fines	2,866,498	-	-	-	-	-	2,866,498
Uses of Money and Property	513,359	120,964	63,157	242,186	-	537,344	1,477,010
Intergovernmental	2,720,927	-	1,128,822	-	-	2,776,423	6,626,172
Franchises	1,216,589	-	-	-	-	-	1,216,589
Charges for Other Services	409,699	-	-	-	-	-	409,699
Charges to Other Funds	6,362,471	-	-	-	-	-	6,362,471
Fees and Other Revenues	1,607,279	445,119	444,040	47,555	-	13,432,164	15,976,157
<b>Total Revenues</b>	<b>29,969,065</b>	<b>566,083</b>	<b>1,636,019</b>	<b>289,741</b>	<b>-</b>	<b>21,959,785</b>	<b>54,420,693</b>
<b>EXPENDITURES</b>							
Current:							
General Government	4,993,539	-	-	142,171	-	7,153,644	12,289,354
Public Safety	16,522,137	-	-	-	-	104,989	16,627,126
Community Development	3,201,304	11,978	-	-	-	5,035	3,218,317
Engineering	2,383,174	-	-	-	-	-	2,383,174
Public Works	2,723,127	-	-	-	-	-	2,723,127
Parks and Recreation	4,289,786	-	-	-	-	3,384,095	7,673,881
Community Services	536,322	-	-	-	-	4,973,733	5,510,055
Capital Outlay	-	-	-	14,810,534	-	3,838,480	18,649,014
Debt Service:							
Principal	-	310,000	-	-	-	765,000	1,075,000
Interest and Fiscal Charges	-	799,032	3,063,292	-	-	987,399	4,849,723
<b>Total Expenditures</b>	<b>34,649,389</b>	<b>1,121,010</b>	<b>3,063,292</b>	<b>14,952,705</b>	<b>-</b>	<b>21,212,375</b>	<b>74,998,771</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(4,680,324)</b>	<b>(554,927)</b>	<b>(1,427,273)</b>	<b>(14,662,964)</b>	<b>-</b>	<b>747,410</b>	<b>(20,578,078)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Premium on Bonds Issued	-	1,266,396	-	-	-	-	1,266,396
Refunding Bonds Issued	-	24,060,000	-	-	-	-	24,060,000
Payment to Refunded Bond Escrow Agent	-	(26,049,390)	-	-	-	-	(26,049,390)
Transfers In	7,046,325	885,223	904,855	4,351,663	5,346,266	885,223	18,534,332
Transfers Out	(2,097,550)	-	(1,571,965)	(332,529)	(12,775,707)	-	(16,777,751)
<b>Total Other Financing Sources (Uses)</b>	<b>4,948,775</b>	<b>162,229</b>	<b>(667,110)</b>	<b>4,019,134</b>	<b>(7,429,441)</b>	<b>-</b>	<b>1,033,587</b>
<b>Net Change in Fund Balances before Extraordinary Items</b>	<b>268,451</b>	<b>(392,698)</b>	<b>(2,094,383)</b>	<b>(10,643,830)</b>	<b>(6,682,031)</b>	<b>-</b>	<b>(19,544,491)</b>
<b>EXTRAORDINARY ITEMS</b>							
Assets Transferred to Successor Agency	-	-	-	-	(7,438,601)	-	(7,438,601)
Assets Transferred from Successor Agency	-	-	-	-	5,308,182	-	5,308,182
<b>Total Extraordinary Items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,130,419)</b>	<b>-</b>	<b>(2,130,419)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>268,451</b>	<b>(392,698)</b>	<b>(2,094,383)</b>	<b>(10,643,830)</b>	<b>(8,812,450)</b>	<b>-</b>	<b>(21,674,910)</b>
<b>Fund Balance, Beginning of Year</b>	<b>18,271,519</b>	<b>2,281,738</b>	<b>5,470,087</b>	<b>18,657,030</b>	<b>52,641,764</b>	<b>-</b>	<b>97,322,138</b>
<b>Fund Balance, End of Year</b>	<b>\$ 18,539,970</b>	<b>\$ 1,889,040</b>	<b>\$ 3,375,704</b>	<b>\$ 8,013,200</b>	<b>\$ 43,829,314</b>	<b>\$ -</b>	<b>\$ 75,647,228</b>

***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, 2012*

**Net Changes in Fund Balances - Total Governmental Funds** \$ (21,674,910)

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

Governmental Funds report capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Assets, the cost of those assets is allocated over their estimated useful lives as depreciation expense. The amount shown represents the capital assets recorded in the current period. 18,649,014

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. (7,196,087)

The net effect of various miscellaneous transactions involving Capital Assets (e.g. sales, trade-ins and contributions) is to increase net assets. (1,095,636)

Long term liabilities assumed by Successor Agency 29,794,680

To record the net change in compensated absences in the Statement of Activities. (22,586)

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 1,075,000

This amount represents payment to Refunded Bond Escrow Agent 26,049,390

This amount represents Refunding Bond Issued (24,060,000)

This amount represents the increase in Net OPEB Obligations (1,753,935)

This amount represents accretion interest (252,805)

This amount represents amortized bond issuance costs and amortized bond premiums (1,285,133)

This amount represents the increase in Accrued Liabilities 3,845

Revenues in the Governmental Funds which have been previously recognized in the Statement of Activities. (36,100)

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. (342,007)

**Changes in Net Assets of Governmental Activities** \$ 17,852,730

**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2012**

	Business-Type Activities - Enterprise Funds					Totals	Governmental Activities - Internal Service Funds
	Wastewater	Solid Waste	Water	City Rentals	Housing		
<b>ASSETS</b>							
Current Assets:							
Cash and Investments	\$ 28,294,162	\$ 14,033,611	\$ 18,786,672	\$ 84,995	\$ 4,575,544	\$ 65,774,984	\$ 33,971,900
Restricted Cash and Investments	-	-	3,994,504	-	-	3,994,504	-
Receivables	1,684,399	1,611,254	2,769,914	14,947	25,253	6,105,767	27,426
Prepays	7,356	8,635	9,120	1,667	446	27,224	214,921
Notes Receivable	-	-	58,500	-	138,729	197,229	-
Total Current Assets	<u>29,985,917</u>	<u>15,653,500</u>	<u>25,618,710</u>	<u>101,609</u>	<u>4,739,972</u>	<u>76,099,708</u>	<u>34,214,247</u>
Non-Current Assets:							
Deferred Charges	-	-	865,525	-	-	865,525	-
Long-Term Notes Receivable	-	-	-	-	1,232,424	1,232,424	-
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	20,358,967	-	1,566,547	24,834,912	-
Infrastructure	90,160,986	696,851	131,056,540	-	-	221,914,377	-
Machinery and Equipment	596,724	94,126	605,868	-	-	1,296,718	3,437,943
Vehicles	-	-	-	-	-	-	7,912,062
Land Improvements	58,494	1,000,000	9,866,692	-	-	10,925,186	-
Work in Progress	469,893	2,068,401	757,027	-	-	3,295,321	-
Less Accumulated Depreciation and Amortization	(14,587,224)	(938,464)	(22,465,484)	-	(174,862)	(38,166,034)	(6,073,012)
Total Capital Assets, Net of Accumulated Depreciation	<u>80,003,891</u>	<u>3,189,334</u>	<u>150,905,702</u>	<u>-</u>	<u>2,633,287</u>	<u>236,732,214</u>	<u>5,276,993</u>
Total Non-Current Assets	<u>80,003,891</u>	<u>3,189,334</u>	<u>151,771,227</u>	<u>-</u>	<u>3,865,711</u>	<u>238,830,163</u>	<u>5,276,993</u>
<b>Total Assets</b>	<u>109,989,808</u>	<u>18,842,834</u>	<u>177,389,937</u>	<u>101,609</u>	<u>8,605,683</u>	<u>314,929,871</u>	<u>39,491,240</u>
<b>LIABILITIES AND NET ASSETS</b>							
Current Liabilities:							
Accounts Payable and Accrued Liabilities	360,822	643,464	1,623,226	6,910	23,879	2,658,301	173,387
Unearned Revenue	-	-	58,500	-	-	58,500	888
Deposits Held	-	3,683	42,500	-	24,868	71,051	-
Long-Term Debt Due Within One Year	1,873,771	-	1,145,000	-	-	3,018,771	277,657
Compensated Absences Payable	49,183	80,925	75,020	-	6,968	212,096	88,320
Total Current Liabilities	<u>2,283,776</u>	<u>728,072</u>	<u>2,944,246</u>	<u>6,910</u>	<u>55,715</u>	<u>6,018,719</u>	<u>540,252</u>
Non-Current Liabilities Due in More Than One Year:							
Interfund Advance Payable	-	-	-	-	148,440	148,440	-
Bonds Payable	-	-	49,955,000	-	-	49,955,000	-
Lease Payable	-	-	-	-	-	-	277,656
Notes Payable	20,702,469	-	7,358,875	-	-	28,061,344	-
Net OPEB Obligation	612,437	884,631	939,427	-	63,393	2,499,888	847,384
Compensated Absences Payable	32,788	53,950	50,014	-	4,646	141,398	58,879
Total Non-Current Liabilities	<u>21,347,694</u>	<u>938,581</u>	<u>58,303,316</u>	<u>-</u>	<u>216,479</u>	<u>80,806,070</u>	<u>1,183,919</u>
<b>Total Liabilities</b>	<u>23,631,470</u>	<u>1,666,653</u>	<u>61,247,562</u>	<u>6,910</u>	<u>272,194</u>	<u>86,824,789</u>	<u>1,724,171</u>
Net Assets:							
Invested in Capital Assets, Net of Related Debt	57,427,651	3,189,334	92,190,671	-	2,633,287	155,440,943	5,276,993
Restricted for:							
Capital Projects	1,962,960	9,389,602	916,633	-	-	12,269,195	-
Special Projects and Programs	11,511,520	3,684	4,860,029	-	6,386,480	22,761,713	-
Unrestricted	15,456,207	4,593,561	18,175,042	94,699	(686,278)	37,633,231	32,490,076
<b>Total Net Assets</b>	<u>\$ 86,358,338</u>	<u>\$ 17,176,181</u>	<u>\$ 116,142,375</u>	<u>\$ 94,699</u>	<u>\$ 8,333,489</u>	<u>\$ 228,105,082</u>	<u>\$ 37,767,069</u>



**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For Year Ended June 30, 2012**

	Business-Type Activities - Enterprise Funds						Governmental
	Wastewater	Solid Waste	Water	City Rentals	Housing	Totals	Activities - Internal Service Funds
<b>Operating Revenues:</b>							
Charges for Services	\$ 9,235,161	\$ 9,133,992	\$ 16,955,280	\$ 435,736	\$ 184,524	\$ 35,944,693	\$ 8,454,763
Other Income	153,124	5,502	298,964	-	-	457,590	125,179
<b>Total Operating Revenues</b>	<b>9,388,285</b>	<b>9,139,494</b>	<b>17,254,244</b>	<b>435,736</b>	<b>184,524</b>	<b>36,402,283</b>	<b>8,579,942</b>
<b>Operating Expenses:</b>							
Personnel Services	2,151,818	2,930,983	3,328,624	-	323,902	8,735,327	4,486,326
Repairs and Maintenance	63,895	68,500	521,842	54,161	28,705	737,103	3,598
Materials, Supplies and Services	3,861,081	4,979,933	9,059,812	128,078	4,313,644	22,342,548	3,117,363
Depreciation and Amortization	1,479,667	70,903	2,923,189	-	31,331	4,505,090	979,201
<b>Total Operating Expenses</b>	<b>7,556,461</b>	<b>8,050,319</b>	<b>15,833,467</b>	<b>182,239</b>	<b>4,697,582</b>	<b>36,320,068</b>	<b>8,586,488</b>
<b>Operating Income (Loss)</b>	<b>1,831,824</b>	<b>1,089,175</b>	<b>1,420,777</b>	<b>253,497</b>	<b>(4,513,058)</b>	<b>82,215</b>	<b>(6,546)</b>
<b>Non-Operating Revenues (Expenses):</b>							
Interest Income	344,143	170,992	269,063	138	151,550	935,886	425,990
Interest Expense	(424,455)	-	(2,889,263)	-	(2,041)	(3,315,759)	-
Connection Fees Paid	-	-	(64,950)	-	-	(64,950)	-
Loss on Disposal of Capital Assets	-	-	-	-	-	-	(1,833)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(80,312)</b>	<b>170,992</b>	<b>(2,685,150)</b>	<b>138</b>	<b>149,509</b>	<b>(2,444,823)</b>	<b>424,157</b>
<b>Income (Loss) before Contributions and Transfers</b>	<b>1,751,512</b>	<b>1,260,167</b>	<b>(1,264,373)</b>	<b>253,635</b>	<b>(4,363,549)</b>	<b>(2,362,608)</b>	<b>417,611</b>
Contributions - Impact Fees and Credits	576,882	-	681,943	-	138,727	1,397,552	-
Capital Asset Contributions	54,290	-	177,362	-	-	231,652	897,210
Transfers In	162,036	-	113,396	175,582	-	451,014	768,683
Transfers Out	(19,910)	(10,334)	(139,132)	(381,391)	-	(550,767)	(2,425,511)
<b>Change in Net Assets</b>	<b>2,524,810</b>	<b>1,249,833</b>	<b>(430,804)</b>	<b>47,826</b>	<b>(4,224,822)</b>	<b>(833,157)</b>	<b>(342,007)</b>
<b>Net Assets, Beginning of Year</b>	<b>83,833,528</b>	<b>15,926,348</b>	<b>116,573,179</b>	<b>46,873</b>	<b>12,558,311</b>	<b>228,938,239</b>	<b>38,109,076</b>
<b>Net Assets, End of Year</b>	<b>\$ 86,358,338</b>	<b>\$ 17,176,181</b>	<b>\$ 116,142,375</b>	<b>\$ 94,699</b>	<b>\$ 8,333,489</b>	<b>\$ 228,105,082</b>	<b>\$ 37,767,069</b>

**City of Brentwood**

**Statement of Cash Flows  
Proprietary Funds  
For Year Ended June 30, 2012**

	<b>Business-Type Activities - Enterprise Funds</b>						<b>Governmental Activities - Internal Service Funds</b>
	<b>Wastewater</b>	<b>Solid Waste</b>	<b>Water</b>	<b>City Rentals</b>	<b>Housing</b>	<b>Totals</b>	
<b>Cash Flows from Operating Activities</b>							
Cash Received from Customers/Other Funds	\$ 9,214,859	\$ 9,128,690	\$ 16,547,318	\$ 425,115	\$ (4,072,800)	\$ 31,243,182	\$ 3,771
Cash Received from Interfund Services	-	-	-	-	-	-	8,266,725
Cash Payments to Suppliers of Goods and Services	(3,593,357)	(2,949,321)	(8,720,456)	(176,594)	(293,477)	(15,733,205)	(2,831,115)
Cash Payments to Employees for Services	(2,151,818)	(2,930,983)	(3,105,757)	-	(323,902)	(8,512,460)	(4,288,588)
Cash Payments for Interfund Services	(515,984)	(1,498,557)	(671,443)	(9,287)	(40,460)	(2,735,731)	(360,160)
Other Receipts/Payments	1,471	5,501	262,568	16,022	-	285,562	125,140
Net Cash Provided By (Used for) Operating Activities	<u>2,955,171</u>	<u>1,755,330</u>	<u>4,312,230</u>	<u>255,256</u>	<u>(4,730,639)</u>	<u>4,547,348</u>	<u>915,773</u>
<b>Cash Flows from Non-Capital Financing Activities</b>							
Transfers Received	162,036	-	113,396	175,582	-	451,014	768,683
Transfers Paid	(19,910)	(10,334)	(139,132)	(381,391)	-	(550,767)	(2,425,511)
Developer Fees and Credits	-	-	-	-	1,751,342	1,751,342	-
Net Cash Provided By (Used for) Non-Capital Financing Activities	<u>142,126</u>	<u>(10,334)</u>	<u>(25,736)</u>	<u>(205,809)</u>	<u>1,751,342</u>	<u>1,651,589</u>	<u>(1,656,828)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>							
Contributions - Impact Fees and Credits	576,882	-	681,941	-	-	1,258,823	-
Capital Lease	-	-	-	-	-	-	832,970
Interest Paid on Debt	(424,455)	-	(2,889,263)	-	(2,041)	(3,315,759)	-
Principal Paid on Debt	(1,840,546)	-	(1,238,520)	-	-	(3,079,066)	(277,657)
Acquisition and Construction of Assets	(200,537)	(832,943)	(1,491,975)	-	-	(2,525,455)	(1,037,889)
Net Cash Provided By (Used for) Capital and Related Financing Activities	<u>(1,888,656)</u>	<u>(832,943)</u>	<u>(4,937,817)</u>	<u>-</u>	<u>(2,041)</u>	<u>(7,661,457)</u>	<u>(482,576)</u>
<b>Cash Flows from Investing Activities</b>							
Interest on Investments	344,143	170,992	269,063	138	151,550	935,886	425,990
Net Cash Provided By Investing Activities	<u>344,143</u>	<u>170,992</u>	<u>269,063</u>	<u>138</u>	<u>151,550</u>	<u>935,886</u>	<u>425,990</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,552,784	1,083,045	(382,260)	49,585	(2,829,788)	(526,634)	(797,641)
Cash and Cash Equivalents - Beginning of Year	26,741,378	12,950,566	23,163,436	35,410	7,405,332	70,296,122	34,769,541
Cash and Cash Equivalents - End of Year	<u>\$ 28,294,162</u>	<u>\$ 14,033,611</u>	<u>\$ 22,781,176</u>	<u>\$ 84,995</u>	<u>\$ 4,575,544</u>	<u>\$ 69,769,488</u>	<u>\$ 33,971,900</u>
<b>Reconciliation of Operating Income to Net Cash Provided By (Used for) Operating Activities:</b>							
Operating Income (Loss)	\$ 1,831,824	\$ 1,089,175	\$ 1,420,777	\$ 253,497	\$ (4,513,058)	\$ 82,215	\$ (6,546)
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used for) Operating Activities:							
Depreciation and Amortization	1,479,667	70,903	2,923,189	-	31,331	4,505,090	979,201
Change in Assets and Liabilities:							
Receivables, Net	(171,705)	9,372	(417,686)	6,290	(4,257,214)	(4,830,943)	25,624
Prepaid Items	(249)	(436)	11,067	(886)	(283)	9,213	(209,927)
Accounts Payable and Other Payables	(184,366)	587,544	377,383	(3,645)	3,963,145	4,740,061	127,421
Increase (Decrease) in Intergovernmental Payable	-	-	-	-	43,630	43,630	-
Deposits	-	(1,228)	(2,500)	-	1,810	(1,918)	-
Net Cash Provided By (Used for) Operating Activities	<u>\$ 2,955,171</u>	<u>\$ 1,755,330</u>	<u>\$ 4,312,230</u>	<u>\$ 255,256</u>	<u>\$ (4,730,639)</u>	<u>\$ 4,547,348</u>	<u>\$ 915,773</u>
<b>Noncash Capital Activities:</b>							
Capital Asset Contributions	\$ 54,290	\$ -	\$ 177,362	\$ -	\$ -	\$ 231,652	\$ 897,210



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**Statement of Fiduciary Net Assets**

*June 30, 2012*

	<b>Agency Funds</b>	<b>Private-Purpose Trust Fund - Successor Agency</b>
<b>ASSETS</b>		
Current Assets:		
Cash and Investments	\$ 11,370,450	\$ 2,499,243
Restricted Cash and Investments	5,911,112	-
Interest Receivable	567	77
Prepays	-	88
<b>Total Assets</b>	17,282,129	2,499,408
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	1,185,816	549,160
Due to City of Brentwood	35,347	4,182,163
Long-Term Debt Due Within One Year	-	698,616
Total Current Liabilities	1,221,163	5,429,939
Non-Current Liabilities Due in More Than One Year:		
Due to Bondholders	16,060,966	
Bonds Payable	-	29,097,105
Total Non-Current Liabilities	-	29,097,105
<b>Total Liabilities</b>	1,221,163	34,527,044
<b>NET ASSETS (DEFICIT)</b>		
Held in Trust for Other Governments	-	(32,027,636)
<b>Total Net Assets (Deficit)</b>	\$ -	\$ (32,027,636)

***Statement of Changes in Fiduciary Net Assets***  
***Private-Purpose Trust Fund***  
***For the Period February 1, 2012 through June 30, 2012***

	<b><u>Private-Purpose Trust Fund - Successor Agency</u></b>
<b>ADDITIONS</b>	
Property Taxes	\$ 869,091
Investment Earnings	36,358
Other	120,878
<b>Total Additions</b>	<b>1,026,327</b>
<b>DEDUCTIONS</b>	
Administrative Expenses	338,380
Interest and Fiscal Agent Expenses of Former Redevelopment Agency	869,159
Capital Project Expense	1,898,319
<b>Total Deductions</b>	<b>3,105,858</b>
<b>Change in Net Assets Before Extraordinary Items</b>	<b>(2,079,531)</b>
<b>EXTRAORDINARY ITEMS</b>	
Assets Transferred to/Liabilities Assumed by Successor Agency	<b>(29,948,105)</b>
<b>Change in Net Assets</b>	<b>(32,027,636)</b>
<b>NET ASSETS HELD IN TRUST</b>	
Net Assets - Beginning	-
Net Assets - Ending	<b>\$ (32,027,636)</b>



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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's 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. As discussed in Note #12, the Agency was dissolved effective February 1, 2012. The activities of the Agency through January 31, 2012 have been included in the governmental activities in the financial statements. Separate financial statements are not required for the Agency for the period ended January 31, 2012 and therefore were not issued.

- 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 related 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, Proprietary Fund Financial Statements and Fiduciary Fund Financial Statements are reported using an economic resources focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of the related cash flows.

The Governmental Fund Financial Statements are reported using a current financial resources measurement focus called the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except for revenues subject to accrual (generally 60 days after year-end) which are recognized when due.



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

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.

The City's Fiduciary Funds include Agency Funds, which are purely custodial in nature and do not involve a measurement of operational results, and Private-Purpose Trust Funds which, in addition to being custodial in nature, also include operational activities under which the principal and income benefit several specific local taxing entities. While both Agency and Private-Purpose Trust Funds include a Statement of Net Assets, only the latter is required to include a Statement of Changes in Net Assets.

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 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.



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

The government reports the following four major Governmental Funds: General Fund, Capital Improvement Revenue Refunding Bond Series 2012, Civic Center Project Lease Revenue Bonds 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 the collection of development fees which are ultimately transferred to a capital project fund 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 the collection of development fees which are ultimately transferred to a capital project fund for the design and construction of public facilities within the City.
- 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. As discussed in Note #12, the Redevelopment Agency was dissolved, effective February 1, 2012, and the balances of this fund were transferred to the Successor Agency Private-Purpose Trust Fund.
- City Low Income Housing – This fund accounts for the activities related to the assets assumed by the City of Brentwood as Housing Successor to the housing activities of the former Brentwood Redevelopment Agency.
- 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 the Sunset Athletic Complex, the 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 the collection of development fees which are ultimately transferred to a capital project fund for the design and construction of parks and trails within the City.
- 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.



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

- Fire Fees – This fund accounts for the Fire Facilities Impact Fee. The monies are used to provide funding for the fire facilities required to serve new development in the City of Brentwood through build out of the City.
- Agriculture Land – This fund accounts for 80% of the Agriculture Preservation fees collected from developers. The monies are used for farmland mitigation purposes.
- Parking In Lieu – This fund accounts for development fees collected for off street parking facilities located within the Downtown area.
- Lighting and Landscape Districts – This fund accounts for special benefit assessments levied on property owners for street lighting and landscape maintenance.

*Debt Service Funds* account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs. There are two Debt Service Funds included as major Governmental Funds, the Capital Improvement Revenue Refunding Bonds Series 2012 and the Civic Center Project Lease Revenue Bonds. Below are specific descriptions of the Debt Service Funds:

- Redevelopment Debt – This fund accounts for transactions related to proceeds from tax allocation bonds. As discussed in Note #12, the Redevelopment Agency was dissolved, effective February 1, 2012, and the balances of this fund were transferred to the Successor Agency Private-Purpose Trust Fund.
- Capital Improvement Revenue Refunding Bonds Series 2012 – This fund accounts for debt service transactions, including revenue collections and payments of principal and interest, on long-term obligations. This bond is a refinance of the 2001 CIP Bond, which had initially refinanced Roadway Bonds and a Tax Allocation Bond, and which had also 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 Project Lease Revenue Bonds – This fund accounts for debt service transactions relating to the 2009 Civic Center Project Lease Revenue Bonds.

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

*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 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 infrastructure.
- 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 infrastructure.
- 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 infrastructure.
- Randy Way District Improvements – This fund accounts for transactions from assessment bonds and other resources and their use to finance infrastructure improvements within the Randy Way Assessment District.
- City Capital Improvement Financing Program – This fund accounts for transactions related to proceeds from assessment bonds and other resources and their use to acquire and construct public capital improvements.
- 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.



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

- 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. As discussed in Note #12, the Redevelopment Agency was dissolved, effective February 1, 2012, and the balances of this fund were transferred to the Successor Agency Private-Purpose Trust Fund.

*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.
- 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 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.





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

- 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.

*Fiduciary Funds* account for Trust and 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.
- Private-Purpose Trust Fund – Special funds used to report the activities and financial position of the Successor Agency to the Brentwood Redevelopment Agency. These funds are held in a trust arrangement for the benefit of local taxing entities, including the City of Brentwood. The financial activities of this fund are excluded from the Government-Wide financial statements, but are presented in separate Fiduciary Fund financial statements.



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

**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, and 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, 2012.

**iii. Cash and Cash Equivalents**

For purposes of the Statement of Cash Flows, the City considers all highly liquid investments with a maturity of three months or less, when purchased, to be cash equivalents. All cash and investments of the Proprietary Fund types are pooled with the City's pooled cash and investments.

**iv. Use of Estimates**

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

**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.



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

**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 are not delineated in the Basic Financial Statements. The appropriate operating department maintains information regarding the subsystems.

**vii. Compensated Absences Payable**

The following totals may be accumulated by employees each year:

- A total of 11 to 28 vacation days
- 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 can be used for additional service credits towards retirement. Half of an employee’s accrued sick leave, up to \$8,000, may be cashed in when the employee retires from the City of Brentwood. Under certain restrictive circumstances, limited amounts of sick leave can be converted to vacation time. Vacation time is only allowed to accumulate up to one and one-half years’ worth of vacation earnings.

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

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. 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, the City Low Income Housing Fund or the Citywide Parks Districts Fund.

**viii. Property Tax**

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

**ix. Deferred Compensation Plan**

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

**x. New GASB Pronouncements**

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 and have been implemented for the presentation of the 2011/12 financial statements, with no resulting impact.

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

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 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.

In June 2011, GASB issued GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This Statement provides financial reporting guidance for deferred outflows and deferred inflows of resources, originally introduced and defined in Concepts Statement No. 4, *Elements of Financial Statements*, as a consumption of net assets applicable to a future reporting period and an acquisition of net assets applicable to a future reporting period, respectively. Further, Concepts Statement No. 4 also identifies net position as the residual of all other elements presented in a statement of financial position. The requirements of the Statement are effective for fiscal periods beginning after December 15, 2011. The City is in the process of determining the impact Statement No. 63 will have on its financial statements.

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

In June 2011, GASB issued GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions-an amendment to GASB Statement No. 53*. This Statement clarifies whether an effective hedging relationship continues after a swap counterparty or a swap counterparty’s credit support provider is replaced in an interest rate or commodity swap agreement. The Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The requirements of the Statement are effective for fiscal periods beginning after June 15, 2011 and have been implemented for the presentation of the 2011/12 financial statements, with no resulting impact.

In March 2012, GASB issued GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The requirements of the Statement are effective for fiscal periods beginning after December 15, 2012. The City is in the process of determining the impact Statement No. 65 will have on its financial statements.

In March 2012, GASB issued GASB Statement No. 66, *Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62*. This Statement amends Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of an entity’s risk financing activities to the general fund and the internal service fund type. This Statement also amends Statement 62 by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. The requirements of the Statement are effective for fiscal periods beginning after December 15, 2012. The City does not anticipate Statement No. 66 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.

**xii. New Funds, Closed Funds and Renamed Funds**

The City Low Income Housing Special Revenue Fund was established to account for the activities related to the assets assumed by the City of Brentwood as Housing Successor to the housing activities of the former Redevelopment Agency of the City of Brentwood. The Successor Agency to the Redevelopment Agency Private Purpose Trust Funds was established to account for the activities of the Successor Agency to the former Redevelopment Agency of the City of Brentwood. The RDA Low Income Housing Special Revenue Fund, Redevelopment Debt Service Fund and Redevelopment Projects Capital Projects Fund were closed as of February 1, 2012 as the result of the dissolution of the Brentwood Redevelopment Agency as discussed in Note #12.



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

The Capital Improvement Program 2001 Debt Service Fund was renamed the Capital Improvement Revenue Refunding Bonds Series 2012 Debt Service Fund following the refunding of the Capital Improvement Program 2001 Bonds as discussed in Note #6 - Ai.

The Civic Center Projects Revenue Bond Debt Service Fund was renamed the Civic Center Project Lease Revenue Bonds Debt Service Fund in order to provide a clearer description of the purpose of the fund.

**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 Revenue Refunding Bonds Series 2012  
2002 General Obligation Bond  
Civic Center Project Lease Revenue Bonds



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

**B. DEFICIT FUND EQUITY**

Below is a list of funds which have either a deficit fund or accumulated deficit balance as of June 30, 2012. The deficit in Parks and Trails is due to prefunding of parks projects in advance of receiving funding from development. As development returns, impact fees will be generated and deposited into this fund. The deficit in Park Improvement Projects is due to the funding of construction of projects for which the Successor Agency has committed future funding reimbursement. See Note #12 for additional information.

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 2012/13 Operating Budget.

<b>Special Revenue:</b>	
Parks and Trails	\$2,501,419
<b>Capital Projects:</b>	
Park Improvement Projects	\$ 916,700
<b>Internal Service:</b>	
Information Services	\$ 351,746
Fleet Maintenance	\$ 86,938

**C. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

The composition of the “Due To / From Other Funds” balance, as of June 30, 2012, is shown below. This amount is due to timing issues relating to the construction of projects in advance of funding for which the Successor Agency has committed to reimburse in the future. See Note #12 for additional information.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Community Facilities Improvement Projects	Park Improvement Projects	\$ 401,384





**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
Community Facilities Improvement Projects	Parks and Trails	2,501,419
	<b>Total</b>	<b>\$ 2,649,859</b>

**Interfund Transfers**

Fund Description	General Fund	Capital Improvement Revenue Refunding Bonds Series	Civic Center Project Lease Revenue Bonds	Community Facilities Improvement Projects	Non-Major Governmental Funds	Internal Service Funds	Wastewater Enterprise	Water Enterprise	City Rentals Enterprise	Total Transfers Out
		2012	Revenue Bonds	Projects	Funds	Service Funds	Enterprise	Enterprise	Enterprise	Out
General Fund	\$ -	\$ -	\$ -	\$ 609,188	\$ 743,903	\$ 568,877	\$ -	\$ -	\$ 175,582	\$ 2,097,550
Civic Center Project Lease Revenue Bonds	-	-	-	-	1,571,965	-	-	-	-	1,571,965
Community Facilities Improvement Projects	-	-	-	-	332,529	-	-	-	-	332,529
Non-Major Governmental Funds	6,415,680	503,832	904,855	2,410,200	2,474,859	-	9,704	56,577	-	12,775,707
Internal Service Funds	630,645	-	-	1,300,275	223,010	62,430	152,332	56,819	-	2,425,511
Wastewater Enterprise	-	-	-	9,333	-	10,577	-	-	-	19,910
Solid Waste Enterprise	-	-	-	10,334	-	-	-	-	-	10,334
Water Enterprise	-	-	-	12,333	-	126,799	-	-	-	139,132
City Rentals Enterprise	-	381,391	-	-	-	-	-	-	-	381,391
<b>Total Transfers In</b>	<b>\$ 7,046,325</b>	<b>\$ 885,223</b>	<b>\$ 904,855</b>	<b>\$ 4,351,663</b>	<b>\$ 5,346,266</b>	<b>\$ 768,683</b>	<b>\$ 162,036</b>	<b>\$ 113,396</b>	<b>\$ 175,582</b>	<b>\$ 19,754,029</b>



**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	\$ 1,402,833	Gas Tax revenue to subsidize the Street Maintenance Division.
General Fund	3,035,000	Provide a subsidy to cover a portion of the costs for Police Services.
Capital Projects	536,145	Provide a subsidy to cover a portion of the costs for the Pavement Management Program.
Capital Projects	479,460	Provide a subsidy to cover a portion of the costs for the John Muir Parkway Extension / Foothill Drive - Phase I project.
Capital Projects	897,210	Provide a subsidy to cover a portion of the costs for the EBRCSA Radio project.
Capital Projects	3,158,320	Provide a subsidy to cover a portion of the costs for the New City Hall project.

**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, 2012, the City’s Budget Stabilization Fund, which is reported as an Internal Service fund, had a net assets balance of \$10,492,539, with no portion of this expected to be used to balance the General Fund in fiscal year 2012/13.

**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, 2012. The ability of the City to maintain 30% cash reserves in the Enterprise funds depends upon the timing of infrastructure projects.



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

**F. FUND BALANCES**

The City's fund balances are classified based on spending constraints imposed on the use of resources. Nonspendable fund balances are not expected to be converted to cash and are comprised of prepaid items and land held for resale for Low and Moderate Housing purposes. Restricted fund balances have external restrictions imposed by either 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. Detailed classifications of the City's Governmental Fund Balances, as of June 30, 2012, are shown on the next page.



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

	Debt Service		Debt Service		Capital Project		Other	Total
	General	Capital	Civic Center	Community	Other			
	Fund	Improvement	Project Lease	Facilities	Governmental			
		Revenue Refunding	Revenue	Improvement	Funds			
		Bond Series 2012	Bonds	Projects				
<b>Fund Balances:</b>								
<b>Nonspendable:</b>								
Prepaid Expenses	\$ 75,163	\$ -	\$ -	\$ -	\$ 1,324	\$ -	\$ -	\$ 76,487
<b>Total Nonspendable Fund Balances</b>	<b>75,163</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,324</b>	<b>-</b>	<b>-</b>	<b>76,487</b>
<b>Restricted for:</b>								
Debt Service	-	1,889,040	3,375,704	-	45,730	-	-	5,310,474
Community Facilities Projects	-	-	-	8,013,200	-	-	-	8,013,200
Civic Center Projects	-	-	-	-	7,688,404	-	-	7,688,404
Low Income Housing	-	-	-	-	5,186,809	-	-	5,186,809
Vineyards Development Projects	-	-	-	-	1,736,907	-	-	1,736,907
Infrastructure Projects	-	-	-	-	6,438,821	-	-	6,438,821
Streets and Roadways	-	-	-	-	4,285,363	-	-	4,285,363
Drainage Projects	-	-	-	-	81,528	-	-	81,528
CIFP Projects	-	-	-	-	9,526,582	-	-	9,526,582
Lighting and Landscaping Districts	-	-	-	-	3,966,204	-	-	3,966,204
Off Street Parking Facilities in Downtown	-	-	-	-	27,082	-	-	27,082
Agricultural/Farmland Mitigation	-	-	-	-	976,349	-	-	976,349
Redevelopment	27,500	-	-	-	-	-	-	27,500
Fire Facilities	-	-	-	-	1,035,437	-	-	1,035,437
Arts Commission	-	-	-	-	6,310	-	-	6,310
Public Art	-	-	-	-	837,556	-	-	837,556
Developer Facility Fee Program	-	-	-	-	72,499	-	-	72,499
Drug Prevention Programs	-	-	-	-	44,969	-	-	44,969
Public Safety	-	-	-	-	159,866	-	-	159,866
Economic Development	-	-	-	-	13,447	-	-	13,447
PEG Television Media	-	-	-	-	905,929	-	-	905,929
<b>Total Restricted Fund Balances</b>	<b>27,500</b>	<b>1,889,040</b>	<b>3,375,704</b>	<b>8,013,200</b>	<b>43,035,792</b>	<b>-</b>	<b>-</b>	<b>56,341,236</b>
<b>Committed to:</b>								
Infrastructure Projects	-	-	-	-	5,961	-	-	5,961
Public Nuisance Abatement	-	-	-	-	75,093	-	-	75,093
Community Facilities	-	-	-	-	1,020,387	-	-	1,020,387
Public Safety	-	-	-	-	117,382	-	-	117,382
Parks and Trails	-	-	-	-	30,877	-	-	30,877
Parks Maintenance	-	-	-	-	350,168	-	-	350,168
Streets and Roadways	-	-	-	-	2,610,449	-	-	2,610,449
<b>Total Committed Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,210,317</b>	<b>-</b>	<b>-</b>	<b>4,210,317</b>
<b>Assigned to:</b>								
Capital Projects	6,676,327	-	-	-	-	-	-	6,676,327
General Plan Update	1,000,000	-	-	-	-	-	-	1,000,000
<b>Total Assigned Fund Balances</b>	<b>7,676,327</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,676,327</b>
<b>Unassigned:</b>	<b>10,760,980</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,418,119)</b>	<b>-</b>	<b>-</b>	<b>7,342,861</b>
<b>Total Fund Balances</b>	<b>\$ 18,539,970</b>	<b>\$ 1,889,040</b>	<b>\$ 3,375,704</b>	<b>\$ 8,013,200</b>	<b>\$ 43,829,314</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 75,647,228</b>



**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 (\$442,145) at June 30, 2012. The bank balance, before reconciling items, was \$581,670. 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	\$ (442,145)
Petty Cash	8,290
Investments	208,551,339
Total Cash and Investments	<u>\$ 208,117,484</u>

Cash and investments appear on the financial statements as follows:

Cash and Investments	
Governmental Activities	\$ 93,799,694
Business-Type Activities	65,774,984
Fiduciary Funds	13,869,693
	<u>173,444,371</u>
Restricted Cash and Investments	
Governmental Activities	24,767,497
Business-Type Activities	3,994,504
Fiduciary Funds	5,911,112
	<u>34,673,113</u>
Total Cash and Investments	<u>\$ 208,117,484</u>



NOTE #3 – CASH AND INVESTMENTS (Continued)

B. INVESTMENTS

The City apportions interest earnings to all funds based on their monthly cash balance. 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 53601. 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 61% 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, 2012, 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	\$ 14,381,315	A	12%
Medium Term Corporate Notes	8,745,452	AA-	7%
Medium Term Corporate Notes	9,965,175	AA+	8%
Federal Agency Bonds / Notes	62,139,519	AA+	51%
Municipal Bonds / Notes	1,773,252	AA	1%
Certificates of Deposit	13,630,863	A-1+	11%
Certificates of Deposit	4,806,807	AA-	4%
Money Market Mutual Funds	3,911,797	AAAm	3%
California Asset Management Program	3,342,574	AAAm	3%
Total Rated Investments	<u>122,696,754</u>		
U.S. Treasury Bonds / Notes	68,942,456	Exempt	
Local Agency Investment Fund	11,985,175	Not Rated	
Money Market Funds	4,926,954	Not Rated	
Total Unrated Investments	<u>85,854,585</u>		
Total Investments	<u>\$ 208,551,339</u>		

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

<u>Issuers*</u>	<u>Fair Value</u>	<u>% of Portfolio</u>
Federal Home Loan Bank	\$ 23,548,835	11.29
Federal National Mortgage Association	22,601,505	10.84
Federal Home Loan Mortgage Corp.	14,588,709	7.00

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

The City did not have investments in any one issuer, other than the U.S. Treasury securities, mutual funds or external investment pools, which represent 5% or more of individual major fund or total non-major fund investments.



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, 61% 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	\$ 68,942,456	\$ 13,555,325	\$ -	\$ 6,183,103	\$ 49,204,028	33.06
Medium-Term Corporate Notes	33,091,942	1,012,623	4,258,774	16,347,507	11,473,038	15.87
Federal Agency Bonds/Notes**	62,139,519	1,400,470	-	39,526,690	21,212,359	29.79
Municipal Bond/Note	1,773,252	-	-	1,773,252	-	0.85
Certificate of Deposit	18,437,670	-	9,609,426	8,828,244	-	8.84
Local Agency Investment Funds	11,985,175	11,985,175	-	-	-	5.75
California Asset Management Program	3,342,574	120,174	3,222,400	-	-	1.60
Money Market Mutual Funds	3,911,797	3,911,797	-	-	-	1.88
Money Market Funds	4,926,954	4,926,954	-	-	-	2.36
Totals	\$ 208,551,339	\$ 36,912,518	\$ 17,090,600	\$ 72,658,796	\$ 81,889,425	
% of Portfolio		17.70	8.19	34.84	39.27	100.00

\*Fair Value includes accrued interest

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

Custodial Credit Risk – Investments – The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities which are in possession of another party. The California Government Code does not contain legal or policy requirements limiting the exposure to custodial credit risk. The City’s investment policy requires the assets of the City be secured through the third party custody and safekeeping procedures. Bearer instruments shall be held only through third party institutions. Collateralized securities, such as repurchase agreements, shall be purchased using the delivery vs. payment procedure.





**NOTE #3 – CASH AND INVESTMENTS (Continued)**

**C. INVESTMENT IN STATE TREASURER’S POOL**

LAIF is an external investment pool sponsored by the State of California authorized under Section 16429.1, 2 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, 2012, the amortized cost of the pool was \$60,514,457,551. The fair value was \$60,588,263,603. The City deposits excess cash in LAIF, which is not required to be categorized. The fair value for these deposits was provided by the pool sponsor.

**D. 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, 2012 the fair market value approximate to 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.



**NOTE #3 – CASH AND INVESTMENTS (Continued)**

**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 \$11,985,175, whose pro-rata share of fair value was estimated by the State Treasurer to be \$11,999,793. 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, 2012 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>
<b>Governmental Activities:</b>							
General Fund	\$ 188,684	\$ 1,009,474	\$ -	\$ 1,189	\$ -	\$ -	\$ 1,199,347
Internal Services	-	25,621	-	1,805	-	-	27,426
Special Revenue	-	145,481	1,731	915	-	4,753,698 <sup>(1)</sup>	4,901,825
Debt Service	-	-	-	19	-	29,786,579 <sup>(2)</sup>	29,786,598
Capital Projects	-	19,515	128,765	1,607	-	3,301,501 <sup>(2)</sup>	3,451,388
Total Governmental Activities	<u>\$ 188,684</u>	<u>\$ 1,200,091</u>	<u>\$ 130,496</u>	<u>\$ 5,535</u>	<u>\$ -</u>	<u>\$ 37,841,778</u>	<u>\$ 39,366,584</u>
<b>Business - Type Activities:</b>							
Wastewater	\$ -	\$ 111,820	\$ -	\$ 1,471	\$ 1,571,108	\$ -	\$ 1,684,399
Solid Waste	-	20,910	-	741	1,589,603	-	1,611,254
Water	-	250,447	-	1,015	2,518,452	939,162 <sup>(3)</sup>	3,709,076
City Rentals	-	14,945	-	2	-	-	14,947
Housing	-	24,867	-	386	-	7,109,023 <sup>(1)</sup>	7,134,276
Total Business-Type Activities	<u>\$ -</u>	<u>\$ 422,989</u>	<u>\$ -</u>	<u>\$ 3,615</u>	<u>\$ 5,679,163</u>	<u>\$ 8,048,185</u>	<u>\$ 14,153,952</u>

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

(2) The City has recorded receivables for the Successor Agency's portion of long-term debt and funding commitments for capital projects. Both have been offset by deferred revenue for financial statement presentation purposes. Note #12, which begins on page 83, discusses the dissolution of the Redevelopment Agency and the Successor activities.

(3) The City has recorded a receivable for the Successor Agency's portion of funding commitments for capital projects. The balance has been offset by an allowance for financial statement presentation due to the repayment being contingent on the availability of funds to the Successor Agency. Note #12, which begins on page 83, discusses the dissolution of the Redevelopment Agency and the Successor Agency activities.

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

Notes and Loans Receivable at June 30, 2012 were comprised of the following:

<b>Governmental Activities:</b>	
PEG Media	\$ 100,000
Amounts Due from Successor Agency	33,088,080
Loans under City Low Income Housing (including interest)	<u>4,653,698</u>
Subtotal Governmental Funds	37,841,778
Less: Reservation for Loans Expected to be Forgiven	4,653,698
Less: Reservation for Amounts Owed from Successor Agency	<u>3,301,501</u>
Net Notes and Loans Receivable	<u><u>\$ 29,886,579</u></u>
<b>Business - Type Activities:</b>	
Diablo Water District	\$ 58,500
Down Payment Assistance and GAP Loans	1,232,424
Discovery Builders Affordable Housing	138,729
Amounts Due from Successor Agency	880,662
Loans under Affordable Housing In Lieu (including interest)	<u>5,737,870</u>
Subtotal Business - Type Activities	8,048,185
Less: Reservation for Loans Expected to be Forgiven	5,737,870
Less: Allowance for Amounts Owed from Successor Agency	<u>880,662</u>
Net Notes and Loans Receivable	<u><u>\$ 1,429,653</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, 2012. 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 \$58,500 due within one year.

**Down Payment Assistance and GAP Loans** – In fiscal year 2005/06 the City 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 held less than three years accrue interest at seven percent, loans held between three and ten years accrue interest at five percent and loans held longer than ten years accrue interest at three percent.

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

The City also established a first time homebuyers Gap Assistance Program (GAP) to facilitate the purchase of below market rate units from the City's Affordable Housing Program for first time homebuyers. The maximum GAP loan amount is \$35,000. The GAP loans are due in 30 years or upon a change in ownership of the property. The interest rate is set at three percent, simple interest. The City is currently owed \$1,232,424, including interest, under the DAP and GAP loan programs.

***Amounts Due from Successor Agency***

Under the terms of the Corporation Agreements between the City and the former Brentwood Redevelopment Agency, the City expends funds on capital projects on behalf of the Agency. The Agency then reimburses the City. Due to the dissolution of redevelopment, the liability for these expended funds was transferred from the City of Brentwood to the Successor Agency. As of June 30, 2012, the balance of the amounts due to the City from the Successor Agency for capital projects was \$3,301,501 for Governmental-type activities and \$880,662 for Business-type activities.

In addition, the former Redevelopment Agency had long-term obligations for the funding of its portion of the CIP 2012 Revenue Refunding Bonds and the 2009 Civic Center Project Lease Revenue Bonds. The Successor Agency has pledged future tax revenues for the repayment of its portion of the bonds. The City has recorded a receivable for the debt obligations due from the Successor Agency. The balance of the receivables at June 30, 2012 was \$29,786,579 and has been offset with deferred revenue in the Governmental Fund financial statements. The long-term obligations are discussed in further detail in both Note #6 and Note #12.

***Discovery Builders***

The Affordable Housing Agreement between the City and Discovery Builders requires the Discovery Builders to pay the City In-Lieu fees for twelve affordable units in installment payments at the time of and at the rate in effect at building permit issuance for each phase of the development. Each installment payment shall be a percentage of the In-Lieu equal to the percentage of the total units constructed in that phase. At June 30, 2012, Discovery Builders was in Phase 2, which equates to 11% of the total project and owed the City \$138,729 in In-Lieu fees.

***Loans under the Redevelopment Agency and the City's Affordable Housing In Lieu Programs*** – The City and the Brentwood Redevelopment Agency entered into the loan programs shown below to improve the quality and availability of affordable housing. Loans under the 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. However, with the dissolution of the Redevelopment Agency, as discussed in Note #12, the City agreed to become the successor to the Redevelopment Agency's housing activities. Therefore, as of February 1, 2012, the City Low Income Housing Asset Fund assumed the loans receivable of the former Redevelopment Agency's Low and Moderate Income Housing Fund and the Successor Agency assumed the loans receivable of the Redevelopment Agency's Projects Fund as discussed in Note #12. The City Low and Moderate Income Housing Asset loans were comprised of the following at June 30, 2012:

**NOTE #4 – ACCOUNTS, NOTES AND LOANS RECEIVABLE (Continued)**
**Governmental Activities:**

Brentwood/202 Senior Housing, Inc.	\$ 314,550
Christian Church Homes Sycamore II	953,017
Eden Housing	121,125
Mercy Housing	1,631,000
Brentwood Senior Commons	400,000
Brentwood Green Valley	1,234,006
Subtotal Loans under City Low Income Housing	4,653,698
Less: Reservation for Loans Expected to be Forgiven	4,653,698
Net Notes and Loans Receivable	\$ -

**Business - Type Activities:**

Eden Housing	\$ 1,084,000
Mercy Housing	699,000
Meta Housing	3,954,870
Subtotal Loans under Affordable Housing In Lieu	5,737,870
Less: Reservation for Loans Expected to be Forgiven	5,737,870
Net Notes and Loans Receivable	\$ -

***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, 2012 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, 2012, principal and accrued interest total \$953,017. There is a reasonable expectation 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 #4 – ACCOUNTS, NOTES AND LOANS RECEIVABLE (Continued)**

**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, 2012, principal and accrued interest for both notes total \$1,205,125. There is a reasonable expectation 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, 2012, the principal and accrued interest due for both notes total \$2,330,000. There is a reasonable expectation 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.

**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 City of Brentwood as Housing Successor may, in its sole discretion, forgive the repayment of all or part of the Loan. As of June 30, 2012, the principal due totaled \$400,000. There is a reasonable expectation 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 was disbursed in two payments in accordance with the loan agreement. As of June 30, 2012, the entire loan amount of \$1,258,886 had been disbursed to Brentwood Green Valley Associates. This note bears 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 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).

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

In addition, all accrued but unpaid interest is forgiven so long as the note is not in default. As of June 30, 2012, the principal and accrued interest due for both notes, before the forgiveness, totaled \$1,294,685. Per the terms of the note, \$22,912 of the principal and \$37,767 of the interest were forgiven at June 30, 2012. The remaining balance at June 30, 2012 totaled \$1,234,006. There is a reasonable expectation 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.

**Meta Housing** – In January 2012, the Redevelopment Agency entered into a Loan Agreement with Meta Housing Corporation in the amount of \$3,950,000 to provide funding for the development of The Grove at Sunset Court, a 54-unit family apartment project. Due to State legislation, redevelopment agencies dissolved as of February 1, 2012. At that time, cities were given the option of becoming a successor agency and the City of Brentwood adopted a resolution to serve as the Successor Agency of the former Brentwood Redevelopment Agency. The loan agreement with Meta Housing provided it would be automatically assigned to the Successor Agency upon the dissolution date.

In June 2012, the promissory note between the City of Brentwood and Meta Housing Corporation was signed and the loan was funded. As the loan had not been funded at the time of the redevelopment dissolution, and subsequently not approved as an enforceable obligation by the Department of Finance, the City assumed the rights and obligations under the loan agreement and funded the loan from the City Housing Fund. In the event the State determines the Successor Agency is able to fund this loan, the City's Low Income Housing Fund will provide the funds for the loan.

The note is a 3% per annum simple interest, 55-year loan. So long as Meta Housing owns and operates the project in compliance with the Affordable Housing Covenant, no payments shall be due and the entire outstanding unpaid principal and interest shall be due and payable on June 20, 2067. As of June 30, 2012, principal and accrued interest total \$3,954,870. There is a reasonable expectation 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**

The City reports all capital assets, including infrastructure, in the Government-Wide Statement of Net Assets. Capital assets of the primary government as of June 30, 2012 are as follows:

	Balance July 1, 2011	Increases	Decreases	Transfers	Balance June 30, 2012
<b>Governmental Activities:</b>					
Capital Assets, Not Being Depreciated or Amortized:					
Land	\$ 36,449,527	\$ -	\$ (11,145)	\$ -	\$ 36,438,382
Work in Progress - CIP	47,944,711	18,649,014	-	(59,873,903)	6,719,822
Total Capital Assets, Not Being Depreciated or Amortized	<u>84,394,238</u>	<u>18,649,014</u>	<u>(11,145)</u>	<u>(59,873,903)</u>	<u>43,158,204</u>
Capital Assets, Being Depreciated and Amortized:					
Intangible Assets	6,258,156	-	-	-	6,258,156
Buildings	18,784,364	-	(1,672,434)	38,892,813	56,004,743
Infrastructure	390,861,448	927,460	-	19,760,402	411,549,310
Machinery and Equipment	5,508,819	184,010	(771,622)	1,220,688	6,141,895
Vehicles	7,761,131	853,879	(702,949)	-	7,912,061
Land Improvements	27,331,682	-	(76,709)	-	27,254,973
Total Capital Assets Being Depreciated and Amortized	<u>456,505,600</u>	<u>1,965,349</u>	<u>(3,223,714)</u>	<u>59,873,903</u>	<u>515,121,138</u>
Less Accumulated Depreciation and Amortization for:					
Intangible Assets	592,413	96,279	-	-	688,692
Buildings	2,837,172	374,842	(616,753)	-	2,595,261
Infrastructure	59,827,774	6,013,253	-	-	65,841,027
Machinery and Equipment	2,326,911	421,622	(718,388)	-	2,030,145
Vehicles	4,658,086	745,307	(701,365)	-	4,702,028
Land Improvements	2,285,084	523,985	(70,636)	-	2,738,433
Total Accumulated Depreciation and Amortization	<u>72,527,440</u>	<u>8,175,288</u>	<u>(2,107,142)</u>	<u>-</u>	<u>78,595,586</u>
Total Capital Assets, Being Depreciated and Amortized, Net	<u>383,978,160</u>	<u>(6,209,939)</u>	<u>(1,116,572)</u>	<u>59,873,903</u>	<u>436,525,552</u>
Governmental Activities Capital Assets, Net	<u>\$ 468,372,398</u>	<u>\$ 12,439,075</u>	<u>\$ (1,127,717)</u>	<u>\$ -</u>	<u>\$ 479,683,756</u>
<b>Business-Type Activities:</b>					
Capital Assets, Not Being Depreciated or Amortized:					
Land	\$ 2,034,202	\$ -	\$ -	\$ -	\$ 2,034,202
Work in Progress - CIP	3,626,099	2,384,446	-	(2,715,224)	3,295,321
Total Capital Assets, Not Being Depreciated or Amortized	<u>5,660,301</u>	<u>2,384,446</u>	<u>-</u>	<u>(2,715,224)</u>	<u>5,329,523</u>
Capital Assets, Being Depreciated and Amortized:					
Intangible Assets	10,597,532	-	-	-	10,597,532
Buildings	24,813,632	21,280	-	-	24,834,912
Infrastructure	218,721,129	641,542	-	2,551,706	221,914,377
Machinery and Equipment	1,133,200	-	-	163,518	1,296,718
Land Improvements	10,925,186	-	-	-	10,925,186
Total Capital Assets Being Depreciated and Amortized	<u>266,190,679</u>	<u>662,822</u>	<u>-</u>	<u>2,715,224</u>	<u>269,568,725</u>
Less Accumulated Depreciation and Amortization for:					
Intangible Assets	1,851,885	259,193	-	-	2,111,078
Buildings	3,714,021	496,272	-	-	4,210,293
Infrastructure	25,958,942	3,387,224	-	-	29,346,166
Machinery and Equipment	871,492	77,627	-	-	949,119
Land Improvements	1,297,473	251,905	-	-	1,549,378
Total Accumulated Depreciation and Amortization	<u>33,693,813</u>	<u>4,472,221</u>	<u>-</u>	<u>-</u>	<u>38,166,034</u>
Total Capital Assets, Being Depreciated and Amortized, Net	<u>232,496,866</u>	<u>(3,809,399)</u>	<u>-</u>	<u>2,715,224</u>	<u>231,402,691</u>
Business-Type Activities Capital Assets, Net	<u>\$ 238,157,167</u>	<u>\$ (1,424,953)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 236,732,214</u>



**NOTE #5 – CAPITAL ASSETS (Continued)**

For the year ended June 30, 2012, depreciation and amortization expense on capital assets was charged to the governmental function as follows:

<b>Governmental Activities:</b>	
General Government	\$ 456,187
Public Safety	332,373
Community Development	2,960
Public Works	5,041,436
Parks and Recreation	1,363,131
Internal Service	979,201
Total Depreciation and Amortization Expense - Governmental Activities	<u><u>\$ 8,175,288</u></u>
<b>Business-Type Activities:</b>	
Wastewater	\$ 1,479,667
Solid Waste	70,903
Water	2,890,320
Housing	31,331
Total Depreciation and Amortization Expense - Business-Type Activities	<u><u>\$ 4,472,221</u></u>

**A. INTANGIBLE ASSETS**

**i. Water Rights**

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

In an amendatory agreement between Brentwood and CCWD, dated September 24, 2003, the City purchased the treatment capacity right of up to 3,200 acre feet 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 July 1, 2011	Additions	Payments Adjustments	Transfer to Successor Agency	Balance June 30, 2012	Amounts Due Within One Year
<b>Bonds</b>						
CIP 2012 Revenue Refunding Bonds	\$ -	\$ 24,060,000	\$ -	\$ -	\$ 24,060,000	\$ 855,000
2002 General Obligation Bonds	6,544,040	252,805 <sup>(1)</sup>	(260,000)	-	6,536,845	290,000
Civic Center Project Lease Revenue Bonds	48,000,000	-	-	-	48,000,000	625,000
CIP 2001 Revenue Bonds	26,110,000	-	(26,110,000)	-	-	-
Total Bonds	80,654,040	24,312,805	(26,370,000)	-	78,596,845	1,770,000
<b>Capital Lease</b>						
Equipment	-	832,970	(277,657)	-	555,313	277,657
Total Capital Lease	-	832,970	(277,657)	-	555,313	277,657
<b>Other</b>						
Net OPEB Obligation	6,066,583	1,951,673	-	(4,501)	8,013,755	-
Accumulated Compensated Absences	1,225,183	1,521,049	(1,485,967)	(3,600)	1,256,665	753,999
Total Other	7,291,766	3,472,722	(1,485,967)	(8,101)	9,270,420	753,999
<b>Total General Long-Term Debt</b>	<b>\$ 87,945,806</b>	<b>\$ 28,618,497</b>	<b>\$ (28,133,624)</b>	<b>\$ (8,101)</b>	<b>\$ 88,422,578</b>	<b>\$ 2,801,656</b>

(1) Accreted Interest



**NOTE #6 – LONG-TERM OBLIGATIONS (Continued)**

**i. Bonds**

• **CIP 2012 Revenue Refunding Bonds**

On January 11, 2012, the Brentwood Infrastructure Financing Authority (Authority) issued \$24,060,000 in Brentwood Capital Improvement Revenue Refunding Bonds, Series 2012 to: 1) finance the refund of the 2001 CIP Bonds under a Facilities Lease and 2) refund a series of tax allocation bonds issued by the Brentwood Redevelopment Agency. Total annual debt service payments, including interest at 2.00 percent to 5.25 percent, range from \$1,643,119 to \$1,939,388.

The Successor Agency to the Brentwood Redevelopment Agency has pledged future tax revenues for the repayment of a portion of the bonds. Following the dissolution of the Redevelopment Agency, the Successor Agency is allocated funds for payment of obligations listed on the Successor Agency’s six month Recognized Obligation Payment Schedule (ROPS) and approved by the California State Department of Finance. The Successor Agency listed this debt obligation on its ROPS and the Department of Finance has approved its inclusion for each applicable ROPS period through June 30, 2013. The City has recorded a receivable for the debt obligations of the Successor Agency, as detailed in Note #4, and the Successor Agency has recorded a liability for these obligations as discussed in Note #12.

The pledge of future Successor Agency tax revenues ends upon repayment of the Successor Agency’s \$27,127,150 remaining share of debt service on the bonds, which is scheduled to occur in 2032. For fiscal year 2011/12, gross tax revenue available to be distributed to the Successor Agency totaled \$5,531,614 which represented coverage of 4.05 times \$1,365,653 of the Agency’s debt service. The remaining portion of the bonds is repayable from any source of available funds of the City.

<b>Year Ending</b>			
<b>June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2013	\$ 855,000	\$ 1,080,988	\$ 1,935,988
2014	865,000	1,063,788	1,928,788
2015	885,000	1,041,863	1,926,863
2016	920,000	1,019,388	1,939,388
2017	925,000	991,688	1,916,688
2018-2022	5,370,000	4,200,856	9,570,856
2023-2027	6,910,000	2,638,625	9,548,625
2028-2032	7,330,000	902,975	8,232,975
Total	<u>\$ 24,060,000</u>	<u>\$ 12,940,171</u>	<u>\$ 37,000,171</u>



**NOTE #6 – LONG-TERM OBLIGATIONS (Continued)**

• **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 1<sup>st</sup> and July 1<sup>st</sup>.

Year Ending June 30	Principal	Interest	Total
2013	\$ 290,000	\$ 94,825	\$ 384,825
2014	325,000	80,325	405,325
2015	360,000	63,263	423,263
2016	400,000	44,363	444,363
2017	445,000	23,363	468,363
2018-2022	1,007,807	1,702,193	2,710,000
2023-2027	941,076	2,513,924	3,455,000
2028-2031	726,093	2,718,907	3,445,000
Sub-total	4,494,976	\$ 7,241,163	\$ 11,736,139
Accretion to date	2,041,869		
	<u>\$ 6,536,845</u>		

• **Civic Center Project Lease Revenue Bonds**

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 Redevelopment Agency (now Successor 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.



**NOTE #6 – LONG-TERM OBLIGATIONS (Continued)**

As mentioned above, the Successor Agency to the Brentwood Redevelopment Agency has pledged future tax revenues for the repayment of a portion of the bonds. Following the dissolution of the Redevelopment Agency, the Successor Agency is allocated funds for payment of obligations listed on the Successor Agency’s six month Recognized Obligation Payment Schedule (ROPS) and approved by the California State Department of Finance. The Successor Agency listed this debt obligation on its ROPS and the Department of Finance has approved its inclusion for each applicable ROPS period through June 30, 2013. The City has recorded a receivable for the debt obligations of the Successor Agency, as detailed in Note #4, and the Successor Agency has recorded a liability for these obligations as discussed in Note #12.

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 2011/12 was \$1,128,822.

<b>Year Ending</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
<b>June 30</b>			
2013	\$ 625,000	\$ 3,365,329	\$ 3,990,329
2014	645,000	3,346,279	3,991,279
2015	665,000	3,323,304	3,988,304
2016	1,040,000	3,289,204	4,329,204
2017	1,080,000	3,246,804	4,326,804
2018-2022	6,095,000	15,212,771	21,307,771
2023-2027	7,515,000	12,959,051	20,474,051
2028-2032	9,485,000	9,831,237	19,316,237
2033-2037	12,070,000	5,753,985	17,823,985
2038-2039	8,780,000	1,028,904	9,808,904
<b>Total</b>	<b>\$ 48,000,000</b>	<b>\$ 61,356,868</b>	<b>\$ 109,356,868</b>



**NOTE #6 – LONG-TERM OBLIGATIONS (Continued)**

• **CIP 2001 Revenue Bonds (Refunded)**

In January 2012, the City refunded the CIP 2001 Revenue Bonds using the proceeds of the CIP 2012 Revenue Refunding Bonds. The Redevelopment Agency obligations portions of the Revenue Bonds were not refunded, whereas the facilities lease portion was refunded in its entirety. The proceeds were sufficient to pay off all principal and accrued interest on the CIP 2001 Revenue Bonds, along with costs of issuance on the new issue. Therefore, as of June 30, 2012, the CIP 2001 Revenue Bonds have been paid in full. The refunding certificates were issued to reduce the total debt service payments by \$2,707,941 over the next 20 years, with an estimated Net Present Value (NPV) savings of \$1,149,915, or 4.55% of the outstanding bonds.

ii. **Capital Lease**

On July 25, 2011, the City entered into a lease-to-purchase agreement with Motorola to purchase 150 installed Police Motorola radios and accessories. The total lease amount is \$832,970 which includes the lease rate of 3.27% over three years. The first lease-to-purchase payment was made in September 2011 in the amount of \$277,657. Future payments of \$277,657 and \$277,656 are due September 15, 2012 and September 15, 2013, respectively.

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 78 – 82.

iv. **Accumulated Compensated Absences**

The long-term compensated absences balances as of June 30, 2012 were:

Governmental	\$ 502,666
Business-Type	\$ 141,398



NOTE #6 – LONG-TERM OBLIGATIONS (Continued)

B. BUSINESS-TYPE ACTIVITIES

	Balance July 1, 2011	Additions	Payments Adjustments	Balance June 30, 2012	Amounts Due Within One Year
<b>Bonds</b>					
Water Revenue Bonds Series 2008	\$ 52,200,000	\$ -	\$ (1,100,000)	\$ 51,100,000	\$ 1,145,000
Total Bonds	<u>52,200,000</u>	<u>-</u>	<u>(1,100,000)</u>	<u>51,100,000</u>	<u>1,145,000</u>
<b>Notes Payable</b>					
CCWD Water Connection Fee	7,432,445	64,950	(138,520)	7,358,875	-
State Water Resources Loan (Wastewater)	24,416,786	-	(1,840,546)	22,576,240	1,873,771
Total Notes Payable	<u>31,849,231</u>	<u>64,950</u>	<u>(1,979,066)</u>	<u>29,935,115</u>	<u>1,873,771</u>
<b>Other</b>					
Net OPEB Obligation	1,902,917	596,971	-	2,499,888	-
Accumulated Compensated Absences	323,401	528,104	(498,011)	353,494	212,096
Total Other	<u>2,226,318</u>	<u>1,125,075</u>	<u>(498,011)</u>	<u>2,853,382</u>	<u>212,096</u>
<b>Total All Business-Type Funds</b>	<u>\$ 86,275,549</u>	<u>\$ 1,190,025</u>	<u>\$ (3,577,077)</u>	<u>\$ 83,888,497</u>	<u>\$ 3,230,867</u>





**NOTE #6 – LONG-TERM OBLIGATIONS (Continued)**

**i. Bonds**

• **Water Revenue Bonds Series 2008**

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, 2012 is \$51,100,000. Future payments for these bonds are as follows:

<b>Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2013	\$ 1,145,000	\$ 2,839,763	\$ 3,984,763
2014	1,200,000	2,788,238	3,988,238
2015	1,255,000	2,728,238	3,983,238
2016	1,320,000	2,665,488	3,985,488
2017	1,385,000	2,599,488	3,984,488
2018-2022	8,185,000	11,739,525	19,924,525
2023-2027	10,045,000	9,213,550	19,258,550
2028-2032	10,105,000	6,508,563	16,613,563
2033-2037	13,320,000	3,286,125	16,606,125
2038	3,140,000	180,550	3,320,550
<b>Total</b>	<b>\$ 51,100,000</b>	<b>\$ 44,549,528</b>	<b>\$ 95,649,528</b>

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 \$95,649,528. The Water Fund’s principal and interest paid for the current year was \$3,989,263 and the total customer net revenues paid for the current year was \$5,294,972.



**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, 2012, was \$3,463 per connection, with an interest rate of zero percent per annum, which increased the liability by \$64,950. 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 and the City paid \$138,520 in fiscal year 2011/12. Forecasting the annual payments beyond 2011/12 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, 2012, the City’s gross repayment obligation totaled \$25,094,246 and is being reported in the accompanying financial statement net of the unamortized discount of \$2,518,006. During fiscal year 2011/12, the City repaid \$1,840,547 on the obligation and amortized \$440,748 of the discount which was reported as interest expense.

<b>Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	2,012,772	268,523	2,281,295
2018-2022	10,622,146	784,330	11,406,476
2023	2,240,845	40,450	2,281,295
<b>Total</b>	<b>\$ 22,576,240</b>	<b>\$ 2,518,006</b>	<b>\$ 25,094,246</b>



***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
<b>Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2004 A &amp; B (Refinancing of CIFP 94-1)</b> • 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	\$ 26,920,000
<b>Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2004 C (Refinancing of CIFP 2000-1)</b> • 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	10,000,000
<b>Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2005 A &amp; B (Refinancing of CIFP 2002-1)</b> • 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	13,777,000
<b>Brentwood Infrastructure Financing Authority - CIFP 2005-1 Infrastructure Revenue Bonds, Series 2005</b> • 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	35,855,000
<b>Brentwood Infrastructure Financing Authority - CIFP 2006-1 Infrastructure Revenue Bonds, Series 2006</b> • 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	15,400,000
<b>Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2006 A&amp;B (Refinancing of CIFP 2003-1 &amp; 2004-1)</b> • 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	32,545,000
<b>City of Brentwood - Limited Obligation Improvement Bonds, Randy Way Sewer Line</b> • 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	785,000
<b>Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2012 (Refinancing of CIFP's 1996, 98-1 and 99-1)</b> • Dated June 7, 2012 • Annual debt service payments, including interest at 2.00 percent to 4.23 percent, range from \$572,000 to \$2,530,569. • Final payment due September 2029	22,395,000
<b>Total Assessment District Debt</b>	<b>\$ 157,677,000</b>



**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 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. Active plan members in the Miscellaneous Plan, hired either prior to or on September 30, 2010, are required to contribute two percent of their annual covered salary with the City paying the remaining six 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 2011/12 was 16.914% for miscellaneous employees and 26.746% 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 2011/12, the City of Brentwood’s annual pension cost was \$6,028,931. This amount equals the City’s required and actual contributions. The required contribution for fiscal year 2011/12 was determined as part of the June 30, 2009 actuarial valuation using the entry age normal actuarial cost method, with the contributions determined as a percent of pay. The actuarial assumptions included: a) 7.75 percent investment rate of return (net of administrative expenses), b) projected salary increases which vary by duration of service, age and type of employment ranging from 3.55 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 which 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, 2029 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
	6/30/2010	\$ 3,488,116	100%	\$ -
	6/30/2011	\$ 3,452,016	100%	\$ -
	6/30/2012	\$ 3,690,704	100%	\$ -

Safety:	Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
	6/30/2010	\$ 2,198,844	100%	\$ -
	6/30/2011	\$ 1,995,538	100%	\$ -
	6/30/2012	\$ 2,338,227	100%	\$ -



NOTE #9 – DEFINED BENEFIT PENSION PLAN (Continued)

E. FUNDING STATUS

As of the June 30, 2010 valuation date, the most recent available, the funded status of the Miscellaneous Plan is 80.1% and the Safety Plan is 83.3%. 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:

CalPERS latest actuarial value (which differs from market value) and funding progress for the City’s Miscellaneous Plan 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
6/30/2008	\$ 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%
6/30/2010	\$ 64,448,656	\$ 51,650,390	\$ 12,798,266	80.1%	\$ 15,595,846	82.1%

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
6/30/2008	\$ 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%
6/30/2010	\$ 10,165,475,166	\$ 8,470,235,152	\$ 1,695,240,014	83.3%	\$ 955,980,815	177.3%

The City’s Safety Plan represents approximately 0.67%, 0.61% and 0.63% of the State-wide pool for the years ended June 30, 2010, 2009 and 2008, respectively, based on covered payroll of \$6,421,737, \$5,998,667 and \$5,724,198 for those years.



**NOTE #10 – RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; natural disaster; errors and omissions; injuries to employees and unemployment claims. The City, along with other Contra Costa County cities, belongs to the Municipal Pooling Authority of Northern California (MPANC). MPANC 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 coverage, \$50,000 deductible on employment claims); Fire and Property (\$1 billion coverage, \$5,000 deductible); Flood (\$25 million coverage, \$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, 2012 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 three benefit tier levels. All tiers provide for 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 tiers are differentiated by maximum amount of health insurance coverage paid by the City.



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

The first tier, for employees who retire prior to July 1, 2012, provides for a maximum monthly coverage amount of \$1,226.63 for miscellaneous retirees and \$1,250.66 for safety retirees, with future increases in the maximum amount based upon annual increases in specified medical premium rates.

The second tier, for employees hired prior to July 1, 2012 with a retirement date on or after July 1, 2012, provides for a maximum monthly coverage amount of \$1,226.63 for miscellaneous retirees and \$1,250.66 for safety retirees. There will be no future increases in the maximum coverage amount for miscellaneous retirees until such time that the Kaiser employee-only monthly medical insurance rate exceeds \$1,226.63. Future increases for safety retirees will be based upon annual increases in specific medical premium rates up to a cap of \$1,500.00, at which point there will be no future increases in the maximum coverage amount for the Kaiser employee-only monthly insurance rate until it exceeds \$1,500.00.

The third tier, for employees hired on or after July 1, 2012, provides for a maximum monthly coverage amount equal to the PEMHCA minimum, currently \$112 per month. This amount is set annually by PEMHCA.

Currently 81 retirees, all of whom are in Tier 1, are receiving these benefits. During fiscal year 2011/12, expenditures of \$799,434 and pre-funding contributions of \$800,566 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.

**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.



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

The City chose to pay Plan benefits on a pay-as-you-go basis through fiscal year 2009/10 and since that time has made pre-funding contributions totaling \$1,120,900. 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 2011/12, the City paid \$799,434 for pay-as-you-go retiree healthcare Plan benefits and \$800,566 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 \$1,145,770 as of June 30, 2012, 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 actuarial valuation as of June 30, 2010, shows: 1) the components of the annual OPEB cost for the year, 2) the amount actually contributed to the plan and 3) changes in the net OPEB obligation:

Annual Required Contribution	\$ 4,448,000
Interest on Net OPEB Obligation	394,000
Adjustment to Annual Required Contribution	<u>(692,000)</u>
Annual OPEB Cost (Expense)	4,150,000
Contributions (Benefit Payments)	799,434
Contributions (Trust Pre-Funding)	<u>800,566</u>
Increase in Net OPEB Obligation	2,550,000
Net OPEB Obligation – July 1, 2011	<u>7,969,500</u>
Net OPEB Obligation – June 30, 2012	<u><u>\$ 10,519,500</u></u>



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

The 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:

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
6/30/2010	\$ 3,208,000	17.8%	\$ 5,098,500
6/30/2011	\$ 3,883,000	26.1%	\$ 7,969,500
6/30/2012	\$ 4,150,000	38.6%	\$ 10,519,500

The annual OPEB obligation as of June 30, 2012 is comprised of the following:

Net OPEB Obligation – City	\$ 10,513,643
Net OPEB Obligation – Successor Agency	5,857
Net OPEB Obligation – June 30, 2012	<u>\$ 10,519,500</u>

The portion to which the Successor Agency is obligated is discussed in Note #12.

**D. FUNDING STATUS AND FUNDING PROGRESS**

The funded status of the Plan as of June 30, 2011, the Plan’s most recent actuarial valuation date, is as follows:

Actuarial Accrued Liability (AAL)	\$ 29,350,000
Actuarial Value of Plan Assets	<u>322,000</u>
Unfunded Actuarial Accrued Liability (UAAL)	\$ 29,028,000
Funded Ratio (Actuarial Value of Plan Assets/AAL)	1%
Covered Payroll (Active Plan Members)	\$ 21,848,000
UAAL as a Percentage of Covered Payroll	133%

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

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

**E. ACTUARIAL METHODS AND ASSUMPTIONS**

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

In the June 30, 2011 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included select and ultimate investment rates of return equal to 5.21% for the 2012/13 fiscal year and increasing annually to 6.80% over five years based on the City’s funding policy. The method for calculating these rates used an assumed 7.25% 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 8.50% for Health Maintenance Organizations (HMOs) and 10.00% for Preferred Provider Organizations (PPOs) for 2014 premiums over 2013 premiums, both grading down to 5.00% annual increases for calendar year 2021 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 payrolls over 27 years on a closed basis, from June 30, 2011.

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (b)</b>	<b>Unfunded Actuarial Accrued Liability (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>Unfunded Actuarial Accrued Liability As a % of Covered Payroll ((b-a)/c)</b>
6/30/2008	\$ -	\$ 22,885,000	\$ 22,885,000	0.00%	\$ 21,546,000	106%
6/30/2010	\$ -	\$ 30,282,000	\$ 30,282,000	0.00%	\$ 22,246,000	136%
6/30/2011	\$ 322,000	\$ 29,028,000	\$ 28,706,000	1.11%	\$ 21,848,000	131%



**NOTE #12 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES**

**A. REDEVELOPMENT DISSOLUTION**

In an effort to balance its budget, the State of California adopted ABx1 26 on June 28, 2011, amended by AB1484 on June 27, 2012, which suspended all new redevelopment activities, except for limited specified activities as of that date, and dissolved redevelopment agencies on February 1, 2012. The suspension provisions prohibited 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 and 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.

In addition, ABx1 26 and AB1484 direct the State Controller to review the activities of all redevelopment agencies and successor 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 legislation purports to require the State Controller to order the asset returned to the redevelopment agency. The State Controller's Office has not yet scheduled its asset transfer review.

Effective February 1, 2012, the Brentwood Redevelopment Agency was dissolved and certain assets of the Redevelopment Agency Low and Moderate Income Housing Fund were distributed to a Housing Successor, and all remaining Redevelopment Agency assets and liabilities were distributed to a Successor Agency. Under the provisions of AB 1484, the City elected to become the Housing Successor and retain the housing assets. On February 1, 2012, certain housing assets were transferred to the City's Low Income Housing Special Revenue Fund.

The City also elected to become the Successor Agency to the Brentwood Redevelopment Agency and on February 1, 2012 the Redevelopment Agency's remaining assets were distributed to, and liabilities were assumed by, the Successor Agency. ABx1 26 requires the establishment of an Oversight Board to oversee the activities of the Successor Agency and one was established on April 11, 2012. The activities of the Successor Agency are subject to review and approval of the Oversight Board, which is comprised of seven members including one member of City Council and one former Redevelopment Agency employee appointed by the Mayor.

The activities of the Housing Successor are reported in the City Low Income Housing Special Revenue Fund as the City has control of those assets, which may be used in accordance with the low and moderate income housing provisions of California Redevelopment Law.

The activities of the Successor Agency are reported in the Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund as the activities are under the control of the Oversight Board. The City is providing administrative services to the Successor Agency to wind down the affairs of the former Redevelopment Agency.



**NOTE #12 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)**

A summary of the Redevelopment Agency’s assets distributed to, and liabilities assumed by, the Successor Agency and Housing Successor on February 1, 2012, reported as an Extraordinary Item, are presented below:

	Assets and Liabilities (Prior to Transfer)	Transfer to Successor Agency	Transfer to Housing Successor	Other Adjustments	Ending Balance
<b>ASSETS</b>					
Current Assets:					
Cash and Investments	\$ 6,447,624	\$ 2,163,486	\$ 4,284,138	\$ -	\$ -
Receivables	4,637,475	-	4,637,475	-	-
Prepays	538	87	451	-	-
Land Held for Redevelopment	1,040,359	-	1,040,359	-	-
Deferred Charges	238,260	-	-	238,260	-
<b>Total Assets</b>	<b>12,364,256</b>	<b>2,163,573</b>	<b>9,962,423</b>	<b>238,260</b>	<b>-</b>
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts Payable and Accrued Liabilities	49,920	33,154	16,766	-	-
Deferred Revenue	4,637,475	-	4,637,475	-	-
Payable to City of Brentwood	2,283,844	2,283,844	-	-	-
Long-Term Debt Due Within One Year	693,975	693,975	-	-	-
<b>Total Current Liabilities</b>	<b>7,665,214</b>	<b>3,010,973</b>	<b>4,654,241</b>	<b>-</b>	<b>-</b>
Non-Current Liabilities Due in More Than One Year:					
Compensated Absences	3,600	3,600	-	-	-
Bonds Payable	29,097,105	29,097,105	-	-	-
<b>Total Non-Current Liabilities</b>	<b>29,100,705</b>	<b>29,100,705</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>36,765,919</b>	<b>32,111,678</b>	<b>4,654,241</b>	<b>-</b>	<b>-</b>
<b>NET ASSETS (DEFICIT)</b>	<b>\$ (24,401,663)</b>	<b>\$ (29,948,105)</b>	<b>\$ 5,308,182</b>	<b>\$ 238,260</b>	<b>\$ -</b>



**NOTE #12 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)**

Below is a reconciliation of the net liabilities assumed by the Successor Agency with the Extraordinary Item reported on the Statement of Activities:

Net Liabilities Assumed by the Successor Agency as of February 1, 2012	\$ 29,948,105
City established an allowance for doubtful accounts	<u>(2,283,844)</u>
Extraordinary Item Reported on the Statement of Activities	<u><u>\$ 27,664,261</u></u>

As of June 30, 2012, cash and investments of the Successor Agency were pooled with the City’s cash and investments. Details of the nature of the Successor Agency’s cash and investments are presented in Note #3, pages 50 – 55. Information presented in the following footnotes represents other assets and liabilities of the Successor Agency as of June 30, 2012.

**B. LONG-TERM DEBT**

The Successor Agency assumed the long-term debt of the Redevelopment Agency as of February 1, 2012. The following summarizes the long-term debt of the Successor Agency.

	<u>Balance</u> <u>February 1, 2012</u>	<u>Additions</u>	<u>Payments</u> <u>Adjustments</u>	<u>Balance</u> <u>June 30, 2012</u>	<u>Amounts Due</u> <u>Within One Year</u>
CIP 2012 Revenue Refunding Bonds	\$ 17,155,000	\$ -	\$ -	\$ 17,155,000	\$ 525,000
Civic Center Project Lease Revenue Bonds	12,631,579	-	-	12,631,579	164,474
Net OPEB Obligation	4,501	1,356	-	5,857	5,857
Accumulated Compensated Absences	3,600	16,205	(16,520)	3,285	3,285
	<u>\$ 29,794,680</u>	<u>\$ 17,561</u>	<u>\$ (16,520)</u>	<u>\$ 29,795,721</u>	<u>\$ 698,616</u>





**NOTE #12 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)**

**i. Bonds**

• **CIP 2012 Revenue Refunding Bonds**

The Brentwood Redevelopment Agency issued 2001 CIP Tax Allocation Bonds, dated October 1, 2001, to finance certain Redevelopment projects. The Agency pledged future tax increment revenues, less amounts required to be set aside in the RDA Low Income Housing Fund, for the repayment of the Tax Allocation Bonds. On January 11, 2012, the BIFA issued \$24,060,000 in Brentwood Capital Improvement Revenue Refunding Bonds, Series 2012 to: 1) finance the refund of the 2001 CIP Bonds under a Facilities Lease and 2) refund a series of tax allocation bonds issued by the Brentwood Redevelopment Agency. Total annual debt service payments, including interest at 4.25 percent to 5.375 percent, range from \$1,342,750 to \$1,368,688.

The Successor Agency to the Brentwood Redevelopment Agency has pledged future tax revenues for the repayment of a portion of the bonds. Following the dissolution of the Redevelopment Agency, the Successor Agency is allocated funds for payment of obligations listed on the Successor Agency's six month ROPS and approved by the California State Department of Finance. The Successor Agency listed this debt obligation on its ROPS and the Department of Finance has approved its inclusion for each applicable ROPS period through June 30, 2013. The City has recorded a receivable for the debt obligations of the Successor Agency, as detailed in Note #4, pages 56 – 61.

The pledge of future Successor Agency tax revenues ends upon repayment of the Successor Agency's \$27,127,150 remaining share of debt service on the bonds, which is scheduled to occur in 2032. For fiscal year 2011/12, gross tax revenue available to be distributed to the Successor Agency totaled \$5,531,614, which represented coverage of 4.05 times \$1,365,653 of the Agency's debt service.

• **Civic Center Project Lease Revenue Bonds**

On October 16, 2009, the BIFA issued \$48,000,000 in Civic Center Project Lease Revenue Bonds, Series 2009A \$4,055,000 and Taxable Series 2009B \$43,945,000, to finance the construction of a new City Hall, a new Community Center, a new Senior Center, library improvements and other public capital improvements. The Brentwood Redevelopment Agency entered into a Reimbursement agreement with the BIFA which indicates the Agency will pay a proportionate amount of the City's Base Rental Payments for specific and allowable projects the Agency has agreed to fund. The Civic Center Project Lease Revenue Bonds generated \$12,631,578 for allowable Agency projects.

**NOTE #12 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)**

The Successor Agency to the Brentwood Redevelopment Agency has pledged future tax revenues for the repayment of a portion of the bonds. Following the dissolution of the Redevelopment Agency, the Successor Agency is allocated funds for payment of obligations listed on the Successor Agency’s six month ROPS and approved by the California State Department of Finance. The Successor Agency listed this debt obligation on its ROPS and the Department of Finance has approved its inclusion for each applicable ROPS period through June 30, 2013. The City has recorded a receivable for the debt obligations of the Successor Agency, as detailed in Note #4, pages 56 – 61. The pledge of future tax revenues ends upon repayment of the Successor Agency’s \$28,778,123 remaining share of debt service on the bonds. The repayment of the debt service is scheduled to occur in 2040.

Total debt service requirements for the Agency’s two bond payment obligations are summarized below:

<b>Year Ending</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
<b>June 30</b>			
2013	\$ 689,474	\$ 1,724,694	\$ 2,414,168
2014	719,737	1,696,150	2,415,887
2015	750,000	1,664,791	2,414,791
2016	878,684	1,629,268	2,507,952
2017	904,211	1,590,547	2,494,758
2018-2022	5,243,947	7,157,830	12,401,777
2023-2027	6,652,632	5,508,901	12,161,533
2028-2032	8,461,052	3,361,543	11,822,595
2033-2037	3,176,316	1,514,206	4,690,522
2038-2040	2,310,526	270,764	2,581,290
Total Payments Due	<u>\$ 29,786,579</u>	<u>\$ 26,118,694</u>	<u>\$ 55,905,273</u>

**ii. Net OPEB Obligation**

The Successor Agency is responsible for a Net OPEB Obligation for its current and former employees. Details regarding the Net OPEB Obligation can be found in Note #11, pages 78 – 82. The Successor Agency’s Net OPEB Obligation as of June 30, 2012 was \$5,857.

**iii. Accumulated Compensated Absences**

The long-term compensated absences balances as of June 30, 2012 were \$3,285.



**NOTE #12 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)**

**C. PLEGGED REVENUES**

As discussed above, the Agency has pledged all future tax increment revenues for the repayment of its share of the CIP 2012 Revenue Refunding Bonds and the Civic Center Project Lease Revenue Bonds. The pledge of all future tax increment revenues ends upon repayment of \$55,905,273 remaining debt service on the bonds, which is scheduled to occur in 2040. With the dissolution of the Redevelopment Agency discussed above, tax increment is no longer distributed, and instead the Successor Agency receives payments from the County’s Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the bonds, with no distinction between housing and non-housing revenues. Using both property taxes received by the Redevelopment Agency, prior to the dissolution, and by the Successor Agency after the dissolution, net of the AB1484 true-up payment, total collections were \$5,531,614 which represents coverage of 229% of the fiscal year 2011/12 debt service requirements.

**D. TAX SHARING AGREEMENTS AND PASS THROUGH PAYMENTS**

The Agency previously entered into tax sharing agreements with the following entities: Contra Costa Community College District; East Bay Regional Park District; East Diablo Fire District; Brentwood Union School District; Liberty Union High School District; Oakley School District; Knightsen School District; Byron Elementary School District; Contra Costa Mosquito Abatement District; Byron/Brentwood/Knightsen Union Cemetery 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 Agency also entered into a tax-sharing agreement with the East Bay Regional Park District which calls for a pass-through of their negotiated share of tax increment revenue and the voter approved Measure AA tax levy.

Through various amendments to its Redevelopment Plan the Agency also triggered additional statutory pass through payments to taxing entities. Finally, the Agency also entered into tax sharing agreements with Contra Costa County, Contra Costa Library and the Contra Costa Flood Control District for the pass through of tax increment which would have been allocated to these taxing agencies but for the adoption of the North Brentwood Redevelopment Project.

The exact amounts of the pass through payments are not known, as they are determined by the amount of tax increment received by the Agency each year. Pass through amounts due to the taxing agencies for fiscal year 2011/12 totaled \$1,096,331. Through the dissolution of the Redevelopment Agency, pass through obligations, beginning February 1, 2012, are to be paid by Contra Costa County. Therefore, the Agency transferred the outstanding liability to the County. Contra Costa County, at the request of the Agency, subordinated \$69,534 of the \$1,096,331 pass through payments owed in their initial pass through payment distribution. The subordinated pass through payments, although no longer an obligation of the Agency, are expected to be paid during the 2012/13 fiscal year.



**NOTE #12 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)**

**E. COMMITMENTS AND CONTINGENCIES**

**i. State Approval of Enforceable Obligations**

The Successor Agency prepares a ROPS semi-annually which contains all proposed expenditures for the subsequent six-month period. The ROPS is subject to the review and approval of the Oversight Board as well as the State Department of Finance. Although the State Department of Finance may elect not to question items included on the ROPS in one period, they may question the same items in a future period and disallow associated activities. The amount, if any, of current obligations that may be denied by the State Department of Finance cannot be determined at this time. The City expects such amounts, if any, to be immaterial. The City has been notified the State Department of Finance has approved the Successor Agency’s ROPS for the periods up to and including June 30, 2013.

**ii. State Asset Transfer Review**

The activities of the former Redevelopment Agency and the Successor Agency are subject to further examination by the State of California and the amount, if any, of expenditures which may be disallowed by the State cannot be determined at this time. In addition, the State Controller’s Office will be conducting a review of the propriety of asset transfers between the former Redevelopment Agency or the Successor Agency and any public agency that occurred on or after January 1, 2011 and the amount, if any, of assets that may be required to be returned to the Successor.

**iii. Construction Funding Commitments**

The Successor Agency has committed funding totaling \$6,539,717 to the City of Brentwood for the completion of several projects. As of June 30, 2012, the Agency recognized \$4,182,163 as payable to the City for funds spent on projects, while the remaining portion of \$2,357,544 represents commitments to fund future project costs. The commitment of these funds was approved by the Brentwood Oversight Board and the funds were included on the Successor Agency’s Recognized Obligation Payment Schedule and approved by the State Department of Finance. Payment for these commitments is anticipated to commence in fiscal year 2012/13.



**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, 2012 which is likely to have a material adverse effect on the financial position of the City.

**B. STATE AND 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 these developers impact fee credits since they constructed certain improvements beyond what was needed to serve their specific projects. The value of these 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, 2012, was \$25,041,798, after a total of \$2,245,801 was used as credits through fiscal year 2011/12. 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, 2012, the City had several commitments with respect to unfinished capital projects. The Successor Agency has committed funding totaling \$6,539,717 to the City of Brentwood for the completion of those projects. As of June 30, 2012, the City recognized \$4,182,163 of this as a receivable from the Agency, offset with deferred revenue, for project cost which have thus far been incurred, the remaining commitment of \$2,357,544 represents Agency funding commitments for future project costs. The commitment of these funds was approved by the Brentwood Oversight Board and the funds were included on the Successor Agency's Recognized Obligation Payment Schedule and approved by the State Department of Finance. Payment for these commitments is anticipated to commence in fiscal year 2012/13.



**NOTE #13 – CONTINGENT LIABILITIES (Continued)**

As of June 30, 2012, the City had the following commitments with respect to unfinished major capital projects:

<u>Project Name</u>	<u>Outstanding Commitment</u>
City Park	\$ 66,571
Civic Center Parking Facility	289,351
Downtown Infrastructure	35,566
Downtown Streetscape - Phases I & II	225,222
Fuel Dispensing System	158,997
New City Hall	1,050,876
New Community Center	1,988,133
Solid Waste Transfer Station Expansion	7,646,843
Summerset Commons	40,054
	<u>\$ 11,501,613</u>

**NOTE #14 – SUBSEQUENT EVENTS**

**A. DEMAND FOR TRUE-UP PAYMENT**

Pursuant to Health and Safety Code section 34183.5(b), Successor Agencies are required to remit a True-up Payment, representing a calculation of tax increment collected in December 2011 by the former Redevelopment Agency in excess of enforceable obligations, as approved by the County Auditor-Controller. Differing interpretations of the requirements of the statute resulted in disparate conclusions regarding the determination of the amount of the AB1484 True-Up Payment. On July 9, 2012 the County Auditor-Controller notified the Successor Agency that it was responsible for an AB1484 True-up Payment in the amount of \$2,056,042; while City staff believed the correct amount of the AB1484 True-up Payment demand should have been \$509,997. The Successor Agency did not fully comply with the demand as the Successor Agency believes that it is only responsible for payment in the amount of \$509,997, and the Successor Agency remitted payment in the amount of \$509,997 to the County-Auditor Controller on July 12, 2012.

In December 2012, the City and the Successor Agency filed a lawsuit against the County Auditor-Controller, and the State Director of Finance, related to the demand to make the full True-up Payment. The parties to the litigation are currently in settlement discussions. The unpaid balance of the demand has not been recorded in the accompanying financial statements as management and the City Attorney contend it is too early to evaluate the likelihood of an unfavorable outcome.



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Budgetary Comparison Schedule, General Fund
For Year Ended June 30, 2012

Table with columns: Original Budget, Final Budget, Actual, Variance. Rows include REVENUES (Taxes, Licenses, etc.), EXPENDITURES (General Government, Public Safety, etc.), and summary rows for Net Change in Fund Balances and Fund Balance at beginning and end of year.





**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.

**City of Brentwood**

***Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2012***

**Special Revenue Funds**

	<b>Thoroughfares</b>	<b>Gas Tax</b>	<b>Police Grants</b>	<b>Other Grants</b>	<b>Citywide Parks Districts</b>	<b>Community Facilities Districts</b>	<b>Community Facilities</b>	<b>Vehicle Abatement</b>
<b>ASSETS</b>								
Current Assets:								
Cash and Investments	\$ 2,610,347	\$ 97,591	\$ 166,741	\$ 13,446	\$ 527,732	\$ 119,418	\$ 1,020,337	\$ 75,090
Restricted Cash and Investments	-	-	-	-	-	-	-	-
Receivables	94,187	10	1,737	1	30	5	32,992	3
Prepays	-	-	-	-	865	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-
Non-Current Assets:								
Interfund Advance Receivable	97,069	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 2,801,603</b>	<b>\$ 97,601</b>	<b>\$ 168,478</b>	<b>\$ 13,447</b>	<b>\$ 528,627</b>	<b>\$ 119,423</b>	<b>\$ 1,053,329</b>	<b>\$ 75,093</b>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ 8,612	\$ -	\$ 177,594	\$ 2,041	\$ -	\$ -
Due to Other Funds	-	-	-	-	-	-	-	-
Deferred Revenue	191,154	-	-	-	-	-	32,942	-
Interfund Advance Payable	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>191,154</b>	<b>-</b>	<b>8,612</b>	<b>-</b>	<b>177,594</b>	<b>2,041</b>	<b>32,942</b>	<b>-</b>
Fund Balances:								
Nonspendable	-	-	-	-	865	-	-	-
Restricted	-	97,601	159,866	13,447	-	-	-	-
Committed	2,610,449	-	-	-	350,168	117,382	1,020,387	75,093
Unassigned	-	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>2,610,449</b>	<b>97,601</b>	<b>159,866</b>	<b>13,447</b>	<b>351,033</b>	<b>117,382</b>	<b>1,020,387</b>	<b>75,093</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,801,603</b>	<b>\$ 97,601</b>	<b>\$ 168,478</b>	<b>\$ 13,447</b>	<b>\$ 528,627</b>	<b>\$ 119,423</b>	<b>\$ 1,053,329</b>	<b>\$ 75,093</b>

*Continued*

**City of Brentwood**

**Combining Balance Sheet**  
**Non-Major Governmental Funds (Continued)**  
 June 30, 2012

**Special Revenue Funds (Continued)**

	<b>Infrastructure Improvements</b>	<b>RDA Low Income Housing</b>	<b>City Low Income Housing</b>	<b>PEG Media</b>	<b>Asset Forfeiture</b>	<b>Measure C / J</b>	<b>Facility Fee Administration</b>	<b>Parks Advertising</b>	<b>Parks and Trails</b>
<b>ASSETS</b>									
Current Assets:									
Cash and Investments	\$ 5,961	\$ -	\$ 4,159,697	\$ 905,881	\$ 45,702	\$ 77,160	\$ 72,496	\$ 30,876	\$ -
Restricted Cash and Investments	-	-	-	-	-	-	-	-	-
Receivables	-	-	4,653,921	100,048	3	4	5,175	1	4,682
Prepays	-	-	459	-	-	-	-	-	-
Land Held for Resale	-	-	1,040,359	-	-	-	-	-	-
Non-Current Assets:									
Interfund Advance Receivable	-	-	-	-	-	-	-	-	51,371
<b>Total Assets</b>	<b>\$ 5,961</b>	<b>\$ -</b>	<b>\$ 9,854,436</b>	<b>\$ 1,005,929</b>	<b>\$ 45,705</b>	<b>\$ 77,164</b>	<b>\$ 77,671</b>	<b>\$ 30,877</b>	<b>\$ 56,053</b>
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities:									
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ 13,470	\$ -	\$ 736	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-	-	-	-	-
Deferred Revenue	-	-	4,653,698	100,000	-	-	5,172	-	56,053
Interfund Advance Payable	-	-	-	-	-	-	-	-	2,501,419
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>4,667,168</b>	<b>100,000</b>	<b>736</b>	<b>-</b>	<b>5,172</b>	<b>-</b>	<b>2,557,472</b>
Fund Balances:									
Nonspendable	-	-	459	-	-	-	-	-	-
Restricted	-	-	5,186,809	905,929	44,969	77,164	72,499	-	-
Committed	5,961	-	-	-	-	-	-	30,877	-
Unassigned	-	-	-	-	-	-	-	-	(2,501,419)
<b>Total Fund Balances</b>	<b>5,961</b>	<b>-</b>	<b>5,187,268</b>	<b>905,929</b>	<b>44,969</b>	<b>77,164</b>	<b>72,499</b>	<b>30,877</b>	<b>(2,501,419)</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 5,961</b>	<b>\$ -</b>	<b>\$ 9,854,436</b>	<b>\$ 1,005,929</b>	<b>\$ 45,705</b>	<b>\$ 77,164</b>	<b>\$ 77,671</b>	<b>\$ 30,877</b>	<b>\$ 56,053</b>

*Continued*

**Combining Balance Sheet**  
**Non-Major Governmental Funds (Continued)**  
 June 30, 2012

**Special Revenue Funds (Continued)**

	<b>Agriculture Administration</b>	<b>Public Art Administration</b>	<b>Public Art Acquisition</b>	<b>Arts Commission</b>	<b>Fire Fees</b>	<b>Agriculture Land</b>	<b>Parking In Lieu</b>	<b>Lighting and Landscape Districts</b>
<b>ASSETS</b>								
Current Assets:								
Cash and Investments	\$ 528,649	\$ 94,639	\$ 742,874	\$ 6,310	\$ 1,035,384	\$ 1,106,318	\$ 27,081	\$ 4,321,153
Restricted Cash and Investments	-	-	-	-	-	-	-	-
Receivables	28	5	38	-	53	57	1	8,844
Prepays	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-
Non-Current Assets:								
Interfund Advance Receivable	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 528,677</b>	<b>\$ 94,644</b>	<b>\$ 742,912</b>	<b>\$ 6,310</b>	<b>\$ 1,035,437</b>	<b>\$ 1,106,375</b>	<b>\$ 27,082</b>	<b>\$ 4,329,997</b>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts Payable and Accrued Liabilities	\$ 18,703	\$ -	\$ -	\$ -	\$ -	\$ 640,000	\$ -	\$ 355,193
Due to Other Funds	-	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-	-	8,600
Interfund Advance Payable	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>18,703</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>640,000</b>	<b>-</b>	<b>363,793</b>
Fund Balances:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	509,974	94,644	742,912	6,310	1,035,437	466,375	27,082	3,966,204
Committed	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>509,974</b>	<b>94,644</b>	<b>742,912</b>	<b>6,310</b>	<b>1,035,437</b>	<b>466,375</b>	<b>27,082</b>	<b>3,966,204</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 528,677</b>	<b>\$ 94,644</b>	<b>\$ 742,912</b>	<b>\$ 6,310</b>	<b>\$ 1,035,437</b>	<b>\$ 1,106,375</b>	<b>\$ 27,082</b>	<b>\$ 4,329,997</b>

*Continued*

**City of Brentwood**

**Combining Balance Sheet**  
**Non-Major Governmental Funds (Continued)**  
 June 30, 2012

	Debt Service Funds		Capital Project Funds					
	Redevelopment Debt	2002 General Obligation 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	Civic Center Projects
<b>ASSETS</b>								
Current Assets:								
Cash and Investments	\$ -	\$ 45,717	\$ -	\$ -	\$ -	\$ -	\$ 904,488	\$ -
Restricted Cash and Investments	-	-	6,049,630	2,572,416	-	-	-	7,688,075
Receivables	-	13	-	-	-	-	48	329
Prepays	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-
Non-Current Assets:								
Interfund Advance Receivable	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 45,730</b>	<b>\$ 6,049,630</b>	<b>\$ 2,572,416</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 904,536</b>	<b>\$ 7,688,404</b>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-	-	-
Interfund Advance Payable	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund Balances:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	45,730	6,049,630	2,572,416	-	-	904,536	7,688,404
Committed	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>45,730</b>	<b>6,049,630</b>	<b>2,572,416</b>	<b>-</b>	<b>-</b>	<b>904,536</b>	<b>7,688,404</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ -</b>	<b>\$ 45,730</b>	<b>\$ 6,049,630</b>	<b>\$ 2,572,416</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 904,536</b>	<b>\$ 7,688,404</b>

*Continued*

**Combining Balance Sheet**  
**Non-Major Governmental Funds (Continued)**  
 June 30, 2012

**Capital Project Funds (Continued)**

	<b>Park Improvement Projects</b>	<b>Drainage Improvement Projects</b>	<b>Street Improvement Projects</b>	<b>Economic Infrastructure Projects</b>	<b>Vineyards Projects</b>	<b>Redevelopment Projects</b>	<b>Total Non-Major Governmental Funds</b>
<b>ASSETS</b>							
Current Assets:							
Cash and Investments	\$ -	\$ 81,524	\$ 4,411,006	\$ 6,438,481	\$ 1,736,816	\$ -	\$ 31,408,915
Restricted Cash and Investments	186,057	-	-	-	-	-	16,496,178
Receivables	1,139,031	4	148,475	340	91	-	6,190,156
Prepays	-	-	-	-	-	-	1,324
Land Held for Resale	-	-	-	-	-	-	1,040,359
Non-Current Assets:							
Interfund Advance Receivable	-	-	-	-	-	-	148,440
<b>Total Assets</b>	<b>\$ 1,325,088</b>	<b>\$ 81,528</b>	<b>\$ 4,559,481</b>	<b>\$ 6,438,821</b>	<b>\$ 1,736,907</b>	<b>\$ -</b>	<b>\$ 55,285,372</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts Payable and Accrued Liabilities	\$ 701,433	\$ -	\$ 448,883	\$ -	\$ -	\$ -	\$ 2,366,665
Due to Other Funds	401,384	-	-	-	-	-	401,384
Deferred Revenue	1,138,971	-	-	-	-	-	6,186,590
Interfund Advance Payable	-	-	-	-	-	-	2,501,419
<b>Total Liabilities</b>	<b>2,241,788</b>	<b>-</b>	<b>448,883</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,456,058</b>
Fund Balances:							
Nonspendable	-	-	-	-	-	-	1,324
Restricted	-	81,528	4,110,598	6,438,821	1,736,907	-	43,035,792
Committed	-	-	-	-	-	-	4,210,317
Unassigned	(916,700)	-	-	-	-	-	(3,418,119)
<b>Total Fund Balances</b>	<b>(916,700)</b>	<b>81,528</b>	<b>4,110,598</b>	<b>6,438,821</b>	<b>1,736,907</b>	<b>-</b>	<b>43,829,314</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,325,088</b>	<b>\$ 81,528</b>	<b>\$ 4,559,481</b>	<b>\$ 6,438,821</b>	<b>\$ 1,736,907</b>	<b>\$ -</b>	<b>\$ 55,285,372</b>



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**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
 For Year Ended June 30, 2012

	Special Revenue Funds							
	Thoroughfares	Gas Tax	Police Grants	Other Grants	Citywide Parks Districts	Community Facilities Districts	Community Facilities	Vehicle Abatement
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,764,987	\$ -	\$ -	\$ -
Uses of Money and Property	20,944	2,850	1,027	171	-	112	7,156	364
Intergovernmental	-	1,477,083	127,416	-	-	-	-	-
Fees and Other Revenues	1,821,271	-	-	-	38,426	3,121,433	678,220	101,434
<b>Total Revenues</b>	<b>1,842,215</b>	<b>1,479,933</b>	<b>128,443</b>	<b>171</b>	<b>1,803,413</b>	<b>3,121,545</b>	<b>685,376</b>	<b>101,798</b>
<b>EXPENDITURES</b>								
Current:								
General Government	1,603,639	-	-	-	-	-	208,945	-
Public Safety	-	-	104,951	-	-	-	-	38
Community Development	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	2,268,847	-	-	-
Community Services	-	-	-	-	-	33,314	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>1,603,639</b>	<b>-</b>	<b>104,951</b>	<b>-</b>	<b>2,268,847</b>	<b>33,314</b>	<b>208,945</b>	<b>38</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>238,576</b>	<b>1,479,933</b>	<b>23,492</b>	<b>171</b>	<b>(465,434)</b>	<b>3,088,231</b>	<b>476,431</b>	<b>101,760</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Premium on Bonds Issued	-	-	-	-	-	-	-	-
Refunding Bonds Issued	-	-	-	-	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	-	-	-
Transfers In	1,303,723	-	-	-	698,668	564,411	182,827	-
Transfers Out	(1,205,442)	(1,402,833)	-	-	-	(3,552,060)	(206,485)	(60,000)
<b>Total Other Financing Sources (Uses)</b>	<b>98,281</b>	<b>(1,402,833)</b>	<b>-</b>	<b>-</b>	<b>698,668</b>	<b>(2,987,649)</b>	<b>(23,658)</b>	<b>(60,000)</b>
<b>Net Change in Fund Balances before Extraordinary Items</b>	<b>336,857</b>	<b>77,100</b>	<b>23,492</b>	<b>171</b>	<b>233,234</b>	<b>100,582</b>	<b>452,773</b>	<b>41,760</b>
<b>EXTRAORDINARY ITEMS</b>								
Assets Transferred to Successor Agency	-	-	-	-	-	-	-	-
Assets Transferred from Successor Agency	-	-	-	-	-	-	-	-
<b>Total Extraordinary Items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>336,857</b>	<b>77,100</b>	<b>23,492</b>	<b>171</b>	<b>233,234</b>	<b>100,582</b>	<b>452,773</b>	<b>41,760</b>
<b>Fund Balance, Beginning of Year</b>	<b>2,273,592</b>	<b>20,501</b>	<b>136,374</b>	<b>13,276</b>	<b>117,799</b>	<b>16,800</b>	<b>567,614</b>	<b>33,333</b>
<b>Fund Balance, End of Year</b>	<b>\$ 2,610,449</b>	<b>\$ 97,601</b>	<b>\$ 159,866</b>	<b>\$ 13,447</b>	<b>\$ 351,033</b>	<b>\$ 117,382</b>	<b>\$ 1,020,387</b>	<b>\$ 75,093</b>

Continued



**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds (Continued)**  
 For Year Ended June 30, 2012

**Special Revenue Funds (Continued)**

	<b>Infrastructure Improvements</b>	<b>RDA Low Income Housing</b>	<b>City Low Income Housing</b>	<b>PEG Media</b>	<b>Asset Forfeiture</b>	<b>Measure C / J</b>	<b>Facility Fee Administration</b>	<b>Parks Advertising</b>	<b>Parks and Trails</b>
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	75	57,421	5,527	11,464	1,238	1,709	35	160	-
Intergovernmental	-	-	-	-	-	653,023	-	-	-
Fees and Other Revenues	-	-	-	-	3,947	-	129,097	26,580	1,080,077
<b>Total Revenues</b>	<b>75</b>	<b>57,421</b>	<b>5,527</b>	<b>11,464</b>	<b>5,185</b>	<b>654,732</b>	<b>129,132</b>	<b>26,740</b>	<b>1,080,077</b>
<b>EXPENDITURES</b>									
Current:									
General Government	-	1,136,887	126,441	917	63,512	1,874	70,018	-	-
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	6	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	8,789	1,106,459
Community Services	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>6</b>	<b>1,136,887</b>	<b>126,441</b>	<b>917</b>	<b>63,512</b>	<b>1,874</b>	<b>70,018</b>	<b>8,789</b>	<b>1,106,459</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>69</b>	<b>(1,079,466)</b>	<b>(120,914)</b>	<b>10,547</b>	<b>(58,327)</b>	<b>652,858</b>	<b>59,114</b>	<b>17,951</b>	<b>(26,382)</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Premium on Bonds Issued	-	-	-	-	-	-	-	-	-
Refunding Bonds Issued	-	-	-	-	-	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-	75,255
Transfers Out	-	-	-	-	-	(718,424)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(718,424)</b>	<b>-</b>	<b>-</b>	<b>75,255</b>
<b>Net Change in Fund Balances before Extraordinary Items</b>	<b>69</b>	<b>(1,079,466)</b>	<b>(120,914)</b>	<b>10,547</b>	<b>(58,327)</b>	<b>(65,566)</b>	<b>59,114</b>	<b>17,951</b>	<b>48,873</b>
<b>EXTRAORDINARY ITEMS</b>									
Assets Transferred to Successor Agency	-	(5,535,376)	-	-	-	-	-	-	-
Assets Transferred from Successor Agency	-	-	5,308,182	-	-	-	-	-	-
<b>Total Extraordinary Items</b>	<b>-</b>	<b>(5,535,376)</b>	<b>5,308,182</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>69</b>	<b>(6,614,842)</b>	<b>5,187,268</b>	<b>10,547</b>	<b>(58,327)</b>	<b>(65,566)</b>	<b>59,114</b>	<b>17,951</b>	<b>48,873</b>
<b>Fund Balance, Beginning of Year</b>	<b>5,892</b>	<b>6,614,842</b>	<b>-</b>	<b>895,382</b>	<b>103,296</b>	<b>142,730</b>	<b>13,385</b>	<b>12,926</b>	<b>(2,550,292)</b>
<b>Fund Balance, End of Year</b>	<b>\$ 5,961</b>	<b>\$ -</b>	<b>\$ 5,187,268</b>	<b>\$ 905,929</b>	<b>\$ 44,969</b>	<b>\$ 77,164</b>	<b>\$ 72,499</b>	<b>\$ 30,877</b>	<b>\$ (2,501,419)</b>

Continued

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds (Continued)**  
 For Year Ended June 30, 2012

**Special Revenue Funds (Continued)**

	<b>Agriculture Administration</b>	<b>Public Art Administration</b>	<b>Public Art Acquisition</b>	<b>Arts Commission</b>	<b>Fire Fees</b>	<b>Agriculture Land</b>	<b>Parking In Lieu</b>	<b>Lighting and Landscape Districts</b>
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	7,069	810	8,597	94	11,492	18,839	343	40,603
Intergovernmental	-	-	-	-	-	-	-	-
Fees and Other Revenues	41,315	36,695	105,483	-	118,876	165,262	-	4,848,900
<b>Total Revenues</b>	<b>48,384</b>	<b>37,505</b>	<b>114,080</b>	<b>94</b>	<b>130,368</b>	<b>184,101</b>	<b>343</b>	<b>4,889,503</b>
<b>EXPENDITURES</b>								
Current:								
General Government	94,588	68	25,875	1,279	600	1,052,447	28	-
Public Safety	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	4,940,419
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>94,588</b>	<b>68</b>	<b>25,875</b>	<b>1,279</b>	<b>600</b>	<b>1,052,447</b>	<b>28</b>	<b>4,940,419</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(46,204)</b>	<b>37,437</b>	<b>88,205</b>	<b>(1,185)</b>	<b>129,768</b>	<b>(868,346)</b>	<b>315</b>	<b>(50,916)</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Premium on Bonds Issued	-	-	-	-	-	-	-	-
Refunding Bonds Issued	-	-	-	-	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	-	-	-
Transfers In	-	-	-	944	-	-	-	-
Transfers Out	-	-	(944)	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(944)</b>	<b>944</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances before Extraordinary Items</b>	<b>(46,204)</b>	<b>37,437</b>	<b>87,261</b>	<b>(241)</b>	<b>129,768</b>	<b>(868,346)</b>	<b>315</b>	<b>(50,916)</b>
<b>EXTRAORDINARY ITEMS</b>								
Assets Transferred to Successor Agency	-	-	-	-	-	-	-	-
Assets Transferred from Successor Agency	-	-	-	-	-	-	-	-
<b>Total Extraordinary Items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(46,204)</b>	<b>37,437</b>	<b>87,261</b>	<b>(241)</b>	<b>129,768</b>	<b>(868,346)</b>	<b>315</b>	<b>(50,916)</b>
<b>Fund Balance, Beginning of Year</b>	<b>556,178</b>	<b>57,207</b>	<b>655,651</b>	<b>6,551</b>	<b>905,669</b>	<b>1,334,721</b>	<b>26,767</b>	<b>4,017,120</b>
<b>Fund Balance, End of Year</b>	<b>\$ 509,974</b>	<b>\$ 94,644</b>	<b>\$ 742,912</b>	<b>\$ 6,310</b>	<b>\$ 1,035,437</b>	<b>\$ 466,375</b>	<b>\$ 27,082</b>	<b>\$ 3,966,204</b>

Continued

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds (Continued)**  
 For Year Ended June 30, 2012

	Debt Service Funds		Capital Project Funds					
	Redevelopment Debt	2002 General Obligation 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	Civic Center Projects
<b>REVENUES</b>								
Taxes	\$ 3,070,876	\$ 377,991	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	54,750	953	-	-	951	57	15,268	60,708
Intergovernmental	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	-	-	-	1,082,697	-
<b>Total Revenues</b>	<b>3,125,626</b>	<b>378,944</b>	<b>-</b>	<b>-</b>	<b>951</b>	<b>57</b>	<b>1,097,965</b>	<b>60,708</b>
<b>EXPENDITURES</b>								
Current:								
General Government	-	-	1,500,941	6,461	-	4,514	1,034	3,507
Public Safety	-	-	-	-	-	-	-	-
Community Development	-	5,029	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	505,000	260,000	-	-	-	-	-	-
Interest and Fiscal Charges	879,574	107,825	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>1,384,574</b>	<b>372,854</b>	<b>1,500,941</b>	<b>6,461</b>	<b>-</b>	<b>4,514</b>	<b>1,034</b>	<b>3,507</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,741,052</b>	<b>6,090</b>	<b>(1,500,941)</b>	<b>(6,461)</b>	<b>951</b>	<b>(4,457)</b>	<b>1,096,931</b>	<b>57,201</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers In	444,040	-	-	-	-	-	-	-
Transfers Out	(543,453)	-	-	-	(401,585)	-	(1,387,795)	(1,203,716)
<b>Total Other Financing Sources (Uses)</b>	<b>(99,413)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(401,585)</b>	<b>-</b>	<b>(1,387,795)</b>	<b>(1,203,716)</b>
<b>Net Change in Fund Balances before Extraordinary Items</b>	<b>1,641,639</b>	<b>6,090</b>	<b>(1,500,941)</b>	<b>(6,461)</b>	<b>(400,634)</b>	<b>(4,457)</b>	<b>(290,864)</b>	<b>(1,146,515)</b>
<b>EXTRAORDINARY ITEMS</b>								
Assets Transferred to Successor Agency	(1,641,639)	-	-	-	-	-	-	-
Assets Transferred from Successor Agency	-	-	-	-	-	-	-	-
<b>Total Extraordinary Items</b>	<b>(1,641,639)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>6,090</b>	<b>(1,500,941)</b>	<b>(6,461)</b>	<b>(400,634)</b>	<b>(4,457)</b>	<b>(290,864)</b>	<b>(1,146,515)</b>
<b>Fund Balance, Beginning of Year</b>	<b>-</b>	<b>39,640</b>	<b>7,550,571</b>	<b>2,578,877</b>	<b>400,634</b>	<b>4,457</b>	<b>1,195,400</b>	<b>8,834,919</b>
<b>Fund Balance, End of Year</b>	<b>\$ -</b>	<b>\$ 45,730</b>	<b>\$ 6,049,630</b>	<b>\$ 2,572,416</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 904,536</b>	<b>\$ 7,688,404</b>

Continued

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Non-Major Governmental Funds (Continued)  
For Year Ended June 30, 2012**

**Capital Project Funds (Continued)**

	<b>Park Improvement Projects</b>	<b>Drainage Improvement Projects</b>	<b>Street Improvement Projects</b>	<b>Economic Infrastructure Projects</b>	<b>Vineyards Projects</b>	<b>Redevelopment Projects</b>	<b>Total Non-Major Governmental Funds</b>
<b>REVENUES</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,213,854
Uses of Money and Property	15,483	1,204	86,273	81,488	22,109	-	537,344
Intergovernmental	441,231	-	77,670	-	-	-	2,776,423
Fees and Other Revenues	-	5,536	8,115	-	18,800	-	13,432,164
<b>Total Revenues</b>	<b>456,714</b>	<b>6,740</b>	<b>172,058</b>	<b>81,488</b>	<b>40,909</b>	<b>-</b>	<b>21,959,785</b>
<b>EXPENDITURES</b>							
Current:							
General Government	214,508	-	623,734	127,038	1,767	283,022	7,153,644
Public Safety	-	-	-	-	-	-	104,989
Community Development	-	-	-	-	-	-	5,035
Parks and Recreation	-	-	-	-	-	-	3,384,095
Community Services	-	-	-	-	-	-	4,973,733
Capital Outlay	2,933,371	5,887	899,222	-	-	-	3,838,480
Debt Service:							
Principal	-	-	-	-	-	-	765,000
Interest and Fiscal Charges	-	-	-	-	-	-	987,399
<b>Total Expenditures</b>	<b>3,147,879</b>	<b>5,887</b>	<b>1,522,956</b>	<b>127,038</b>	<b>1,767</b>	<b>283,022</b>	<b>21,212,375</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(2,691,165)</b>	<b>853</b>	<b>(1,350,898)</b>	<b>(45,550)</b>	<b>39,142</b>	<b>(283,022)</b>	<b>747,410</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	446,496	44,464	718,424	-	88,732	778,282	5,346,266
Transfers Out	(163,987)	(9,704)	(1,684,450)	-	-	(234,829)	(12,775,707)
<b>Total Other Financing Sources (Uses)</b>	<b>282,509</b>	<b>34,760</b>	<b>(966,026)</b>	<b>-</b>	<b>88,732</b>	<b>543,453</b>	<b>(7,429,441)</b>
<b>Net Change in Fund Balances before Extraordinary Items</b>	<b>(2,408,656)</b>	<b>35,613</b>	<b>(2,316,924)</b>	<b>(45,550)</b>	<b>127,874</b>	<b>260,431</b>	<b>(6,682,031)</b>
<b>EXTRAORDINARY ITEMS</b>							
Assets Transferred to Successor Agency	-	-	-	-	-	(261,586)	(7,438,601)
Assets Transferred from Successor Agency	-	-	-	-	-	-	5,308,182
<b>Total Extraordinary Items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(261,586)</b>	<b>(2,130,419)</b>
<b>Net Change in Fund Balances</b>	<b>(2,408,656)</b>	<b>35,613</b>	<b>(2,316,924)</b>	<b>(45,550)</b>	<b>127,874</b>	<b>(1,155)</b>	<b>(8,812,450)</b>
<b>Fund Balance, Beginning of Year</b>	<b>1,491,956</b>	<b>45,915</b>	<b>6,427,522</b>	<b>6,484,371</b>	<b>1,609,033</b>	<b>1,155</b>	<b>52,641,764</b>
<b>Fund Balance, End of Year</b>	<b>\$ (916,700)</b>	<b>\$ 81,528</b>	<b>\$ 4,110,598</b>	<b>\$ 6,438,821</b>	<b>\$ 1,736,907</b>	<b>\$ -</b>	<b>\$ 43,829,314</b>



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***Combining Statement of Net Assets***  
***All Internal Service Funds***  
***June 30, 2012***

	<b>Emergency Preparedness</b>	<b>Information Services</b>	<b>Equipment Replacement</b>	<b>Information Systems Replacement</b>	<b>Facilities Replacement</b>	<b>Tuition Program</b>
<b>ASSETS</b>						
Current Assets:						
Cash and Investments	\$ 3,172,764	\$ 170,701	\$ 7,907,955	\$ 904,052	\$ 1,648,404	\$ 44,423
Receivables	168	9	25,103	85	87	2
Prepays	-	2,245	-	-	-	-
Total Current Assets	<u>3,172,932</u>	<u>172,955</u>	<u>7,933,058</u>	<u>904,137</u>	<u>1,648,491</u>	<u>44,425</u>
Non-Current Assets:						
Capital Assets:						
Machinery and Equipment	-	-	3,437,943	-	-	-
Vehicles	-	-	7,912,062	-	-	-
Less Accumulated Depreciation	-	-	(6,073,012)	-	-	-
Total Capital Assets, Net of Accumulated Depreciation	<u>-</u>	<u>-</u>	<u>5,276,993</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Non-Current Assets	<u>-</u>	<u>-</u>	<u>5,276,993</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Assets</b>	<u>3,172,932</u>	<u>172,955</u>	<u>13,210,051</u>	<u>904,137</u>	<u>1,648,491</u>	<u>44,425</u>
<b>LIABILITIES AND NET ASSETS</b>						
Current Liabilities:						
Accounts Payable and Accrued Liabilities	54	30,817	1,996	33,055	17,767	-
Unearned Revenue	-	-	-	-	-	-
Long-Term Debt Due Within One Year	-	-	277,657	-	-	-
Compensated Absences Payable	-	49,207	-	-	-	-
Total Current Liabilities	<u>54</u>	<u>80,024</u>	<u>279,653</u>	<u>33,055</u>	<u>17,767</u>	<u>-</u>
Non-Current Liabilities Due in More Than One Year:						
Capital Lease Payable	-	-	277,656	-	-	-
Net OPEB Obligation	-	411,873	-	-	-	-
Compensated Absences Payable	-	32,804	-	-	-	-
Total Non-Current Liabilities	<u>-</u>	<u>444,677</u>	<u>277,656</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities</b>	<u>54</u>	<u>524,701</u>	<u>557,309</u>	<u>33,055</u>	<u>17,767</u>	<u>-</u>
Net Assets:						
Invested in Capital Assets	-	-	5,276,993	-	-	-
Unrestricted	3,172,878	(351,746)	7,375,749	871,082	1,630,724	44,425
<b>Total Net Assets</b>	<u>\$ 3,172,878</u>	<u>\$ (351,746)</u>	<u>\$ 12,652,742</u>	<u>\$ 871,082</u>	<u>\$ 1,630,724</u>	<u>\$ 44,425</u>

*Continued*

***Combining Statement of Net Assets***  
***All Internal Service Funds (Continued)***  
***June 30, 2012***

	<b>Fleet Maintenance</b>	<b>Facilities Maintenance Services</b>	<b>Parks and LLD Replacement</b>	<b>Insurance</b>	<b>Budget Stabilization</b>	<b>Totals</b>
<b>ASSETS</b>						
Current Assets:						
Cash and Investments	\$ 132,487	\$ 364,520	\$ 5,622,231	\$ 3,512,364	\$ 10,491,999	\$ 33,971,900
Receivables	895	21	290	226	540	27,426
Prepays	1,011	1,624	-	210,041	-	214,921
Total Current Assets	<u>134,393</u>	<u>366,165</u>	<u>5,622,521</u>	<u>3,722,631</u>	<u>10,492,539</u>	<u>34,214,247</u>
Non-Current Assets:						
Capital Assets:						
Machinery and Equipment	-	-	-	-	-	3,437,943
Vehicles	-	-	-	-	-	7,912,062
Less Accumulated Depreciation	-	-	-	-	-	(6,073,012)
Total Capital Assets, Net of Accumulated Depreciation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,276,993</u>
Total Non-Current Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,276,993</u>
<b>Total Assets</b>	<u>134,393</u>	<u>366,165</u>	<u>5,622,521</u>	<u>3,722,631</u>	<u>10,492,539</u>	<u>39,491,240</u>
<b>LIABILITIES AND NET ASSETS</b>						
Current Liabilities:						
Accounts Payable and Accrued Liabilities	31,355	49,497	1,095	7,751	-	173,387
Unearned Revenue	888	-	-	-	-	888
Long-Term Debt Due Within One Year	-	-	-	-	-	277,657
Compensated Absences Payable	17,182	21,931	-	-	-	88,320
Total Current Liabilities	<u>49,425</u>	<u>71,428</u>	<u>1,095</u>	<u>7,751</u>	<u>-</u>	<u>540,252</u>
Non-Current Liabilities Due in More Than One Year:						
Capital Lease Payable	-	-	-	-	-	277,656
Net OPEB Obligation	160,451	275,060	-	-	-	847,384
Compensated Absences Payable	11,455	14,620	-	-	-	58,879
Total Non-Current Liabilities	<u>171,906</u>	<u>289,680</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,183,919</u>
<b>Total Liabilities</b>	<u>221,331</u>	<u>361,108</u>	<u>1,095</u>	<u>7,751</u>	<u>-</u>	<u>1,724,171</u>
Net Assets:						
Invested in Capital Assets	-	-	-	-	-	5,276,993
Unrestricted	(86,938)	5,057	5,621,426	3,714,880	10,492,539	32,490,076
<b>Total Net Assets</b>	<u>\$ (86,938)</u>	<u>\$ 5,057</u>	<u>\$ 5,621,426</u>	<u>\$ 3,714,880</u>	<u>\$ 10,492,539</u>	<u>\$ 37,767,069</u>

***Combining Statement of Revenues, Expenses and Changes in Fund Net Assets***  
***All Internal Service Funds***  
***For Year Ended June 30, 2012***

	<b>Emergency Preparedness</b>	<b>Information Services</b>	<b>Equipment Replacement</b>	<b>Information Systems Replacement</b>	<b>Facilities Replacement</b>	<b>Tuition Program</b>
<b>Operating Revenues:</b>						
Charges for Services	\$ -	\$ 2,000,567	\$ 1,504,047	\$ 397,249	\$ 131,069	\$ 35,423
Other Income	-	-	105,703	491	-	-
<b>Total Operating Revenues</b>	<b>-</b>	<b>2,000,567</b>	<b>1,609,750</b>	<b>397,740</b>	<b>131,069</b>	<b>35,423</b>
<b>Operating Expenses:</b>						
Personnel Services	-	1,468,769	-	-	-	-
Repairs and Maintenance	-	104	-	-	-	-
Materials, Supplies and Services	44,089	663,223	80,762	285,152	73,395	13,975
Depreciation and Amortization	-	-	979,201	-	-	-
<b>Total Operating Expenses</b>	<b>44,089</b>	<b>2,132,096</b>	<b>1,059,963</b>	<b>285,152</b>	<b>73,395</b>	<b>13,975</b>
<b>Operating Income (Loss)</b>	<b>(44,089)</b>	<b>(131,529)</b>	<b>549,787</b>	<b>112,588</b>	<b>57,674</b>	<b>21,448</b>
<b>Non-Operating Revenue (Expenses):</b>						
Interest Income	40,932	2,730	93,982	10,463	20,468	345
Loss on Disposal of Capital Assets	-	-	(1,833)	-	-	-
<b>Total Non-Operating Revenues (Expenses)</b>	<b>40,932</b>	<b>2,730</b>	<b>92,149</b>	<b>10,463</b>	<b>20,468</b>	<b>345</b>
<b>Income (Loss) before Contributions and Transfers</b>	<b>(3,157)</b>	<b>(128,799)</b>	<b>641,936</b>	<b>123,051</b>	<b>78,142</b>	<b>21,793</b>
Capital Asset Contributions	-	-	897,210	-	-	-
Transfers In	-	15,621	175,035	-	-	-
Transfers Out	(40,932)	-	(1,605,209)	(388,065)	(15,000)	-
<b>Change in Net Assets</b>	<b>(44,089)</b>	<b>(113,178)</b>	<b>108,972</b>	<b>(265,014)</b>	<b>63,142</b>	<b>21,793</b>
<b>Net Assets, Beginning of Year</b>	<b>3,216,967</b>	<b>(238,568)</b>	<b>12,543,770</b>	<b>1,136,096</b>	<b>1,567,582</b>	<b>22,632</b>
<b>Net Assets, End of Year</b>	<b>\$ 3,172,878</b>	<b>\$ (351,746)</b>	<b>\$ 12,652,742</b>	<b>\$ 871,082</b>	<b>\$ 1,630,724</b>	<b>\$ 44,425</b>

*Continued*



**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**All Internal Service Funds (Continued)**  
 For Year Ended June 30, 2012

	<b>Fleet Maintenance</b>	<b>Facilities Maintenance Services</b>	<b>Parks and LLD Replacement</b>	<b>Insurance</b>	<b>Budget Stabilization</b>	<b>Totals</b>
<b>Operating Revenues:</b>						
Charges for Services	\$ 1,086,095	\$ 1,195,710	\$ 885,150	\$ 1,219,453	\$ -	\$ 8,454,763
Other Income	1,062	-	-	17,923	-	125,179
<b>Total Operating Revenues</b>	<b>1,087,157</b>	<b>1,195,710</b>	<b>885,150</b>	<b>1,237,376</b>	<b>-</b>	<b>8,579,942</b>
<b>Operating Expenses:</b>						
Personnel Services	586,495	831,062	-	1,600,000	-	4,486,326
Repairs and Maintenance	2,515	979	-	-	-	3,598
Materials, Supplies and Services	553,367	541,320	79,821	782,259	-	3,117,363
Depreciation and Amortization	-	-	-	-	-	979,201
<b>Total Operating Expenses</b>	<b>1,142,377</b>	<b>1,373,361</b>	<b>79,821</b>	<b>2,382,259</b>	<b>-</b>	<b>8,586,488</b>
<b>Operating Income (Loss)</b>	<b>(55,220)</b>	<b>(177,651)</b>	<b>805,329</b>	<b>(1,144,883)</b>	<b>-</b>	<b>(6,546)</b>
<b>Non-Operating Revenue (Expenses):</b>						
Interest Income	1,616	5,924	61,430	57,122	130,978	425,990
Loss on Disposal of Capital Assets	-	-	-	-	-	(1,833)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>1,616</b>	<b>5,924</b>	<b>61,430</b>	<b>57,122</b>	<b>130,978</b>	<b>424,157</b>
<b>Income (Loss) before Contributions and Transfers</b>	<b>(53,604)</b>	<b>(171,727)</b>	<b>866,759</b>	<b>(1,087,761)</b>	<b>130,978</b>	<b>417,611</b>
Capital Asset Contributions	-	-	-	-	-	897,210
Transfers In	9,098	10,629	325,000	-	233,300	768,683
Transfers Out	-	(27,082)	(218,245)	-	(130,978)	(2,425,511)
<b>Change in Net Assets</b>	<b>(44,506)</b>	<b>(188,180)</b>	<b>973,514</b>	<b>(1,087,761)</b>	<b>233,300</b>	<b>(342,007)</b>
<b>Net Assets, Beginning of Year</b>	<b>(42,432)</b>	<b>193,237</b>	<b>4,647,912</b>	<b>4,802,641</b>	<b>10,259,239</b>	<b>38,109,076</b>
<b>Net Assets, End of Year</b>	<b>\$ (86,938)</b>	<b>\$ 5,057</b>	<b>\$ 5,621,426</b>	<b>\$ 3,714,880</b>	<b>\$ 10,492,539</b>	<b>\$ 37,767,069</b>

**Combining Statement of Cash Flows**  
**All Internal Service Funds**  
**For Year Ended June 30, 2012**

	<b>Emergency Preparedness</b>	<b>Information Services</b>	<b>Equipment Replacement</b>	<b>Information Systems Replacement</b>	<b>Facilities Replacement</b>	<b>Tuition Program</b>
<b>Cash Flows from Operating Activities</b>						
Cash Received from Customers/Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash Received from Interfund Services	-	2,000,326	1,529,473	397,249	131,100	35,422
Cash Payments to Suppliers of Goods and Services	(57,159)	(483,142)	(102,727)	(258,059)	(55,787)	(13,976)
Cash Payments to Employees for Services	-	(1,363,226)	-	-	-	-
Cash Payments for Interfund Services	-	(192,144)	-	-	-	-
Other Receipts/Payments	77	-	105,703	491	-	-
Net Cash Provided By (Used for) Operating Activities	<u>(57,082)</u>	<u>(38,186)</u>	<u>1,532,449</u>	<u>139,681</u>	<u>75,313</u>	<u>21,446</u>
<b>Cash Flows from Non-Capital Financing Activities</b>						
Transfers Received	-	15,621	175,035	-	-	-
Transfers Paid	(40,932)	-	(1,605,209)	(388,065)	(15,000)	-
Net Cash Provided By (Used for) Non-Capital Financing Activities	<u>(40,932)</u>	<u>15,621</u>	<u>(1,430,174)</u>	<u>(388,065)</u>	<u>(15,000)</u>	<u>-</u>
<b>Cash Flows from Capital and Related Financing Activities</b>						
Capital Lease	-	-	832,970	-	-	-
Principal Paid on Debt	-	-	(277,657)	-	-	-
Acquisition and Construction of Assets	-	-	(1,037,889)	-	-	-
Net Cash Provided By (Used for) Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>(482,576)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash Flows from Investing Activities</b>						
Interest on Investments	40,932	2,730	93,982	10,463	20,468	345
Net Cash Provided By Investing Activities	<u>40,932</u>	<u>2,730</u>	<u>93,982</u>	<u>10,463</u>	<u>20,468</u>	<u>345</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(57,082)	(19,835)	(286,319)	(237,921)	80,781	21,791
Cash and Cash Equivalents - Beginning of Year	3,229,846	190,536	8,194,274	1,141,973	1,567,623	22,632
Cash and Cash Equivalents - End of Year	<u>\$ 3,172,764</u>	<u>\$ 170,701</u>	<u>\$ 7,907,955</u>	<u>\$ 904,052</u>	<u>\$ 1,648,404</u>	<u>\$ 44,423</u>
<b>Reconciliation of Operating Income to Net Cash Provided By (Used for) Operating Activities:</b>						
Operating Income (Loss)	\$ (44,089)	\$ (131,529)	\$ 549,787	\$ 112,588	\$ 57,674	\$ 21,448
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used for) Operating Activities:						
Depreciation	-	-	979,201	-	-	-
Change in Assets and Liabilities:						
Receivables, Net	77	1	25,426	-	31	(1)
Prepaid Items	-	(241)	-	-	-	-
Accounts Payable and Other Payables	(13,070)	93,583	(21,965)	27,093	17,608	(1)
<b>Net Cash Provided By (Used for) Operating Activities</b>	<u>\$ (57,082)</u>	<u>\$ (38,186)</u>	<u>\$ 1,532,449</u>	<u>\$ 139,681</u>	<u>\$ 75,313</u>	<u>\$ 21,446</u>
<b>Noncash Capital Activities:</b>						
Capital Asset Contributions	\$ -	\$ -	\$ 897,210	\$ -	\$ -	\$ -

Continued

**Combining Statement of Cash Flows**  
**All Internal Service Funds (Continued)**  
 For Year Ended June 30, 2012

	<b>Fleet Maintenance</b>	<b>Facilities Maintenance Services</b>	<b>Parks and LLD Replacement</b>	<b>Insurance</b>	<b>Budget Stabilization</b>	<b>Totals</b>
<b>Cash Flows from Operating Activities</b>						
Cash Received from Customers/Other Funds	\$ 3,771	\$ -	\$ -	\$ -	\$ -	\$ 3,771
Cash Received from Interfund Services	1,082,877	1,195,528	885,197	1,009,553	-	8,266,725
Cash Payments to Suppliers of Goods and Services	(483,161)	(449,691)	(149,567)	(777,846)	-	(2,831,115)
Cash Payments to Employees for Services	(552,529)	(772,833)	-	(1,600,000)	-	(4,288,588)
Cash Payments for Interfund Services	(76,475)	(91,541)	-	-	-	(360,160)
Other Receipts/Payments	1,062	-	-	17,923	(116)	125,140
Net Cash Provided By (Used for) Operating Activities	<u>(24,455)</u>	<u>(118,537)</u>	<u>735,630</u>	<u>(1,350,370)</u>	<u>(116)</u>	<u>915,773</u>
<b>Cash Flows from Non-Capital Financing Activities</b>						
Transfers Received	9,098	10,629	325,000	-	233,300	768,683
Transfers Paid	-	(27,082)	(218,245)	-	(130,978)	(2,425,511)
Net Cash Provided By (Used for) Non-Capital Financing Activities	<u>9,098</u>	<u>(16,453)</u>	<u>106,755</u>	<u>-</u>	<u>102,322</u>	<u>(1,656,828)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>						
Capital Lease	-	-	-	-	-	832,970
Principal Paid on Debt	-	-	-	-	-	(277,657)
Acquisition and Construction of Assets	-	-	-	-	-	(1,037,889)
Net Cash Provided By (Used for) Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(482,576)</u>
<b>Cash Flows from Investing Activities</b>						
Interest on Investments	1,616	5,924	61,430	57,122	130,978	425,990
Net Cash Provided By Investing Activities	<u>1,616</u>	<u>5,924</u>	<u>61,430</u>	<u>57,122</u>	<u>130,978</u>	<u>425,990</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(13,741)	(129,066)	903,815	(1,293,248)	233,184	(797,641)
Cash and Cash Equivalents - Beginning of Year	146,228	493,586	4,718,416	4,805,612	10,258,815	34,769,541
Cash and Cash Equivalents - End of Year	<u>\$ 132,487</u>	<u>\$ 364,520</u>	<u>\$ 5,622,231</u>	<u>\$ 3,512,364</u>	<u>\$ 10,491,999</u>	<u>\$ 33,971,900</u>
<b>Reconciliation of Operating Income to Net Cash Provided By (Used for) Operating Activities:</b>						
Operating Income (Loss)	\$ (55,220)	\$ (177,651)	\$ 805,329	\$ (1,144,883)	\$ -	\$ (6,546)
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used for) Operating Activities:						
Depreciation	-	-	-	-	-	979,201
Change in Assets and Liabilities:						
Receivables, Net	3	14	47	142	(116)	25,624
Prepaid Items	550	(195)	-	(210,041)	-	(209,927)
Accounts Payable and Other Payables	30,212	59,295	(69,746)	4,412	-	127,421
Net Cash Provided By (Used for) Operating Activities	<u>\$ (24,455)</u>	<u>\$ (118,537)</u>	<u>\$ 735,630</u>	<u>\$ (1,350,370)</u>	<u>\$ (116)</u>	<u>\$ 915,773</u>
<b>Noncash Capital Activities:</b>						
Capital Asset Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 897,210

*Combining Statement of Fiduciary Assets and Liabilities*  
*Agency Funds*  
*June 30, 2012*

	Assessments	Pass-Through Funds	Asset Seizure	Totals
<b>ASSETS</b>				
Current Assets:				
Cash and Investments	\$ 10,149,391	\$ 1,185,714	\$ 35,345	\$ 11,370,450
Restricted Cash and Investments	5,911,112	-	-	5,911,112
Interest Receivable	511	54	2	567
<b>Total Assets</b>	<u>\$ 16,061,014</u>	<u>\$ 1,185,768</u>	<u>\$ 35,347</u>	<u>\$ 17,282,129</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 48	\$ 1,185,768	\$ -	\$ 1,185,816
Due to Others	-	-	35,347	35,347
Total Current Liabilities	<u>48</u>	<u>1,185,768</u>	<u>35,347</u>	<u>1,221,163</u>
Non-Current Liabilities Due in More Than One Year:				
Due to Bondholders	<u>16,060,966</u>	<u>-</u>	<u>-</u>	<u>16,060,966</u>
Total Non-Current Liabilities	<u>16,060,966</u>	<u>-</u>	<u>-</u>	<u>16,060,966</u>
<b>Total Liabilities</b>	<u>\$ 16,061,014</u>	<u>\$ 1,185,768</u>	<u>\$ 35,347</u>	<u>\$ 17,282,129</u>

## Combining Statement of Changes in Fiduciary Assets and Liabilities

## Agency Funds

For Year Ended June 30, 2012

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
<b>Assessments</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 10,097,999	\$ 19,899,115	\$ 19,847,723	\$ 10,149,391
Restricted Cash and Investments	6,623,864	3,132,407	3,845,159	5,911,112
Interest Receivable	21,246	84,513	105,248	511
Total Assets	<u>\$ 16,743,109</u>	<u>\$ 23,116,035</u>	<u>\$ 23,798,130</u>	<u>\$ 16,061,014</u>
<b>LIABILITIES</b>				
Accounts Payable and Accrued Liabilities	\$ 976	\$ 9,940,857	\$ 9,941,785	\$ 48
Due to Bondholders	16,742,133	40,899,589	41,580,756	16,060,966
Total Liabilities	<u>\$ 16,743,109</u>	<u>\$ 50,840,446</u>	<u>\$ 51,522,541</u>	<u>\$ 16,061,014</u>
<b>Pass-Through Funds</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 952,695	\$ 2,249,526	\$ 2,016,507	\$ 1,185,714
Interest Receivable	65	162	173	54
Total Assets	<u>\$ 952,760</u>	<u>\$ 2,249,688</u>	<u>\$ 2,016,680</u>	<u>\$ 1,185,768</u>
<b>LIABILITIES</b>				
Accounts Payable and Accrued Liabilities	\$ 952,760	\$ 1,875,882	\$ 1,642,874	\$ 1,185,768
Total Liabilities	<u>\$ 952,760</u>	<u>\$ 1,875,882</u>	<u>\$ 1,642,874</u>	<u>\$ 1,185,768</u>
<b>Asset Seizure</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 34,898	\$ 831	\$ 384	\$ 35,345
Interest Receivable	3	6	7	2
Total Assets	<u>\$ 34,901</u>	<u>\$ 837</u>	<u>\$ 391</u>	<u>\$ 35,347</u>
<b>LIABILITIES</b>				
Due to Others	\$ 34,901	\$ 834	\$ 388	\$ 35,347
Total Liabilities	<u>\$ 34,901</u>	<u>\$ 834</u>	<u>\$ 388</u>	<u>\$ 35,347</u>
<b>Total - All Agency Funds</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 11,085,592	\$ 22,149,472	\$ 21,864,614	\$ 11,370,450
Restricted Cash and Investments	6,623,864	3,132,407	3,845,159	5,911,112
Interest Receivable	21,314	84,681	105,428	567
Total Assets	<u>\$ 17,730,770</u>	<u>\$ 25,366,560</u>	<u>\$ 25,815,201</u>	<u>\$ 17,282,129</u>
<b>LIABILITIES</b>				
Accounts Payable and Accrued Liabilities	\$ 953,736	\$ 11,816,739	\$ 11,584,659	\$ 1,185,816
Due to Others	34,901	834	388	35,347
Due to Bondholders	16,742,133	40,899,589	41,580,756	16,060,966
Total Liabilities	<u>\$ 17,730,770</u>	<u>\$ 52,717,162</u>	<u>\$ 53,165,803</u>	<u>\$ 17,282,129</u>

**City of Brentwood**

***Balance Sheet***

***General Fund***

***June 30, 2012***

		<b>General Fund</b>
		<b>Fund</b>
<b>ASSETS</b>		
Current Assets:		
Cash and Investments	\$	22,434,587
Receivables		1,199,347
Prepays		75,163
<b>Total Assets</b>	<b>\$</b>	<b>23,709,097</b>
 <b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$	1,308,564
Deferred Revenue		670,063
Deposits Held		3,190,500
<b>Total Liabilities</b>		<b>5,169,127</b>
Fund Balances:		
Nonspendable		75,163
Restricted		27,500
Assigned		7,676,327
Unassigned		10,760,980
<b>Total Fund Balances</b>		<b>18,539,970</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$</b>	<b>23,709,097</b>

***Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual***  
***General Fund***  
***For Year Ended June 30, 2012***

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Taxes	\$ 13,649,159	\$ 13,752,875	\$ 103,716
Licenses	510,430	519,368	8,938
Permits and Fines	2,626,045	2,866,498	240,453
Uses of Money and Property	644,100	513,359	(130,741)
Intergovernmental	2,706,019	2,720,927	14,908
Franchises	1,223,247	1,216,589	(6,658)
Charges for Other Services	440,669	409,699	(30,970)
Charges to Other Funds	5,719,464	6,362,471	643,007
Fees and Other Revenues	1,734,636	1,607,279	(127,357)
<b>Total Revenues</b>	<u>29,253,769</u>	<u>29,969,065</u>	<u>715,296</u>
<b>EXPENDITURES</b>			
Current:			
General Government	8,048,449	4,993,539	3,054,910
Public Safety	17,072,932	16,522,137	550,795
Community Development	3,349,112	3,201,304	147,808
Engineering	2,735,993	2,383,174	352,819
Public Works	2,788,701	2,723,127	65,574
Parks and Recreation	4,832,639	4,289,786	542,853
Community Services	595,696	536,322	59,374
<b>Total Expenditures</b>	<u>39,423,522</u>	<u>34,649,389</u>	<u>4,774,133</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(10,169,753)</u>	<u>(4,680,324)</u>	<u>5,489,429</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	11,413,928	7,046,325	(4,367,603)
Transfers Out	(2,097,550)	(2,097,550)	-
<b>Total Other Financing Sources (Uses)</b>	<u>9,316,378</u>	<u>4,948,775</u>	<u>(4,367,603)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (853,375)</u>	<u>268,451</u>	<u>\$ 1,121,826</u>
<b>Fund Balance, Beginning of Year</b>		<u>18,271,519</u>	
<b>Fund Balance, End of Year</b>		<u>\$ 18,539,970</u>	

**City of Brentwood**

**Combining Balance Sheet**  
**All Special Revenue Funds**  
 June 30, 2012

	Thoroughfares	Gas Tax	Police Grants	Other Grants	Citywide Parks Districts	Community Facilities Districts	Community Facilities	Vehicle Abatement
<b>ASSETS</b>								
Current Assets:								
Cash and Investments	\$ 2,610,347	\$ 97,591	\$ 166,741	\$ 13,446	\$ 527,732	\$ 119,418	\$ 1,020,337	\$ 75,090
Receivables	94,187	10	1,737	1	30	5	32,992	3
Prepays	-	-	-	-	865	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-
Non-Current Assets:								
Interfund Advance Receivable	97,069	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 2,801,603</b>	<b>\$ 97,601</b>	<b>\$ 168,478</b>	<b>\$ 13,447</b>	<b>\$ 528,627</b>	<b>\$ 119,423</b>	<b>\$ 1,053,329</b>	<b>\$ 75,093</b>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ 8,612	\$ -	\$ 177,594	\$ 2,041	\$ -	\$ -
Deferred Revenue	191,154	-	-	-	-	-	32,942	-
Interfund Advance Payable	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>191,154</b>	<b>-</b>	<b>8,612</b>	<b>-</b>	<b>177,594</b>	<b>2,041</b>	<b>32,942</b>	<b>-</b>
Fund Balances:								
Nonspendable	-	-	-	-	865	-	-	-
Restricted	-	97,601	159,866	13,447	-	-	-	-
Committed	2,610,449	-	-	-	350,168	117,382	1,020,387	75,093
Unassigned	-	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>2,610,449</b>	<b>97,601</b>	<b>159,866</b>	<b>13,447</b>	<b>351,033</b>	<b>117,382</b>	<b>1,020,387</b>	<b>75,093</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,801,603</b>	<b>\$ 97,601</b>	<b>\$ 168,478</b>	<b>\$ 13,447</b>	<b>\$ 528,627</b>	<b>\$ 119,423</b>	<b>\$ 1,053,329</b>	<b>\$ 75,093</b>

*Continued*



**City of Brentwood**

**Combining Balance Sheet**  
**All Special Revenue Funds (Continued)**  
 June 30, 2012

	Infrastructure Improvements	RDA Low Income Housing	City Low Income Housing	PEG Media	Asset Forfeiture	Measure C / J	Facility Fee Administration	Parks Advertising	Parks and Trails
<b>ASSETS</b>									
Current Assets:									
Cash and Investments	\$ 5,961	\$ -	\$ 4,159,697	\$ 905,881	\$ 45,702	\$ 77,160	\$ 72,496	\$ 30,876	\$ -
Receivables	-	-	4,653,921	100,048	3	4	5,175	1	4,682
Prepays	-	-	459	-	-	-	-	-	-
Land Held for Resale	-	-	1,040,359	-	-	-	-	-	-
Non-Current Assets:									
Interfund Advance Receivable	-	-	-	-	-	-	-	-	51,371
<b>Total Assets</b>	<b>\$ 5,961</b>	<b>\$ -</b>	<b>\$ 9,854,436</b>	<b>\$ 1,005,929</b>	<b>\$ 45,705</b>	<b>\$ 77,164</b>	<b>\$ 77,671</b>	<b>\$ 30,877</b>	<b>\$ 56,053</b>
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities:									
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ 13,470	\$ -	\$ 736	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	4,653,698	100,000	-	-	5,172	-	56,053
Interfund Advance Payable	-	-	-	-	-	-	-	-	2,501,419
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>4,667,168</b>	<b>100,000</b>	<b>736</b>	<b>-</b>	<b>5,172</b>	<b>-</b>	<b>2,557,472</b>
Fund Balances:									
Nonspendable	-	-	459	-	-	-	-	-	-
Restricted	-	-	5,186,809	905,929	44,969	77,164	72,499	-	-
Committed	5,961	-	-	-	-	-	-	30,877	-
Unassigned	-	-	-	-	-	-	-	-	(2,501,419)
<b>Total Fund Balances</b>	<b>5,961</b>	<b>-</b>	<b>5,187,268</b>	<b>905,929</b>	<b>44,969</b>	<b>77,164</b>	<b>72,499</b>	<b>30,877</b>	<b>(2,501,419)</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 5,961</b>	<b>\$ -</b>	<b>\$ 9,854,436</b>	<b>\$ 1,005,929</b>	<b>\$ 45,705</b>	<b>\$ 77,164</b>	<b>\$ 77,671</b>	<b>\$ 30,877</b>	<b>\$ 56,053</b>

*Continued*

**Combining Balance Sheet**  
*All Special Revenue Funds (Continued)*  
 June 30, 2012

	Agriculture Administration	Public Art Administration	Public Art Acquisition	Arts Commission	Fire Fees	Agriculture Land	Parking In Lieu	Lighting and Landscape Districts	Totals
<b>ASSETS</b>									
Current Assets:									
Cash and Investments	\$ 528,649	\$ 94,639	\$ 742,874	\$ 6,310	\$ 1,035,384	\$ 1,106,318	\$ 27,081	\$ 4,321,153	\$ 17,790,883
Receivables	28	5	38	-	53	57	1	8,844	4,901,825
Prepays	-	-	-	-	-	-	-	-	1,324
Land Held for Resale	-	-	-	-	-	-	-	-	1,040,359
Non-Current Assets:									
Interfund Advance Receivable	-	-	-	-	-	-	-	-	148,440
<b>Total Assets</b>	<u>\$ 528,677</u>	<u>\$ 94,644</u>	<u>\$ 742,912</u>	<u>\$ 6,310</u>	<u>\$ 1,035,437</u>	<u>\$ 1,106,375</u>	<u>\$ 27,082</u>	<u>\$ 4,329,997</u>	<u>\$ 23,882,831</u>
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities:									
Accounts Payable and Accrued Liabilities	\$ 18,703	\$ -	\$ -	\$ -	\$ -	\$ 640,000	\$ -	\$ 355,193	\$ 1,216,349
Deferred Revenue	-	-	-	-	-	-	-	8,600	5,047,619
Interfund Advance Payable	-	-	-	-	-	-	-	-	2,501,419
<b>Total Liabilities</b>	<u>18,703</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>640,000</u>	<u>-</u>	<u>363,793</u>	<u>8,765,387</u>
Fund Balances:									
Nonspendable	-	-	-	-	-	-	-	-	1,324
Restricted	509,974	94,644	742,912	6,310	1,035,437	466,375	27,082	3,966,204	13,407,222
Committed	-	-	-	-	-	-	-	-	4,210,317
Unassigned	-	-	-	-	-	-	-	-	(2,501,419)
<b>Total Fund Balances</b>	<u>509,974</u>	<u>94,644</u>	<u>742,912</u>	<u>6,310</u>	<u>1,035,437</u>	<u>466,375</u>	<u>27,082</u>	<u>3,966,204</u>	<u>15,117,444</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 528,677</u>	<u>\$ 94,644</u>	<u>\$ 742,912</u>	<u>\$ 6,310</u>	<u>\$ 1,035,437</u>	<u>\$ 1,106,375</u>	<u>\$ 27,082</u>	<u>\$ 4,329,997</u>	<u>\$ 23,882,831</u>



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**City of Brentwood**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
All Special Revenue Funds  
For Year Ended June 30, 2012**

	Thoroughfares	Gas Tax	Police Grants	Other Grants	Citywide Parks Districts	Community Facilities Districts	Community Facilities	Vehicle Abatement
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,764,987	\$ -	\$ -	\$ -
Uses of Money and Property	20,944	2,850	1,027	171	-	112	7,156	364
Intergovernmental	-	1,477,083	127,416	-	-	-	-	-
Fees and Other Revenues	1,821,271	-	-	-	38,426	3,121,433	678,220	101,434
<b>Total Revenues</b>	<b>1,842,215</b>	<b>1,479,933</b>	<b>128,443</b>	<b>171</b>	<b>1,803,413</b>	<b>3,121,545</b>	<b>685,376</b>	<b>101,798</b>
<b>EXPENDITURES</b>								
Current:								
General Government	1,603,639	-	-	-	-	-	208,945	-
Public Safety	-	-	104,951	-	-	-	-	38
Community Development	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	2,268,847	-	-	-
Community Services	-	-	-	-	-	33,314	-	-
<b>Total Expenditures</b>	<b>1,603,639</b>	<b>-</b>	<b>104,951</b>	<b>-</b>	<b>2,268,847</b>	<b>33,314</b>	<b>208,945</b>	<b>38</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>238,576</b>	<b>1,479,933</b>	<b>23,492</b>	<b>171</b>	<b>(465,434)</b>	<b>3,088,231</b>	<b>476,431</b>	<b>101,760</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers In	1,303,723	-	-	-	698,668	564,411	182,827	-
Transfers Out	(1,205,442)	(1,402,833)	-	-	-	(3,552,060)	(206,485)	(60,000)
<b>Total Other Financing Sources (Uses)</b>	<b>98,281</b>	<b>(1,402,833)</b>	<b>-</b>	<b>-</b>	<b>698,668</b>	<b>(2,987,649)</b>	<b>(23,658)</b>	<b>(60,000)</b>
<b>Net Change in Fund Balances before Extraordinary Items</b>	<b>336,857</b>	<b>77,100</b>	<b>23,492</b>	<b>171</b>	<b>233,234</b>	<b>100,582</b>	<b>452,773</b>	<b>41,760</b>
<b>EXTRAORDINARY ITEMS</b>								
Assets Transferred to Successor Agency	-	-	-	-	-	-	-	-
Assets Transferred from Successor Agency	-	-	-	-	-	-	-	-
<b>Total Extraordinary Items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>336,857</b>	<b>77,100</b>	<b>23,492</b>	<b>171</b>	<b>233,234</b>	<b>100,582</b>	<b>452,773</b>	<b>41,760</b>
<b>Fund Balance, Beginning of Year</b>	<b>2,273,592</b>	<b>20,501</b>	<b>136,374</b>	<b>13,276</b>	<b>117,799</b>	<b>16,800</b>	<b>567,614</b>	<b>33,333</b>
<b>Fund Balance, End of Year</b>	<b>\$ 2,610,449</b>	<b>\$ 97,601</b>	<b>\$ 159,866</b>	<b>\$ 13,447</b>	<b>\$ 351,033</b>	<b>\$ 117,382</b>	<b>\$ 1,020,387</b>	<b>\$ 75,093</b>

*Continued*

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**All Special Revenue Funds (Continued)**  
 For Year Ended June 30, 2012

	Infrastructure Improvements	RDA Low Income Housing	City Low Income Housing	PEG Media	Asset Forfeiture	Measure C / J	Facility Fee Administration	Parks Advertising	Parks and Trails
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	75	57,421	5,527	11,464	1,238	1,709	35	160	-
Intergovernmental	-	-	-	-	-	653,023	-	-	-
Fees and Other Revenues	-	-	-	-	3,947	-	129,097	26,580	1,080,077
<b>Total Revenues</b>	<b>75</b>	<b>57,421</b>	<b>5,527</b>	<b>11,464</b>	<b>5,185</b>	<b>654,732</b>	<b>129,132</b>	<b>26,740</b>	<b>1,080,077</b>
<b>EXPENDITURES</b>									
Current:									
General Government	-	1,136,887	126,441	917	63,512	1,874	70,018	-	-
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	6	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	8,789	1,106,459
Community Services	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>6</b>	<b>1,136,887</b>	<b>126,441</b>	<b>917</b>	<b>63,512</b>	<b>1,874</b>	<b>70,018</b>	<b>8,789</b>	<b>1,106,459</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>69</b>	<b>(1,079,466)</b>	<b>(120,914)</b>	<b>10,547</b>	<b>(58,327)</b>	<b>652,858</b>	<b>59,114</b>	<b>17,951</b>	<b>(26,382)</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	-	-	-	-	-	-	-	-	75,255
Transfers Out	-	-	-	-	-	(718,424)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(718,424)</b>	<b>-</b>	<b>-</b>	<b>75,255</b>
<b>Net Change in Fund Balances before Extraordinary Items</b>	<b>69</b>	<b>(1,079,466)</b>	<b>(120,914)</b>	<b>10,547</b>	<b>(58,327)</b>	<b>(65,566)</b>	<b>59,114</b>	<b>17,951</b>	<b>48,873</b>
<b>EXTRAORDINARY ITEMS</b>									
Assets Transferred to Successor Agency	-	(5,535,376)	-	-	-	-	-	-	-
Assets Transferred from Successor Agency	-	-	5,308,182	-	-	-	-	-	-
<b>Total Extraordinary Items</b>	<b>-</b>	<b>(5,535,376)</b>	<b>5,308,182</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>69</b>	<b>(6,614,842)</b>	<b>5,187,268</b>	<b>10,547</b>	<b>(58,327)</b>	<b>(65,566)</b>	<b>59,114</b>	<b>17,951</b>	<b>48,873</b>
<b>Fund Balance, Beginning of Year</b>	<b>5,892</b>	<b>6,614,842</b>	<b>-</b>	<b>895,382</b>	<b>103,296</b>	<b>142,730</b>	<b>13,385</b>	<b>12,926</b>	<b>(2,550,292)</b>
<b>Fund Balance, End of Year</b>	<b>\$ 5,961</b>	<b>\$ -</b>	<b>\$ 5,187,268</b>	<b>\$ 905,929</b>	<b>\$ 44,969</b>	<b>\$ 77,164</b>	<b>\$ 72,499</b>	<b>\$ 30,877</b>	<b>\$ (2,501,419)</b>

Continued

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**All Special Revenue Funds (Continued)**  
 For Year Ended June 30, 2012

	Agriculture Administration	Public Art Administration	Public Art Acquisition	Arts Commission	Fire Fees	Agriculture Land	Parking In Lieu	Lighting and Landscape Districts	Totals
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,764,987
Uses of Money and Property	7,069	810	8,597	94	11,492	18,839	343	40,603	198,100
Intergovernmental	-	-	-	-	-	-	-	-	2,257,522
Fees and Other Revenues	41,315	36,695	105,483	-	118,876	165,262	-	4,848,900	12,317,016
<b>Total Revenues</b>	<b>48,384</b>	<b>37,505</b>	<b>114,080</b>	<b>94</b>	<b>130,368</b>	<b>184,101</b>	<b>343</b>	<b>4,889,503</b>	<b>16,537,625</b>
<b>EXPENDITURES</b>									
Current:									
General Government	94,588	68	25,875	1,279	600	1,052,447	28	-	4,387,118
Public Safety	-	-	-	-	-	-	-	-	104,989
Community Development	-	-	-	-	-	-	-	-	6
Parks and Recreation	-	-	-	-	-	-	-	-	3,384,095
Community Services	-	-	-	-	-	-	-	4,940,419	4,973,733
<b>Total Expenditures</b>	<b>94,588</b>	<b>68</b>	<b>25,875</b>	<b>1,279</b>	<b>600</b>	<b>1,052,447</b>	<b>28</b>	<b>4,940,419</b>	<b>12,849,941</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(46,204)</b>	<b>37,437</b>	<b>88,205</b>	<b>(1,185)</b>	<b>129,768</b>	<b>(868,346)</b>	<b>315</b>	<b>(50,916)</b>	<b>3,687,684</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	-	-	-	944	-	-	-	-	2,825,828
Transfers Out	-	-	(944)	-	-	-	-	-	(7,146,188)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(944)</b>	<b>944</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,320,360)</b>
<b>Net Change in Fund Balances before Extraordinary Items</b>	<b>(46,204)</b>	<b>37,437</b>	<b>87,261</b>	<b>(241)</b>	<b>129,768</b>	<b>(868,346)</b>	<b>315</b>	<b>(50,916)</b>	<b>(632,676)</b>
<b>EXTRAORDINARY ITEMS</b>									
Assets Transferred to Successor Agency	-	-	-	-	-	-	-	-	(5,535,376)
Assets Transferred from Successor Agency	-	-	-	-	-	-	-	-	5,308,182
<b>Total Extraordinary Items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(227,194)</b>
<b>Net Change in Fund Balances</b>	<b>(46,204)</b>	<b>37,437</b>	<b>87,261</b>	<b>(241)</b>	<b>129,768</b>	<b>(868,346)</b>	<b>315</b>	<b>(50,916)</b>	<b>(859,870)</b>
<b>Fund Balance, Beginning of Year</b>	<b>556,178</b>	<b>57,207</b>	<b>655,651</b>	<b>6,551</b>	<b>905,669</b>	<b>1,334,721</b>	<b>26,767</b>	<b>4,017,120</b>	<b>15,977,314</b>
<b>Fund Balance, End of Year</b>	<b>\$ 509,974</b>	<b>\$ 94,644</b>	<b>\$ 742,912</b>	<b>\$ 6,310</b>	<b>\$ 1,035,437</b>	<b>\$ 466,375</b>	<b>\$ 27,082</b>	<b>\$ 3,966,204</b>	<b>\$ 15,117,444</b>



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**City of Brentwood**

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
Special Revenue Funds  
For Year Ended June 30, 2012**

	Thoroughfares			Gas Tax			Police Grants		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	31,585	20,944	(10,641)	-	2,850	2,850	4,850	1,027	(3,823)
Intergovernmental	-	-	-	1,421,600	1,477,083	55,483	171,250	127,416	(43,834)
Fees and Other Revenues	1,319,986	1,821,271	501,285	-	-	-	-	-	-
<b>Total Revenues</b>	<u>1,351,571</u>	<u>1,842,215</u>	<u>490,644</u>	<u>1,421,600</u>	<u>1,479,933</u>	<u>58,333</u>	<u>176,100</u>	<u>128,443</u>	<u>(47,657)</u>
<b>EXPENDITURES</b>									
Current:									
General Government	1,735,855	1,603,639	132,216	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	297,161	104,951	192,210
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<u>1,735,855</u>	<u>1,603,639</u>	<u>132,216</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>297,161</u>	<u>104,951</u>	<u>192,210</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(384,284)</u>	<u>238,576</u>	<u>622,860</u>	<u>1,421,600</u>	<u>1,479,933</u>	<u>58,333</u>	<u>(121,061)</u>	<u>23,492</u>	<u>144,553</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	-	1,303,723	1,303,723	-	-	-	-	-	-
Transfers Out	(1,855,892)	(1,205,442)	650,450	(1,448,078)	(1,402,833)	45,245	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(1,855,892)</u>	<u>98,281</u>	<u>1,954,173</u>	<u>(1,448,078)</u>	<u>(1,402,833)</u>	<u>45,245</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances before Extraordinary Items</b>	<u>(2,240,176)</u>	<u>336,857</u>	<u>2,577,033</u>	<u>(26,478)</u>	<u>77,100</u>	<u>103,578</u>	<u>(121,061)</u>	<u>23,492</u>	<u>144,553</u>
<b>EXTRAORDINARY ITEMS</b>									
Assets Transferred to Successor Agency	-	-	-	-	-	-	-	-	-
Assets Transferred from Successor Agency	-	-	-	-	-	-	-	-	-
<b>Total Extraordinary Items</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>\$ (2,240,176)</u>	<u>336,857</u>	<u>\$ 2,577,033</u>	<u>\$ (26,478)</u>	<u>77,100</u>	<u>\$ 103,578</u>	<u>\$ (121,061)</u>	<u>23,492</u>	<u>\$ 144,553</u>
<b>Fund Balance, Beginning of Year</b>		<u>2,273,592</u>			<u>20,501</u>			<u>136,374</u>	
<b>Fund Balance, End of Year</b>		<u>\$ 2,610,449</u>			<u>\$ 97,601</u>			<u>\$ 159,866</u>	

Continued



**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
Special Revenue Funds (Continued)  
For Year Ended June 30, 2012**

	Other Grants			Citywide Parks Districts			Community Facilities Districts		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ 1,755,435	\$ 1,764,987	\$ 9,552	\$ -	\$ -	\$ -
Uses of Money and Property	-	171	171	8,000	-	(8,000)	3,199	112	(3,087)
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	25,000	38,426	13,426	3,121,056	3,121,433	377
<b>Total Revenues</b>	<u>-</u>	<u>171</u>	<u>171</u>	<u>1,788,435</u>	<u>1,803,413</u>	<u>14,978</u>	<u>3,124,255</u>	<u>3,121,545</u>	<u>(2,710)</u>
<b>EXPENDITURES</b>									
Current:									
General Government	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	2,472,149	2,268,847	203,302	-	-	-
Community Services	-	-	-	-	-	-	36,500	33,314	3,186
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,472,149</u>	<u>2,268,847</u>	<u>203,302</u>	<u>36,500</u>	<u>33,314</u>	<u>3,186</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>171</u>	<u>171</u>	<u>(683,714)</u>	<u>(465,434)</u>	<u>218,280</u>	<u>3,087,755</u>	<u>3,088,231</u>	<u>476</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	-	-	-	608,668	698,668	90,000	564,412	564,411	(1)
Transfers Out	-	-	-	-	-	-	(3,552,061)	(3,552,060)	1
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>608,668</u>	<u>698,668</u>	<u>90,000</u>	<u>(2,987,649)</u>	<u>(2,987,649)</u>	<u>-</u>
<b>Net Change in Fund Balances before Extraordinary Items</b>	<u>-</u>	<u>171</u>	<u>171</u>	<u>(75,046)</u>	<u>233,234</u>	<u>308,280</u>	<u>100,106</u>	<u>100,582</u>	<u>476</u>
<b>EXTRAORDINARY ITEMS</b>									
Assets Transferred to Successor Agency	-	-	-	-	-	-	-	-	-
Assets Transferred from Successor Agency	-	-	-	-	-	-	-	-	-
<b>Total Extraordinary Items</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>\$ -</u>	<u>171</u>	<u>\$ 171</u>	<u>\$ (75,046)</u>	<u>233,234</u>	<u>\$ 308,280</u>	<u>\$ 100,106</u>	<u>100,582</u>	<u>\$ 476</u>
<b>Fund Balance, Beginning of Year</b>		<u>13,276</u>			<u>117,799</u>			<u>16,800</u>	
<b>Fund Balance, End of Year</b>		<u>\$ 13,447</u>			<u>\$ 351,033</u>			<u>\$ 117,382</u>	

Continued

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual**  
**Special Revenue Funds (Continued)**  
**For Year Ended June 30, 2012**

	Community Facilities			Vehicle Abatement			Infrastructure Improvements		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	8,243	7,156	(1,087)	200	364	164	170	75	(95)
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	531,206	678,220	147,014	40,000	101,434	61,434	24,800	-	(24,800)
<b>Total Revenues</b>	<b>539,449</b>	<b>685,376</b>	<b>145,927</b>	<b>40,200</b>	<b>101,798</b>	<b>61,598</b>	<b>24,970</b>	<b>75</b>	<b>(24,895)</b>
<b>EXPENDITURES</b>									
Current:									
General Government	208,945	208,945	-	-	-	-	-	-	-
Public Safety	-	-	-	200	38	162	-	-	-
Community Development	-	-	-	-	-	-	25,020	6	25,014
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>208,945</b>	<b>208,945</b>	<b>-</b>	<b>200</b>	<b>38</b>	<b>162</b>	<b>25,020</b>	<b>6</b>	<b>25,014</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>330,504</b>	<b>476,431</b>	<b>145,927</b>	<b>40,000</b>	<b>101,760</b>	<b>61,760</b>	<b>(50)</b>	<b>69</b>	<b>119</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	-	182,827	182,827	-	-	-	-	-	-
Transfers Out	(1,045,268)	(206,485)	838,783	(60,000)	(60,000)	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(1,045,268)</b>	<b>(23,658)</b>	<b>1,021,610</b>	<b>(60,000)</b>	<b>(60,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances before Extraordinary Items</b>	<b>(714,764)</b>	<b>452,773</b>	<b>1,167,537</b>	<b>(20,000)</b>	<b>41,760</b>	<b>61,760</b>	<b>(50)</b>	<b>69</b>	<b>119</b>
<b>EXTRAORDINARY ITEMS</b>									
Assets Transferred to Successor Agency	-	-	-	-	-	-	-	-	-
Assets Transferred from Successor Agency	-	-	-	-	-	-	-	-	-
<b>Total Extraordinary Items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ (714,764)</b>	<b>452,773</b>	<b>\$ 1,167,537</b>	<b>\$ (20,000)</b>	<b>41,760</b>	<b>\$ 61,760</b>	<b>\$ (50)</b>	<b>69</b>	<b>\$ 119</b>
<b>Fund Balance, Beginning of Year</b>		<b>567,614</b>			<b>33,333</b>			<b>5,892</b>	
<b>Fund Balance, End of Year</b>		<b>\$ 1,020,387</b>			<b>\$ 75,093</b>			<b>\$ 5,961</b>	

Continued

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
Special Revenue Funds (Continued)  
For Year Ended June 30, 2012**

	RDA Low Income Housing			City Low Income Housing			PEG Media			Asset Forfeiture		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>REVENUES</b>												
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	136,473	57,421	(79,052)	5,527	5,527	-	21,160	11,464	(9,696)	660	1,238	578
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	-	-	-	-	-	-	10,000	3,947	(6,053)
<b>Total Revenues</b>	<u>136,473</u>	<u>57,421</u>	<u>(79,052)</u>	<u>5,527</u>	<u>5,527</u>	<u>-</u>	<u>21,160</u>	<u>11,464</u>	<u>(9,696)</u>	<u>10,660</u>	<u>5,185</u>	<u>(5,475)</u>
<b>EXPENDITURES</b>												
Current:												
General Government	1,332,200	1,136,887	195,313	126,441	126,441	-	2,350	917	1,433	66,070	63,512	2,558
Public Safety	-	-	-	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<u>1,332,200</u>	<u>1,136,887</u>	<u>195,313</u>	<u>126,441</u>	<u>126,441</u>	<u>-</u>	<u>2,350</u>	<u>917</u>	<u>1,433</u>	<u>66,070</u>	<u>63,512</u>	<u>2,558</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,195,727)</u>	<u>(1,079,466)</u>	<u>116,261</u>	<u>(120,914)</u>	<u>(120,914)</u>	<u>-</u>	<u>18,810</u>	<u>10,547</u>	<u>(8,263)</u>	<u>(55,410)</u>	<u>(58,327)</u>	<u>(2,917)</u>
<b>OTHER FINANCING SOURCES (USES)</b>												
Transfers In	-	-	-	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances before Extraordinary Items</b>	<u>(1,195,727)</u>	<u>(1,079,466)</u>	<u>116,261</u>	<u>(120,914)</u>	<u>(120,914)</u>	<u>-</u>	<u>18,810</u>	<u>10,547</u>	<u>(8,263)</u>	<u>(55,410)</u>	<u>(58,327)</u>	<u>(2,917)</u>
<b>EXTRAORDINARY ITEMS</b>												
Assets Transferred to Successor Agency	-	(5,535,376)	(5,535,376)	-	-	-	-	-	-	-	-	-
Assets Transferred from Successor Agency	-	-	-	-	5,308,182	5,308,182	-	-	-	-	-	-
<b>Total Extraordinary Items</b>	<u>-</u>	<u>(5,535,376)</u>	<u>(5,535,376)</u>	<u>-</u>	<u>5,308,182</u>	<u>5,308,182</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>\$ (1,195,727)</u>	<u>(6,614,842)</u>	<u>\$ (5,419,115)</u>	<u>\$ (120,914)</u>	<u>5,187,268</u>	<u>\$ 5,308,182</u>	<u>\$ 18,810</u>	<u>10,547</u>	<u>\$ (8,263)</u>	<u>\$ (55,410)</u>	<u>(58,327)</u>	<u>\$ (2,917)</u>
<b>Fund Balance, Beginning of Year</b>		<u>6,614,842</u>			<u>-</u>			<u>895,382</u>			<u>103,296</u>	
<b>Fund Balance, End of Year</b>		<u>\$ -</u>			<u>\$ 5,187,268</u>			<u>\$ 905,929</u>			<u>\$ 44,969</u>	

Continued

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual**  
**Special Revenue Funds (Continued)**  
**For Year Ended June 30, 2012**

	Measure C / J			Facility Fee Administration			Parks Advertising		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	6,000	1,709	(4,291)	250	35	(215)	-	160	160
Intergovernmental	657,151	653,023	(4,128)	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	77,123	129,097	51,974	14,800	26,580	11,780
<b>Total Revenues</b>	<b>663,151</b>	<b>654,732</b>	<b>(8,419)</b>	<b>77,373</b>	<b>129,132</b>	<b>51,759</b>	<b>14,800</b>	<b>26,740</b>	<b>11,940</b>
<b>EXPENDITURES</b>									
Current:									
General Government	5,832	1,874	3,958	92,652	70,018	22,634	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	14,800	8,789	6,011
Community Services	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>5,832</b>	<b>1,874</b>	<b>3,958</b>	<b>92,652</b>	<b>70,018</b>	<b>22,634</b>	<b>14,800</b>	<b>8,789</b>	<b>6,011</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>657,319</b>	<b>652,858</b>	<b>(4,461)</b>	<b>(15,279)</b>	<b>59,114</b>	<b>74,393</b>	<b>-</b>	<b>17,951</b>	<b>17,951</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	(799,586)	(718,424)	81,162	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(799,586)</b>	<b>(718,424)</b>	<b>81,162</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances before Extraordinary Items</b>	<b>(142,267)</b>	<b>(65,566)</b>	<b>76,701</b>	<b>(15,279)</b>	<b>59,114</b>	<b>74,393</b>	<b>-</b>	<b>17,951</b>	<b>17,951</b>
<b>EXTRAORDINARY ITEMS</b>									
Assets Transferred to Successor Agency	-	-	-	-	-	-	-	-	-
Assets Transferred from Successor Agency	-	-	-	-	-	-	-	-	-
<b>Total Extraordinary Items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ (142,267)</b>	<b>(65,566)</b>	<b>\$ 76,701</b>	<b>\$ (15,279)</b>	<b>59,114</b>	<b>\$ 74,393</b>	<b>\$ -</b>	<b>17,951</b>	<b>\$ 17,951</b>
<b>Fund Balance, Beginning of Year</b>		<b>142,730</b>			<b>13,385</b>			<b>12,926</b>	
<b>Fund Balance, End of Year</b>		<b>\$ 77,164</b>			<b>\$ 72,499</b>			<b>\$ 30,877</b>	

Continued

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
Special Revenue Funds (Continued)  
For Year Ended June 30, 2012**

	Parks and Trails			Agriculture Administration			Public Art Administration		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	-	-	-	27,000	7,069	(19,931)	830	810	(20)
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	666,019	1,080,077	414,058	-	41,315	41,315	33,500	36,695	3,195
<b>Total Revenues</b>	<u>666,019</u>	<u>1,080,077</u>	<u>414,058</u>	<u>27,000</u>	<u>48,384</u>	<u>21,384</u>	<u>34,330</u>	<u>37,505</u>	<u>3,175</u>
<b>EXPENDITURES</b>									
Current:									
General Government	-	-	-	212,762	94,588	118,174	250	68	182
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	1,106,459	1,106,459	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<u>1,106,459</u>	<u>1,106,459</u>	<u>-</u>	<u>212,762</u>	<u>94,588</u>	<u>118,174</u>	<u>250</u>	<u>68</u>	<u>182</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(440,440)</u>	<u>(26,382)</u>	<u>414,058</u>	<u>(185,762)</u>	<u>(46,204)</u>	<u>139,558</u>	<u>34,080</u>	<u>37,437</u>	<u>3,357</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	-	75,255	75,255	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>75,255</u>	<u>75,255</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances before Extraordinary Items</b>	<u>(440,440)</u>	<u>48,873</u>	<u>489,313</u>	<u>(185,762)</u>	<u>(46,204)</u>	<u>139,558</u>	<u>34,080</u>	<u>37,437</u>	<u>3,357</u>
<b>EXTRAORDINARY ITEMS</b>									
Assets Transferred to Successor Agency	-	-	-	-	-	-	-	-	-
Assets Transferred from Successor Agency	-	-	-	-	-	-	-	-	-
<b>Total Extraordinary Items</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>\$ (440,440)</u>	<u>48,873</u>	<u>\$ 489,313</u>	<u>\$ (185,762)</u>	<u>(46,204)</u>	<u>\$ 139,558</u>	<u>\$ 34,080</u>	<u>37,437</u>	<u>\$ 3,357</u>
<b>Fund Balance, Beginning of Year</b>		<u>(2,550,292)</u>			<u>556,178</u>			<u>57,207</u>	
<b>Fund Balance, End of Year</b>		<u>\$ (2,501,419)</u>			<u>\$ 509,974</u>			<u>\$ 94,644</u>	

Continued

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
Special Revenue Funds (Continued)  
For Year Ended June 30, 2012**

	Public Art Acquisition			Arts Commission			Fire Fees		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	20,000	8,597	(11,403)	500	94	(406)	20,651	11,492	(9,159)
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	134,000	105,483	(28,517)	-	-	-	62,533	118,876	56,343
<b>Total Revenues</b>	<u>154,000</u>	<u>114,080</u>	<u>(39,920)</u>	<u>500</u>	<u>94</u>	<u>(406)</u>	<u>83,184</u>	<u>130,368</u>	<u>47,184</u>
<b>EXPENDITURES</b>									
Current:									
General Government	25,875	25,875	-	1,550	1,279	271	600	600	-
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<u>25,875</u>	<u>25,875</u>	<u>-</u>	<u>1,550</u>	<u>1,279</u>	<u>271</u>	<u>600</u>	<u>600</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>128,125</u>	<u>88,205</u>	<u>(39,920)</u>	<u>(1,050)</u>	<u>(1,185)</u>	<u>(135)</u>	<u>82,584</u>	<u>129,768</u>	<u>47,184</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	-	-	-	1,200	944	(256)	-	-	-
Transfers Out	(945)	(944)	1	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(945)</u>	<u>(944)</u>	<u>1</u>	<u>1,200</u>	<u>944</u>	<u>(256)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances before Extraordinary Items</b>	127,180	87,261	(39,919)	150	(241)	(391)	82,584	129,768	47,184
<b>EXTRAORDINARY ITEMS</b>									
Assets Transferred to Successor Agency	-	-	-	-	-	-	-	-	-
Assets Transferred from Successor Agency	-	-	-	-	-	-	-	-	-
<b>Total Extraordinary Items</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>\$ 127,180</u>	<u>87,261</u>	<u>\$ (39,919)</u>	<u>\$ 150</u>	<u>(241)</u>	<u>\$ (391)</u>	<u>\$ 82,584</u>	<u>129,768</u>	<u>\$ 47,184</u>
<b>Fund Balance, Beginning of Year</b>		<u>655,651</u>			<u>6,551</u>			<u>905,669</u>	
<b>Fund Balance, End of Year</b>		<u>\$ 742,912</u>			<u>\$ 6,310</u>			<u>\$ 1,035,437</u>	

Continued

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual**  
**Special Revenue Funds (Continued)**  
**For Year Ended June 30, 2012**

	Agriculture Land			Parking In Lieu			Lighting and Landscape Districts			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>REVENUES</b>												
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,755,435	\$ 1,764,987	\$ 9,552
Uses of Money and Property	187,000	18,839	(168,161)	760	343	(417)	-	40,603	40,603	483,058	198,100	(284,958)
Intergovernmental	-	-	-	-	-	-	-	-	-	2,250,001	2,257,522	7,521
Fees and Other Revenues	-	165,262	165,262	-	-	-	4,894,767	4,848,900	(45,867)	10,954,790	12,317,016	1,362,226
<b>Total Revenues</b>	<u>187,000</u>	<u>184,101</u>	<u>(2,899)</u>	<u>760</u>	<u>343</u>	<u>(417)</u>	<u>4,894,767</u>	<u>4,889,503</u>	<u>(5,264)</u>	<u>15,443,284</u>	<u>16,537,625</u>	<u>1,094,341</u>
<b>EXPENDITURES</b>												
Current:												
General Government	1,101,000	1,052,447	48,553	50	28	22	-	-	-	4,912,432	4,387,118	525,314
Public Safety	-	-	-	-	-	-	-	-	-	297,361	104,989	192,372
Community Development	-	-	-	-	-	-	-	-	-	25,020	6	25,014
Parks and Recreation	-	-	-	-	-	-	-	-	-	3,593,408	3,384,095	209,313
Community Services	-	-	-	-	-	-	5,825,801	4,940,419	885,382	5,862,301	4,973,733	888,568
<b>Total Expenditures</b>	<u>1,101,000</u>	<u>1,052,447</u>	<u>48,553</u>	<u>50</u>	<u>28</u>	<u>22</u>	<u>5,825,801</u>	<u>4,940,419</u>	<u>885,382</u>	<u>14,690,522</u>	<u>12,849,941</u>	<u>1,840,581</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(914,000)</u>	<u>(868,346)</u>	<u>45,654</u>	<u>710</u>	<u>315</u>	<u>(395)</u>	<u>(931,034)</u>	<u>(50,916)</u>	<u>880,118</u>	<u>752,762</u>	<u>3,687,684</u>	<u>2,934,922</u>
<b>OTHER FINANCING SOURCES (USES)</b>												
Transfers In	-	-	-	-	-	-	-	-	-	1,174,280	2,825,828	1,651,548
Transfers Out	-	-	-	-	-	-	-	-	-	(8,761,830)	(7,146,188)	1,615,642
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,587,550)</u>	<u>(4,320,360)</u>	<u>3,267,190</u>
<b>Net Change in Fund Balances before Extraordinary Items</b>	<u>(914,000)</u>	<u>(868,346)</u>	<u>45,654</u>	<u>710</u>	<u>315</u>	<u>(395)</u>	<u>(931,034)</u>	<u>(50,916)</u>	<u>880,118</u>	<u>(6,834,788)</u>	<u>(632,676)</u>	<u>6,202,112</u>
<b>EXTRAORDINARY ITEMS</b>												
Assets Transferred to Successor Agency	-	-	-	-	-	-	-	-	-	-	(5,535,376)	(5,535,376)
Assets Transferred from Successor Agency	-	-	-	-	-	-	-	-	-	-	5,308,182	5,308,182
<b>Total Extraordinary Items</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(227,194)</u>	<u>(227,194)</u>
<b>Net Change in Fund Balances</b>	<u>\$ (914,000)</u>	<u>(868,346)</u>	<u>\$ 45,654</u>	<u>\$ 710</u>	<u>315</u>	<u>\$ (395)</u>	<u>\$ (931,034)</u>	<u>(50,916)</u>	<u>\$ 880,118</u>	<u>\$ (6,834,788)</u>	<u>(859,870)</u>	<u>\$ 5,974,918</u>
<b>Fund Balance, Beginning of Year</b>		<u>1,334,721</u>			<u>26,767</u>			<u>4,017,120</u>			<u>15,977,314</u>	
<b>Fund Balance, End of Year</b>		<u>\$ 466,375</u>			<u>\$ 27,082</u>			<u>\$ 3,966,204</u>			<u>\$ 15,117,444</u>	

**Combining Balance Sheet**  
**All Debt Service Funds**  
 June 30, 2012

	Redevelopment Debt	Capital Improvement Revenue Refunding Bonds Series 2012	2002 General Obligation Bond	Civic Center Project Lease Revenue Bonds	Totals
<b>ASSETS</b>					
Current Assets:					
Cash and Investments	\$ -	\$ 76,740	\$ 45,717	\$ 33,128	\$ 155,585
Restricted Cash and Investments	-	1,812,296	-	3,342,574	5,154,870
Receivables	-	17,155,004	13	12,631,581	29,786,598
<b>Total Assets</b>	<u>\$ -</u>	<u>\$ 19,044,040</u>	<u>\$ 45,730</u>	<u>\$ 16,007,283</u>	<u>\$ 35,097,053</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Deferred Revenue	\$ -	\$ 17,155,000	\$ -	\$ 12,631,579	\$ 29,786,579
<b>Total Liabilities</b>	<u>-</u>	<u>17,155,000</u>	<u>-</u>	<u>12,631,579</u>	<u>29,786,579</u>
Fund Balances:					
Restricted	-	1,889,040	45,730	3,375,704	5,310,474
<b>Total Fund Balances</b>	<u>-</u>	<u>1,889,040</u>	<u>45,730</u>	<u>3,375,704</u>	<u>5,310,474</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ -</u>	<u>\$ 19,044,040</u>	<u>\$ 45,730</u>	<u>\$ 16,007,283</u>	<u>\$ 35,097,053</u>



**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**All Debt Service Funds**  
**For Year Ended June 30, 2012**

	<b>Redevelopment Debt</b>	<b>Capital Improvement Revenue Refunding Bonds Series 2012</b>	<b>2002 General Obligation Bond</b>	<b>Civic Center Project Lease Revenue Bonds</b>	<b>Totals</b>
<b>REVENUES</b>					
Taxes	\$ 3,070,876	\$ -	\$ 377,991	\$ -	\$ 3,448,867
Uses of Money and Property	54,750	120,964	953	63,157	239,824
Intergovernmental	-	-	-	1,128,822	1,128,822
Fees and Other Revenues	-	445,119	-	444,040	889,159
<b>Total Revenues</b>	<b>3,125,626</b>	<b>566,083</b>	<b>378,944</b>	<b>1,636,019</b>	<b>5,706,672</b>
<b>EXPENDITURES</b>					
Current:					
Community Development	-	11,978	5,029	-	17,007
Debt Service:					
Principal	505,000	310,000	260,000	-	1,075,000
Interest and Fiscal Charges	879,574	799,032	107,825	3,063,292	4,849,723
<b>Total Expenditures</b>	<b>1,384,574</b>	<b>1,121,010</b>	<b>372,854</b>	<b>3,063,292</b>	<b>5,941,730</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,741,052</b>	<b>(554,927)</b>	<b>6,090</b>	<b>(1,427,273)</b>	<b>(235,058)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Premium on Bonds Issued	-	1,266,396	-	-	1,266,396
Refunding Bonds Issued	-	24,060,000	-	-	24,060,000
Payment to Refunded Bond Escrow Agent	-	(26,049,390)	-	-	(26,049,390)
Transfers In	444,040	885,223	-	904,855	2,234,118
Transfers Out	(543,453)	-	-	(1,571,965)	(2,115,418)
<b>Total Other Financing Sources (Uses)</b>	<b>(99,413)</b>	<b>162,229</b>	<b>-</b>	<b>(667,110)</b>	<b>(604,294)</b>
<b>Net Change in Fund Balances before Extraordinary Items</b>	<b>1,641,639</b>	<b>(392,698)</b>	<b>6,090</b>	<b>(2,094,383)</b>	<b>(839,352)</b>
<b>EXTRAORDINARY ITEMS</b>					
Assets Transferred to Successor Agency	(1,641,639)	-	-	-	(1,641,639)
<b>Total Extraordinary Items</b>	<b>(1,641,639)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,641,639)</b>
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>(392,698)</b>	<b>6,090</b>	<b>(2,094,383)</b>	<b>(2,480,991)</b>
<b>Fund Balance, Beginning of Year</b>	<b>-</b>	<b>2,281,738</b>	<b>39,640</b>	<b>5,470,087</b>	<b>7,791,465</b>
<b>Fund Balance, End of Year</b>	<b>\$ -</b>	<b>\$ 1,889,040</b>	<b>\$ 45,730</b>	<b>\$ 3,375,704</b>	<b>\$ 5,310,474</b>

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
Certain Debt Service Funds  
For Year Ended June 30, 2012**

	Redevelopment Debt		
	Budget	Actual	Variance
<b>REVENUES</b>			
Taxes	\$ 4,565,085	\$ 3,070,876	\$ (1,494,209)
Uses of Money and Property	217,350	54,750	(162,600)
<b>Total Revenues</b>	<u>4,782,435</u>	<u>3,125,626</u>	<u>(1,656,809)</u>
<b>EXPENDITURES</b>			
Debt Service:			
Principal	505,000	505,000	-
Interest and Fiscal Charges	1,035,287	879,574	155,713
<b>Total Expenditures</b>	<u>1,540,287</u>	<u>1,384,574</u>	<u>155,713</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>3,242,148</u>	<u>1,741,052</u>	<u>(1,501,096)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	444,040	444,040
Transfers Out	(2,087,576)	(543,453)	1,544,123
<b>Total Other Financing Sources (Uses)</b>	<u>(2,087,576)</u>	<u>(99,413)</u>	<u>1,988,163</u>
<b>Net Change in Fund Balances before Extraordinary Items</b>	1,154,572	1,641,639	487,067
<b>EXTRAORDINARY ITEMS</b>			
Assets Transferred to Successor Agency	-	(1,641,639)	(1,641,639)
<b>Total Extraordinary Items</b>	<u>-</u>	<u>(1,641,639)</u>	<u>(1,641,639)</u>
<b>Net Change in Fund Balances</b>	<u>\$ 1,154,572</u>	<u>-</u>	<u>\$ (1,154,572)</u>
<b>Fund Balance, Beginning of Year</b>		-	
<b>Fund Balance, End of Year</b>		<u>\$ -</u>	



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**Combining Balance Sheet**  
**All Capital Project Funds**  
 June 30, 2012

	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
<b>ASSETS</b>							
Current Assets:							
Cash and Investments	\$ -	\$ -	\$ -	\$ -	\$ 904,488	\$ -	\$ 5,874,424
Restricted Cash and Investments	6,049,630	2,572,416	-	-	-	7,688,075	3,116,449
Receivables	-	-	-	-	48	329	2,163,070
Due from Other Funds	-	-	-	-	-	-	401,384
Interfund Advance Receivable	-	-	-	-	-	-	2,501,419
<b>Total Assets</b>	<b>\$ 6,049,630</b>	<b>\$ 2,572,416</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 904,536</b>	<b>\$ 7,688,404</b>	<b>\$ 14,056,746</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,881,016
Due to Other Funds	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-	2,162,530
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,043,546</b>
Fund Balances:							
Restricted	6,049,630	2,572,416	-	-	904,536	7,688,404	8,013,200
Unassigned	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>6,049,630</b>	<b>2,572,416</b>	<b>-</b>	<b>-</b>	<b>904,536</b>	<b>7,688,404</b>	<b>8,013,200</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 6,049,630</b>	<b>\$ 2,572,416</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 904,536</b>	<b>\$ 7,688,404</b>	<b>\$ 14,056,746</b>

Continued

***Combining Balance Sheet***  
***All Capital Project Funds (Continued)***  
*June 30, 2012*

	<b>Park Improvement Projects</b>	<b>Drainage Improvement Projects</b>	<b>Street Improvement Projects</b>	<b>Economic Infrastructure Projects</b>	<b>Vineyards Projects</b>	<b>Redevelopment Projects</b>	<b>Totals</b>
<b>ASSETS</b>							
Current Assets:							
Cash and Investments	\$ -	\$ 81,524	\$ 4,411,006	\$ 6,438,481	\$ 1,736,816	\$ -	\$ 19,446,739
Restricted Cash and Investments	186,057	-	-	-	-	-	19,612,627
Receivables	1,139,031	4	148,475	340	91	-	3,451,388
Due from Other Funds	-	-	-	-	-	-	401,384
Interfund Advance Receivable	-	-	-	-	-	-	2,501,419
<b>Total Assets</b>	<b>\$ 1,325,088</b>	<b>\$ 81,528</b>	<b>\$ 4,559,481</b>	<b>\$ 6,438,821</b>	<b>\$ 1,736,907</b>	<b>\$ -</b>	<b>\$ 45,413,557</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts Payable and Accrued Liabilities	\$ 701,433	\$ -	\$ 448,883	\$ -	\$ -	\$ -	\$ 5,031,332
Due to Other Funds	401,384	-	-	-	-	-	401,384
Deferred Revenue	1,138,971	-	-	-	-	-	3,301,501
<b>Total Liabilities</b>	<b>2,241,788</b>	<b>-</b>	<b>448,883</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,734,217</b>
Fund Balances:							
Restricted	-	81,528	4,110,598	6,438,821	1,736,907	-	37,596,040
Unassigned	(916,700)	-	-	-	-	-	(916,700)
<b>Total Fund Balances</b>	<b>(916,700)</b>	<b>81,528</b>	<b>4,110,598</b>	<b>6,438,821</b>	<b>1,736,907</b>	<b>-</b>	<b>36,679,340</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,325,088</b>	<b>\$ 81,528</b>	<b>\$ 4,559,481</b>	<b>\$ 6,438,821</b>	<b>\$ 1,736,907</b>	<b>\$ -</b>	<b>\$ 45,413,557</b>

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**All Capital Project Funds**  
**For Year Ended June 30, 2012**

	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
<b>REVENUES</b>							
Uses of Money and Property	\$ -	\$ -	\$ 951	\$ 57	\$ 15,268	\$ 60,708	\$ 242,186
Intergovernmental	-	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	-	1,082,697	-	47,555
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>951</b>	<b>57</b>	<b>1,097,965</b>	<b>60,708</b>	<b>289,741</b>
<b>EXPENDITURES</b>							
Current:							
General Government	1,500,941	6,461	-	4,514	1,034	3,507	142,171
Capital Outlay	-	-	-	-	-	-	14,810,534
<b>Total Expenditures</b>	<b>1,500,941</b>	<b>6,461</b>	<b>-</b>	<b>4,514</b>	<b>1,034</b>	<b>3,507</b>	<b>14,952,705</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,500,941)</b>	<b>(6,461)</b>	<b>951</b>	<b>(4,457)</b>	<b>1,096,931</b>	<b>57,201</b>	<b>(14,662,964)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	-	-	-	-	-	-	4,351,663
Transfers Out	-	-	(401,585)	-	(1,387,795)	(1,203,716)	(332,529)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(401,585)</b>	<b>-</b>	<b>(1,387,795)</b>	<b>(1,203,716)</b>	<b>4,019,134</b>
<b>Net Change in Fund Balances before Extraordinary Items</b>	<b>(1,500,941)</b>	<b>(6,461)</b>	<b>(400,634)</b>	<b>(4,457)</b>	<b>(290,864)</b>	<b>(1,146,515)</b>	<b>(10,643,830)</b>
<b>EXTRAORDINARY ITEMS</b>							
Assets Transferred to Successor Agency	-	-	-	-	-	-	-
<b>Total Extraordinary Items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(1,500,941)</b>	<b>(6,461)</b>	<b>(400,634)</b>	<b>(4,457)</b>	<b>(290,864)</b>	<b>(1,146,515)</b>	<b>(10,643,830)</b>
<b>Fund Balance, Beginning of Year</b>	<b>7,550,571</b>	<b>2,578,877</b>	<b>400,634</b>	<b>4,457</b>	<b>1,195,400</b>	<b>8,834,919</b>	<b>18,657,030</b>
<b>Fund Balance, End of Year</b>	<b>\$ 6,049,630</b>	<b>\$ 2,572,416</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 904,536</b>	<b>\$ 7,688,404</b>	<b>\$ 8,013,200</b>

*Continued*

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**All Capital Project Funds (Continued)**  
 For Year Ended June 30, 2012

	Park Improvement Projects	Drainage Improvement Projects	Street Improvement Projects	Economic Infrastructure Projects	Vineyards Projects	Redevelopment Projects	Totals
<b>REVENUES</b>							
Uses of Money and Property	\$ 15,483	\$ 1,204	\$ 86,273	\$ 81,488	\$ 22,109	\$ -	\$ 525,727
Intergovernmental	441,231	-	77,670	-	-	-	518,901
Fees and Other Revenues	-	5,536	8,115	-	18,800	-	1,162,703
<b>Total Revenues</b>	<b>456,714</b>	<b>6,740</b>	<b>172,058</b>	<b>81,488</b>	<b>40,909</b>	<b>-</b>	<b>2,207,331</b>
<b>EXPENDITURES</b>							
Current:							
General Government	214,508	-	623,734	127,038	1,767	283,022	2,908,697
Capital Outlay	2,933,371	5,887	899,222	-	-	-	18,649,014
<b>Total Expenditures</b>	<b>3,147,879</b>	<b>5,887</b>	<b>1,522,956</b>	<b>127,038</b>	<b>1,767</b>	<b>283,022</b>	<b>21,557,711</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(2,691,165)</b>	<b>853</b>	<b>(1,350,898)</b>	<b>(45,550)</b>	<b>39,142</b>	<b>(283,022)</b>	<b>(19,350,380)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	446,496	44,464	718,424	-	88,732	778,282	6,428,061
Transfers Out	(163,987)	(9,704)	(1,684,450)	-	-	(234,829)	(5,418,595)
<b>Total Other Financing Sources (Uses)</b>	<b>282,509</b>	<b>34,760</b>	<b>(966,026)</b>	<b>-</b>	<b>88,732</b>	<b>543,453</b>	<b>1,009,466</b>
<b>Net Change in Fund Balances before Extraordinary Items</b>	<b>(2,408,656)</b>	<b>35,613</b>	<b>(2,316,924)</b>	<b>(45,550)</b>	<b>127,874</b>	<b>260,431</b>	<b>(18,340,914)</b>
<b>EXTRAORDINARY ITEMS</b>							
Assets Transferred to Successor Agency	-	-	-	-	-	(261,586)	(261,586)
<b>Total Extraordinary Items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(261,586)</b>	<b>(261,586)</b>
<b>Net Change in Fund Balances</b>	<b>(2,408,656)</b>	<b>35,613</b>	<b>(2,316,924)</b>	<b>(45,550)</b>	<b>127,874</b>	<b>(1,155)</b>	<b>(18,602,500)</b>
<b>Fund Balance, Beginning of Year</b>	<b>1,491,956</b>	<b>45,915</b>	<b>6,427,522</b>	<b>6,484,371</b>	<b>1,609,033</b>	<b>1,155</b>	<b>55,281,840</b>
<b>Fund Balance, End of Year</b>	<b>\$ (916,700)</b>	<b>\$ 81,528</b>	<b>\$ 4,110,598</b>	<b>\$ 6,438,821</b>	<b>\$ 1,736,907</b>	<b>\$ -</b>	<b>\$ 36,679,340</b>

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Certain Capital Project Funds  
For Year Ended June 30, 2012**

	City Capital Improvement Financing Program			Civic Center Projects			Economic Infrastructure Projects		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>REVENUES</b>									
Uses of Money and Property	\$ 23,000	\$ 15,268	\$ (7,732)	\$ 20,000	\$ 60,708	\$ 40,708	\$ 50,000	\$ 81,488	\$ 31,488
Fees and Other Revenues	1,084,951	1,082,697	(2,254)	-	-	-	2,906,250	-	(2,906,250)
<b>Total Revenues</b>	<u>1,107,951</u>	<u>1,097,965</u>	<u>(9,986)</u>	<u>20,000</u>	<u>60,708</u>	<u>40,708</u>	<u>2,956,250</u>	<u>81,488</u>	<u>(2,874,762)</u>
<b>EXPENDITURES</b>									
Current:									
General Government	5,000	1,034	3,966	7,500	3,507	3,993	148,974	127,038	21,936
<b>Total Expenditures</b>	<u>5,000</u>	<u>1,034</u>	<u>3,966</u>	<u>7,500</u>	<u>3,507</u>	<u>3,993</u>	<u>148,974</u>	<u>127,038</u>	<u>21,936</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,102,951</u>	<u>1,096,931</u>	<u>(6,020)</u>	<u>12,500</u>	<u>57,201</u>	<u>44,701</u>	<u>2,807,276</u>	<u>(45,550)</u>	<u>(2,852,826)</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	285,000	-	(285,000)	-	-	-	-	-	-
Transfers Out	(1,488,974)	(1,387,795)	101,179	(3,368,572)	(1,203,716)	2,164,856	(2,906,250)	-	2,906,250
<b>Total Other Financing Sources (Uses)</b>	<u>(1,203,974)</u>	<u>(1,387,795)</u>	<u>(183,821)</u>	<u>(3,368,572)</u>	<u>(1,203,716)</u>	<u>2,164,856</u>	<u>(2,906,250)</u>	<u>-</u>	<u>2,906,250</u>
<b>Net Change in Fund Balances before Extraordinary Items</b>	<u>(101,023)</u>	<u>(290,864)</u>	<u>(189,841)</u>	<u>(3,356,072)</u>	<u>(1,146,515)</u>	<u>2,209,557</u>	<u>(98,974)</u>	<u>(45,550)</u>	<u>53,424</u>
<b>EXTRAORDINARY ITEMS</b>									
Assets Transferred to Successor Agency	-	-	-	-	-	-	-	-	-
<b>Total Extraordinary Items</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>\$ (101,023)</u>	<u>(290,864)</u>	<u>\$ (189,841)</u>	<u>\$ (3,356,072)</u>	<u>(1,146,515)</u>	<u>\$ 2,209,557</u>	<u>\$ (98,974)</u>	<u>(45,550)</u>	<u>\$ 53,424</u>
<b>Fund Balance, Beginning of Year</b>		<u>1,195,400</u>			<u>8,834,919</u>			<u>6,484,371</u>	
<b>Fund Balance, End of Year</b>		<u>\$ 904,536</u>			<u>\$ 7,688,404</u>			<u>\$ 6,438,821</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, 2012**

	Vineyards Projects			Redevelopment Projects			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>REVENUES</b>									
Uses of Money and Property	\$ 65,000	\$ 22,109	\$ (42,891)	\$ -	\$ -	\$ -	\$ 158,000	\$ 179,573	\$ 21,573
Fees and Other Revenues	-	18,800	18,800	-	-	-	3,991,201	1,101,497	(2,889,704)
<b>Total Revenues</b>	<u>65,000</u>	<u>40,909</u>	<u>(24,091)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,149,201</u>	<u>1,281,070</u>	<u>(2,868,131)</u>
<b>EXPENDITURES</b>									
Current:									
General Government	2,500	1,767	733	492,665	283,022	209,643	656,639	416,368	240,271
<b>Total Expenditures</b>	<u>2,500</u>	<u>1,767</u>	<u>733</u>	<u>492,665</u>	<u>283,022</u>	<u>209,643</u>	<u>656,639</u>	<u>416,368</u>	<u>240,271</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>62,500</u>	<u>39,142</u>	<u>(23,358)</u>	<u>(492,665)</u>	<u>(283,022)</u>	<u>209,643</u>	<u>3,492,562</u>	<u>864,702</u>	<u>(2,627,860)</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	-	88,732	88,732	1,217,753	778,282	(439,471)	1,502,753	867,014	(635,739)
Transfers Out	-	-	-	(1,342,775)	(234,829)	1,107,946	(9,106,571)	(2,826,340)	6,280,231
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>88,732</u>	<u>88,732</u>	<u>(125,022)</u>	<u>543,453</u>	<u>668,475</u>	<u>(7,603,818)</u>	<u>(1,959,326)</u>	<u>5,644,492</u>
<b>Net Change in Fund Balances before Extraordinary Items</b>	<u>62,500</u>	<u>127,874</u>	<u>65,374</u>	<u>(617,687)</u>	<u>260,431</u>	<u>878,118</u>	<u>(4,111,256)</u>	<u>(1,094,624)</u>	<u>3,016,632</u>
<b>EXTRAORDINARY ITEMS</b>									
Assets Transferred to Successor Agency	-	-	-	-	(261,586)	(261,586)	-	(261,586)	(261,586)
<b>Total Extraordinary Items</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(261,586)</u>	<u>(261,586)</u>	<u>-</u>	<u>(261,586)</u>	<u>(261,586)</u>
<b>Net Change in Fund Balances</b>	<u>\$ 62,500</u>	<u>127,874</u>	<u>\$ 65,374</u>	<u>\$ (617,687)</u>	<u>(1,155)</u>	<u>\$ 616,532</u>	<u>\$ (4,111,256)</u>	<u>(1,356,210)</u>	<u>\$ 2,755,046</u>
<b>Fund Balance, Beginning of Year</b>		<u>1,609,033</u>			<u>1,155</u>			<u>18,124,878</u>	
<b>Fund Balance, End of Year</b>		<u>\$ 1,736,907</u>			<u>\$ -</u>			<u>\$ 16,768,668</u>	

**STATISTICAL SECTION CONTENTS**

	<u>Page</u>
<b>Financial Trends</b>	<b>S-1 to S-4</b>
<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>	
<b>Revenue Capacity</b>	<b>S-5 to S-13</b>
<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>	
<b>Debt Capacity</b>	<b>S-14 to S-18</b>
<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>	
<b>Demographic and Economic Information</b>	<b>S-19 to S-20</b>
<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>	
<b>Operating Information</b>	<b>S-21 to S-24</b>
<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>	
<p><i>Sources: Unless otherwise noted, the information in these schedules is derived from the City’s relevant Comprehensive Annual Financial Reports.</i></p>	

**OTHER AUDIT REPORT**

<b>Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards</b>	<b>S-25 to S-26</b>
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## City of Brentwood

**NET ASSETS BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
 (Accrual Basis of Accounting)  
 (Unaudited)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Governmental Activities</b>										
Invested in Capital Assets, Net of Related Debt	\$ 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	\$ 396,203,826
Restricted	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	55,501,023
Unrestricted	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	79,793,101
<b>Total Governmental Activities Net Assets</b>	<b>\$ 225,393,095</b>	<b>\$ 272,312,712</b>	<b>\$ 304,175,719</b>	<b>\$ 430,176,478</b>	<b>\$ 478,221,603</b>	<b>\$ 507,912,494</b>	<b>\$ 529,253,556</b>	<b>\$ 520,567,487</b>	<b>\$ 513,645,220</b>	<b>\$ 531,497,950</b>
<b>Business-Type Activities</b>										
Invested in Capital Assets, Net of Related Debt	\$ 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	\$ 155,440,943
Restricted	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	35,030,908
Unrestricted	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	37,633,231
<b>Total Business-Type Activities Net Assets</b>	<b>\$ 138,512,712</b>	<b>\$ 141,829,623</b>	<b>\$ 185,909,355</b>	<b>\$ 149,112,791</b>	<b>\$ 178,040,989</b>	<b>\$ 199,596,036</b>	<b>\$ 217,281,433</b>	<b>\$ 222,007,653</b>	<b>\$ 228,938,239</b>	<b>\$ 228,105,082</b>
<b>Primary Government</b>										
Invested in Capital Assets, Net of Related Debt	\$ 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	\$ 551,644,769
Restricted	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	90,531,931
Unrestricted	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	117,426,332
<b>Total Primary Government Net Assets</b>	<b>\$ 363,905,807</b>	<b>\$ 414,142,335</b>	<b>\$ 490,085,074</b>	<b>\$ 579,289,269</b>	<b>\$ 656,262,592</b>	<b>\$ 707,508,530</b>	<b>\$ 746,534,989</b>	<b>\$ 742,575,140</b>	<b>\$ 742,583,459</b>	<b>\$ 759,603,032</b>

## City of Brentwood

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Governmental Activities:</b>										
<b>Expenses</b>										
General Government	\$ 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	\$ 14,136,546
Public Safety	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	17,504,773
Community Development	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	3,330,613
Engineering	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	2,426,348
Public Works	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	7,785,203
Parks and Recreation	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	9,966,107
Community Services	314,293	226,732	237,458	2,059,834	3,402,377	3,728,537	4,771,816	5,665,988	5,193,300	5,507,421
Other	1,158,986	512,952	1,008,158	2,918,908	-	-	-	-	-	-
Interest on Long-Term Debt	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	5,121,265
<b>Total Expenses</b>	<b>36,826,397</b>	<b>44,772,218</b>	<b>47,941,498</b>	<b>52,430,992</b>	<b>65,247,235</b>	<b>68,380,749</b>	<b>58,296,953</b>	<b>68,086,100</b>	<b>72,182,573</b>	<b>65,778,276</b>
<b>Program Revenues</b>										
Charges for Services:										
General Government	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	7,579,622
Public Safety	396,267	391,286	417,939	463,693	563,191	611,166	512,853	555,434	498,354	512,727
Community Development	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	1,273,788
Engineering	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	1,457,470
Public Works	4,861	15,953	20,260	36,618	53,474	87,670	84,910	119,960	75,927	39,302
Parks and Recreation	-	-	-	1,804,256	1,687,292	1,128,180	936,023	920,233	962,966	1,061,842
Operating Grants and Contributions	226,570	165,107	114,791	200,915	6,443,633	9,868,672	9,594,707	10,547,689	12,109,521	11,266,602
Capital Grants and Contributions	132,575	128,384	166,951	212,611	50,529,249	35,633,756	21,356,537	7,393,607	13,903,165	6,384,355
<b>Total Program Revenues</b>	<b>14,221,651</b>	<b>16,511,659</b>	<b>17,811,743</b>	<b>16,603,235</b>	<b>71,198,282</b>	<b>56,401,678</b>	<b>40,279,676</b>	<b>28,640,686</b>	<b>37,034,212</b>	<b>29,575,708</b>
<b>Total Governmental Activities Net Expense</b>	<b>(22,604,746)</b>	<b>(28,260,559)</b>	<b>(30,129,755)</b>	<b>(35,827,757)</b>	<b>5,951,047</b>	<b>(11,979,071)</b>	<b>(18,017,277)</b>	<b>(39,445,414)</b>	<b>(35,148,361)</b>	<b>(36,202,568)</b>
<b>General Revenues and Other Changes in Net Assets</b>										
Taxes:										
Property Taxes	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	12,682,260
Sales Tax	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	5,691,384
Franchise Fees	668,657	738,525	851,237	1,021,258	1,230,265	1,362,484	1,057,537	1,168,412	1,183,245	1,216,589
Public Service Taxes	589,266	743,890	914,426	1,000,573	527,766	342,627	298,911	283,407	251,092	257,426
Measure C / J, TOT	448,498	457,883	480,838	532,035	598,358	635,411	674,000	676,635	775,964	885,565
Motor Vehicle Taxes	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	2,593,907
Other Taxes	-	-	-	188,636	260,577	-	-	-	-	-
Investment Earnings	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	1,626,128
Contributions - Impact Fees and Credits	21,965,625	28,218,482	29,584,350	31,600,393	-	-	-	-	-	-
Capital Contributions	9,572,626	(931,403)	3,592,176	33,424,231	-	-	-	-	-	-
Capital Assets Contributed to/from Other Funds	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	1,338,025
Transfers	7,349,207	3,810,805	(1,847,651)	57,512,251	2,111,311	144,482	1,645,610	84,116	(426,118)	99,753
Extraordinary Items										
Assets Transferred To/Liabilities Assumed by Successor Agency	-	-	-	-	-	-	-	-	-	27,664,261
<b>Total General Revenues and Other Changes in Net Assets</b>	<b>64,362,629</b>	<b>75,180,176</b>	<b>61,992,762</b>	<b>161,828,516</b>	<b>44,441,302</b>	<b>41,669,962</b>	<b>39,358,339</b>	<b>30,759,345</b>	<b>28,226,094</b>	<b>54,055,298</b>
<b>Total Governmental Activities Change in Net Assets</b>	<b>\$ 41,757,883</b>	<b>\$ 46,919,617</b>	<b>\$ 31,863,007</b>	<b>\$ 126,000,759</b>	<b>\$ 50,392,349</b>	<b>\$ 29,690,891</b>	<b>\$ 21,341,062</b>	<b>\$ (8,686,069)</b>	<b>\$ (6,922,267)</b>	<b>\$ 17,852,730</b>

## City of Brentwood

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Business-Type Activities:</b>										
<b>Expenses</b>										
Wastewater	\$ 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	\$ 7,980,916
Solid Waste	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	8,050,319
Water	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	18,787,680
Parks and Recreation	2,891,809	3,647,580	3,854,606	-	-	-	-	-	-	-
City Rentals	429,833	436,287	434,243	728,604	729,754	654,428	248,505	253,241	218,218	182,239
Housing	-	7,504	1,022,306	1,215,548	1,481,274	792,055	307,298	419,217	430,024	4,699,623
<b>Total Expenses</b>	<b>16,565,889</b>	<b>23,781,756</b>	<b>23,885,902</b>	<b>26,031,461</b>	<b>25,917,010</b>	<b>27,106,940</b>	<b>30,103,776</b>	<b>33,973,091</b>	<b>33,316,739</b>	<b>39,700,777</b>
<b>Program Revenues</b>										
Charges for Services:										
Wastewater	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	9,388,285
Solid Waste	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	9,139,494
Water	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	17,254,244
Parks and Recreation	668,503	776,465	1,443,029	-	-	-	-	-	-	-
City Rentals	660,367	740,110	778,437	767,270	717,539	467,271	421,957	425,832	425,607	435,736
Housing	-	-	1,000	30,290	117,601	174,368	188,137	175,186	193,610	184,524
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	-	-	-	6,287,482	22,969,310	11,971,155	12,590,057	3,996,082	4,635,461	1,629,204
<b>Total Program Revenues</b>	<b>15,719,566</b>	<b>20,240,036</b>	<b>23,241,030</b>	<b>33,355,263</b>	<b>54,421,129</b>	<b>45,142,539</b>	<b>46,187,866</b>	<b>37,151,014</b>	<b>38,748,417</b>	<b>38,031,487</b>
<b>Total Business-Type Activities Net Expense</b>	<b>(846,323)</b>	<b>(3,541,720)</b>	<b>(644,872)</b>	<b>7,323,802</b>	<b>28,504,119</b>	<b>18,035,599</b>	<b>16,084,090</b>	<b>3,177,923</b>	<b>5,431,678</b>	<b>(1,669,290)</b>
<b>General Revenues and Other Changes in Net Assets</b>										
Taxes:										
Property Taxes	680,375	868,369	1,073,421	-	-	-	-	-	-	-
Connection Fees Paid	-	(11,305,768)	-	-	-	-	-	-	-	-
Grants and Contributions Not Restricted to Specific Programs	-	-	177,600	-	-	-	-	-	-	-
Investment Earnings	1,710,954	1,284,161	534,586	1,199,763	2,535,390	3,663,930	3,246,917	1,632,413	1,072,790	935,886
Contributions - Impact Fees and Credits	20,286,877	20,104,810	17,844,231	11,381,912	-	-	-	-	-	-
Capital Contributions	17,848,980	(432,136)	21,325,932	-	-	-	-	-	-	-
Capital Assets Contributed to/from Other Funds	-	-	(126,356)	-	-	-	-	-	-	-
Miscellaneous	5,375	150,000	-	-	-	-	-	-	-	-
Transfers	(7,349,207)	(3,810,805)	1,847,651	(57,512,251)	(2,111,311)	(144,482)	(1,645,610)	(84,116)	426,118	(99,753)
<b>Total General Revenues and Other Changes in Net Assets</b>	<b>33,183,354</b>	<b>6,858,631</b>	<b>42,677,065</b>	<b>(44,930,576)</b>	<b>424,079</b>	<b>3,519,448</b>	<b>1,601,307</b>	<b>1,548,297</b>	<b>1,498,908</b>	<b>836,133</b>
<b>Total Business-Type Activities Change in Net Assets</b>	<b>32,337,031</b>	<b>3,316,911</b>	<b>42,032,193</b>	<b>(37,606,774)</b>	<b>28,928,198</b>	<b>21,555,047</b>	<b>17,685,397</b>	<b>4,726,220</b>	<b>6,930,586</b>	<b>(833,157)</b>
<b>Total Primary Government Change in Net Assets</b>	<b>\$ 74,094,914</b>	<b>\$ 50,236,528</b>	<b>\$ 73,895,200</b>	<b>\$ 88,393,985</b>	<b>\$ 79,320,547</b>	<b>\$ 51,245,938</b>	<b>\$ 39,026,459</b>	<b>\$ (3,959,849)</b>	<b>\$ 8,319</b>	<b>\$ 17,019,573</b>

**City of Brentwood**

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>General Fund</b>										
Reserved	\$ 454,599	\$ 728,885	\$ 122,935	\$ 204,076	\$ 124,588	\$ 69,008	\$ 115,603	\$ -	\$ -	\$ -
Unreserved	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	75,163
Restricted*	-	-	-	-	-	-	-	-	-	27,500
Committed*	-	-	-	-	-	-	-	600,000	600,000	-
Assigned*	-	-	-	-	-	-	-	2,200,000	7,667,955	7,676,327
Unassigned*	-	-	-	-	-	-	-	12,464,539	9,835,437	10,760,980
<b>Total General Fund</b>	<b>\$ 19,302,492</b>	<b>\$ 22,830,391</b>	<b>\$ 19,500,563</b>	<b>\$ 22,514,337</b>	<b>\$ 25,399,565</b>	<b>\$ 24,011,019</b>	<b>\$ 15,584,818</b>	<b>\$ 15,333,922</b>	<b>\$ 18,271,519</b>	<b>\$ 18,539,970</b>
<b>All Other Governmental Funds</b>										
Reserved	\$ 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	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	1,324
Restricted*	-	-	-	-	-	-	-	119,080,851	78,571,539	56,313,736 <sup>(1)</sup>
Committed*	-	-	-	-	-	-	-	4,477,489	3,027,135	4,210,317
Assigned*	-	-	-	-	-	-	-	-	-	-
Unassigned*	-	-	-	-	-	-	-	(2,586,983)	(2,550,292)	(3,418,119)
<b>Total All Other Governmental Funds</b>	<b>\$ 51,138,866</b>	<b>\$ 45,573,338</b>	<b>\$ 52,565,675</b>	<b>\$ 96,975,847</b>	<b>\$ 92,241,115</b>	<b>\$ 87,553,300</b>	<b>\$ 91,298,304</b>	<b>\$ 123,342,421</b>	<b>\$ 79,050,619</b>	<b>\$ 57,107,258</b>

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

(1) The Redevelopment Agency was dissolved as of January 31, 2012 and its restricted net assets of \$27 million were transferred to a Successor Agency.

## City of Brentwood

## CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

## LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

(Unaudited)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>REVENUES</b>										
Taxes	\$ 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	\$ 18,966,729
Licenses	124,823	325,143	405,246	471,668	509,618	454,678	530,025	494,958	486,963	519,368
Permits and Fines	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	2,866,498
Uses of Money and Property	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	1,477,010
Intergovernmental	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	6,626,172
Franchises	428,731	584,868	672,172	808,389	965,066	1,018,540	1,057,537	1,168,412	1,183,245	1,216,589
Charges for Other Services	531,791	570,455	546,251	1,580,198	776,584	515,471	407,429	437,338	522,681	409,699
Charges to Other Funds	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	6,362,471
Fees and Other Revenues	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	15,976,157
<b>Total Revenues</b>	<b>56,304,250</b>	<b>63,396,624</b>	<b>68,717,800</b>	<b>100,821,515</b>	<b>74,887,580</b>	<b>69,006,980</b>	<b>59,071,394</b>	<b>54,717,065</b>	<b>55,179,536</b>	<b>54,420,693</b>
<b>EXPENDITURES</b>										
Current:										
General Government	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	12,289,354
Public Safety	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	16,627,126
Community Development	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	3,218,317
Engineering	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	2,383,174
Public Works	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	2,723,127
Parks and Recreation	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	7,673,881
Community Services	314,293	226,732	237,458	2,073,780	3,414,448	3,739,616	4,777,007	5,668,438	5,199,083	5,510,055
Other	1,158,986	512,952	1,008,158	2,918,908	-	-	-	-	-	-
Capital Outlay	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	18,649,014
Debt Service:										
Principal	808,325	1,933,865	1,655,889	1,817,780	832,754	967,369	1,003,379	2,412,705	1,085,407	1,075,000
Interest and Fiscal Charges	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	4,849,723
<b>Total Expenditures</b>	<b>65,873,117</b>	<b>72,611,981</b>	<b>63,015,823</b>	<b>59,747,942</b>	<b>76,456,654</b>	<b>75,871,104</b>	<b>63,620,383</b>	<b>67,836,467</b>	<b>90,818,234</b>	<b>74,998,771</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(9,568,867)</b>	<b>(9,215,357)</b>	<b>5,701,977</b>	<b>41,073,573</b>	<b>(1,569,074)</b>	<b>(6,864,124)</b>	<b>(4,548,989)</b>	<b>(13,119,402)</b>	<b>(35,638,698)</b>	<b>(20,578,078)</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Issuance of Debt	-	4,245,101	-	-	-	-	-	48,000,000	-	-
Premium on Bonds Issued	-	-	-	-	-	-	-	129,172	-	1,266,396
Refunding Bonds Issued	-	-	-	-	-	-	-	-	-	24,060,000
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	-	-	-	-	(26,049,390)
Capital Contributions	4,657,010	-	-	-	-	-	-	-	-	-
Transfer of Land Held to Governmental Activities	-	-	-	-	-	-	-	-	(1,327,029)	-
Transfers In	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	18,534,332
Transfers Out	(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)	(16,777,751)
<b>Total Other Financing Sources (Uses)</b>	<b>8,177,970</b>	<b>7,177,728</b>	<b>(2,039,468)</b>	<b>6,350,373</b>	<b>2,079,865</b>	<b>659,763</b>	<b>(132,208)</b>	<b>44,912,623</b>	<b>(5,715,507)</b>	<b>1,033,587</b>
<b>Net Change in Fund Balances before Extraordinary Items</b>	<b>\$ (1,390,897)</b>	<b>\$ (2,037,629)</b>	<b>\$ 3,662,509</b>	<b>\$ 47,423,946</b>	<b>\$ 510,791</b>	<b>\$ (6,204,361)</b>	<b>\$ (4,681,197)</b>	<b>\$ 31,793,221</b>	<b>\$ (41,354,205)</b>	<b>\$ (19,544,491)</b>
<b>EXTRAORDINARY ITEMS</b>										
Assets Transferred to Successor Agency	-	-	-	-	-	-	-	-	-	(7,438,601)
Assets Transferred from Successor Agency	-	-	-	-	-	-	-	-	-	5,308,182
<b>Total Extraordinary Items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,130,419)</b>
<b>Net Change in Fund Balances</b>	<b>\$ (1,390,897)</b>	<b>\$ (2,037,629)</b>	<b>\$ 3,662,509</b>	<b>\$ 47,423,946</b>	<b>\$ 510,791</b>	<b>\$ (6,204,361)</b>	<b>\$ (4,681,197)</b>	<b>\$ 31,793,221</b>	<b>\$ (41,354,205)</b>	<b>\$ (21,674,910)</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	7.70%	8.53%	7.37%	6.90%	3.81%	3.62%	4.82%	9.12%	9.41%	10.51%

**City of Brentwood**

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

<b>Fiscal Year</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Other Property</b>	<b>Less: Tax-Exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>
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%
2012	4,496,112,577	674,651,088	46,231,581	240,964,117	140,434,070	5,598,393,433	1.0068%

**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**

(Unaudited)

Fiscal Year	City Direct Rates			Overlapping Rates <sup>(1)</sup>		
	Basic Rate	General Obligation Debt Service	Total Direct Tax Rate	Liberty Union High School District	Brentwood Union School District	Other Districts
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%
2012	1.00%	0.0068%	1.0068%	0.0386%	0.0689%	0.0256%

**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 2012			Fiscal Year 2003		
	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	\$ 110,110,635	1	1.97%	\$ -	-	-
Sand Creek Crossing LLC	41,285,400	2	0.74%	-	-	-
John Muir Mt Diablo Health	36,548,936	3	0.65%	-	-	-
DS Lone Tree Plaza LLC	32,284,463	4	0.58%	-	-	-
Trilogy Vineyards LLC	29,632,488	5	0.53%	-	-	-
Brentwood Arbor Ridge LP	21,150,747	6	0.38%	-	-	-
New Urban Comm Sciortno LLC	19,775,100	7	0.35%	-	-	-
AFE Brentwood Park LLC	19,086,235	8	0.34%	-	-	-
Brentwood Assisted Living LLC	17,000,000	9	0.30%	-	-	-
WK LLC	15,926,000	10	0.28%	-	-	-
Pulte Home Corporation	-	-	-	67,419,437	1	2.37%
California Sun Properties	-	-	-	62,293,236	2	2.19%
Brookfield Brentwood Lakes Inc.	-	-	-	51,439,785	3	1.81%
Shea Homes LP	-	-	-	29,983,434	4	1.05%
HPH Properties	-	-	-	27,334,244	5	0.96%
Len-Brentwood II LLC	-	-	-	21,806,486	6	0.77%
Signature Properties Inc.	-	-	-	21,422,063	7	0.75%
US Print Corporation	-	-	-	18,055,871	8	0.63%
IFS Brentwood Investors LP	-	-	-	15,045,269	9	0.53%
Brentwood Balfour Partners LLC	-	-	-	13,574,994	10	0.48%
<b>Total</b>	<b>\$ 342,800,004</b>		<b>6.12%</b>	<b>\$ 328,374,819</b>		<b>11.53%</b>

Source: HdL Coren & Cone, Contra Costa County Assessor

**City of Brentwood**

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

<b>Fiscal Year Ended June 30</b>	<b>Taxes Levied For The Fiscal Year <sup>(1)</sup></b>	<b>Collected Within the Fiscal Year of the Levy <sup>(2)</sup></b>	
		<b>Amount</b>	<b>Percentage of Levy</b>
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%
2012	12,682,260	12,682,260	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)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Apparel Stores	\$ 4,230	\$ 13,172	\$ 21,115	\$ 30,140	\$ 32,314	\$ 32,851	\$ 37,472	\$ 53,285	\$ 56,132	\$ 43,785
General Merchandise	113	136	246	295	813	1,961	1,896	2,325	2,698	17,334
Food Stores	23,799	27,556	33,424	36,433	39,462	40,428	41,738	44,421	43,179	45,470
Eating & Drinking Establishments	22,476	25,885	29,466	39,548	44,538	49,947	51,701	59,586	63,983	69,987
Building Materials	19,074	19,551	57,860	72,917	64,761	59,947	53,098	47,014	51,066	55,161
Auto Dealers and Supplies	51,653	47,542	48,377	57,165	62,226	57,138	33,031	39,622	43,685	40,272
Service Stations	33,403	40,419	51,259	62,580	73,906	84,455	103,129	77,188	85,337	98,577
Other Retail Stores	24,860	33,388	39,931	55,263	57,824	73,833	87,720	94,401	96,000	101,788
All Other Outlets	57,504	59,426	90,820	95,745	97,382	93,793	87,977	86,599	94,031	102,559
<b>Total</b>	<b>\$ 237,112</b>	<b>\$ 267,075</b>	<b>\$ 372,498</b>	<b>\$ 450,086</b>	<b>\$ 473,226</b>	<b>\$ 494,353</b>	<b>\$ 497,762</b>	<b>\$ 504,441</b>	<b>\$ 536,111</b>	<b>\$ 574,933</b>
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)**

<b>Fiscal Year</b>	<b>City Direct Rate</b>	<b>Contra Costa County</b>	<b>State <sup>(1)</sup></b>	<b>Total</b>
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%
2012	1.00%	1.25%	6.00%	8.25%

**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%. The 1% increase expired July 1, 2011.

**City of Brentwood**

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

(Unaudited)

2012		2003	
Tax Remitter <sup>(1)</sup>	Business Category	Tax Remitter <sup>(1)</sup>	Business Category
Arco AM PM	Service Stations	Ace Hardware	Hardware Stores
AT&T Mobility	Electronics/Appliance Store	Albertsons	Grocery Stores - Liquor
Best Buy	Electronics/Appliance Store	Arco AM PM	Service Stations
Big B Lumber	Lumber/Building Materials	Big B Lumber	Lumber/Building Materials
Bill Brandt Ford	New Motor Vehicle Dealers	Bill Brandt Ford	New Motor Vehicle Dealers
Brentwood Service Station	Service Stations	Brentwood Auto Parts	Automotive Supply Stores
Chevron	Service Stations	Brentwood Dodge Chrysler Jeep	New Motor Vehicle Dealers
CVS Pharmacy	Drug Stores	Brentwood Dodge Chrysler Plymouth	New Motor Vehicle Dealers
Dallas Shanks Services	Service Stations	Brentwood Funeral Home	Morticians and Undertakers
Home Depot	Lumber/Building Materials	Bunkers Grille	Restaurants - Liquor
Home Goods	Home Furnishings	Burger King	Restaurants - No Alcohol
Kohl's	Family Apparel	Chevron	Service Stations
Michaels Arts & Crafts	Art/Gift/Novelty Stores	Dallas Shanks Services	Service Stations
Pena's Motors	Used Automotive Dealers	Golden Gate Petroleum	Petroleum Prod/Equipment
Quik Stop - Gasoline Sales	Service Stations	Home Goods	Home Furnishings
Riley's	Grocery Stores - Liquor	Furtado's Auto Sales	Auto Lease
Ross	Family Apparel	Longs	Drug Stores
Safeway	Grocery Stores - Liquor	McDonalds	Restaurants - No Alcohol
Save Mart Supermarkets	Grocery Stores - Liquor	Pee Wee Muldoon's	Restaurants - Liquor
TJ Maxx	Family Apparel	Quick Stop Markets	Service Stations
Tower Mart	Service Stations	Riley's	Grocery Stores - Liquor
Tri City Auto Plaza	Service Stations	Safeway	Grocery Stores - Liquor
Vintners Distributors	Service Stations	Savers Fuel Mart	Service Stations
Walgreens	Drug Stores	TJ Maxx	Family Apparel
Winco Foods	Grocery Stores - Liquor	Tower Mart	Service Stations
<b>Percent of Fiscal Year Total Paid by Top 25 Accounts = 51.17%</b>		<b>Percent of Fiscal Year Total Paid by Top 25 Accounts = 65.00%</b>	

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 SEVEN FISCAL YEARS**

(Unaudited)

	2006	2007	2008	2009	2010	2011	2012
<b>Type of Customer</b>							
Residential	\$ 6,618,564	\$ 8,037,936	\$ 7,967,434	\$ 7,771,514	\$ 7,298,520	\$ 7,559,361	\$ 8,018,220
Commercial	1,243,223	1,588,280	1,535,388	1,353,079	1,243,055	1,270,571	1,351,106
Industrial	86,581	104,434	308,275	594,218	474,029	502,181	496,542
Government	379,228	596,973	828,672	1,062,688	1,129,991	1,000,586	1,001,728
<b>Total</b>	<b>\$ 8,327,596</b>	<b>\$ 10,327,622</b>	<b>\$ 10,639,768</b>	<b>\$ 10,781,499</b>	<b>\$ 10,145,595</b>	<b>\$ 10,332,699</b>	<b>\$ 10,867,596</b>

**Source:** City of Brentwood Finance Department, Utility Billing

**Note:** Information isn't available prior to 2006.



## City of Brentwood

**WATER RATES**  
**LAST TEN FISCAL YEARS**  
(Unaudited)

	2003 <sup>(1)</sup>	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Monthly Base Rate</b>										
5/8" or 3/4" meter	\$ 12.20	\$ 14.00	\$ 14.59	\$ 15.24	\$ 15.98	\$ 16.46	\$ 16.95	\$ 17.46	\$ 17.99	\$ 18.53
1" meter	18.38	21.09	21.98	22.96	24.07	24.69	25.43	26.19	26.98	27.79
1 1/2" meter	36.51	41.90	43.68	45.62	47.84	49.38	50.86	52.39	53.96	55.58
2" meter	60.89	69.89	72.85	76.09	79.79	82.30	84.77	87.31	89.93	92.63
3" meter	101.50	116.50	120.60	125.96	132.08	148.13	152.58	157.16	161.87	166.73
4" meter	162.39	186.39	194.30	202.94	212.80	213.97	220.39	227.00	233.81	240.83
6" meter	324.86	372.87	388.70	405.99	425.70	444.40	457.74	471.47	485.61	500.18
<b>Consumption Charge (per 1,000 gallons = 1 unit)</b>										
<b>Residential Tiers</b>										
Tier 1: Units 1-10	\$ 1.89	\$ 2.19	\$ 2.28	\$ 2.38	\$ 2.50	\$ 2.58	\$ 2.65	\$ 2.73	\$ 2.81	\$ 2.90
Tier 2: Units 11-20	N/A	2.61	2.72	2.84	2.98	3.07	3.16	3.26	3.35	3.45
Tier 3: Units 21-30	N/A	3.13	3.26	3.41	3.57	3.68	3.79	3.90	4.02	4.14
Tier 4: Units 31+	N/A	3.65	3.80	3.97	4.16	4.28	4.41	4.55	4.68	4.82
<b>Non Residential Tiers</b>										
Tier 1: Units 1-10	N/A	\$ 2.19	\$ 2.28	\$ 2.38	\$ 2.50	\$ 2.58	\$ 2.65	\$ 2.73	\$ 2.81	\$ 2.90
Tier 2: Units 11+	N/A	2.61	2.72	2.84	2.98	3.07	3.16	3.26	3.35	3.45
<b>Non Potable</b>										
Tier 1: Units 1+	N/A	N/A	N/A	N/A	N/A	\$ 0.95	\$ 0.98	\$ 1.01	\$ 1.04	\$ 1.07

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 <sup>(1)</sup>	2001 CIP Revenue Bonds	2012 CIP Revenue Refunding Bonds	Civic Center Project Lease Revenue Bonds	COP Bonds	Notes Payable	Capital Leases (Internal Service)	Capital Leases (Governmental)		
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	-	-	-	-	-	
2012	6,536,845	-	24,060,000	48,000,000	-	-	555,313	-	-	

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 <sup>(2)</sup>	Per Capita <sup>(2)</sup>
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
2012	51,100,000	-	-	-	-	22,576,240	7,358,875	160,187,273	10.69%	3,079

Note: Details regarding the City's outstanding debt can be found in Note #6, found on pages 64 - 72 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
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
2012	6,536,845	6,536,845	0.12%	124

**Note:** Details regarding the City's outstanding debt can be found in Note #6, found on pages 64 - 72 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, 2012

(Unaudited)

2011-12 Assessed Valuation:	\$ 5,597,919,185
Redevelopment Incremental Valuation:	<u>547,344,800</u>
Adjusted Assessed Valuation:	\$ 5,050,574,385

	<u>Total Debt 6/30/12</u>	<u>Percentage Applicable <sup>(1)</sup></u>	<u>City's Share of Debt 6/30/12</u>
<b>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</b>			
Bay Area Rapid Transit	\$ 412,540,000	1.158%	\$ 4,777,213
Contra Costa Community College District	223,985,000	4.057%	9,087,071
Liberty Union High School District	57,130,000	49.657%	28,369,044
Brentwood Union School District	51,424,704	91.596%	47,102,972
Oakley Union School District	22,185,000	0.003%	666
<b>City of Brentwood</b>	<b>6,536,845 <sup>(2)</sup></b>	<b>100.000%</b>	<b>6,536,845</b>
City of Brentwood 1915 Act Bonds	160,481,115	100.000%	160,481,115 <sup>(4)</sup>
California Statewide Communities Development Authority Assessment District No. 04-1& 05-1	9,290,931	100.000%	9,290,931
East Bay Regional Park District	<u>129,525,000</u>	1.799%	<u>2,330,155</u>
<b>TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>	<b>\$ 1,073,098,595</b>		<b>\$ 267,976,012</b>

<b>Ratios to 2011-12 Assessed Valuation:</b>	
Direct Debt (\$6,536,845)	<b>0.12%</b>
Total Direct and Overlapping Tax and Assessment Debt	<b>4.79%</b>

<b>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:</b>			
Contra Costa County General Fund Obligations	\$ 301,690,876	4.039%	\$ 12,185,299
Contra Costa County Pension Obligations	358,495,000	4.039%	14,479,613
Contra Costa Community College District Certificates of Participation	855,000	4.057%	34,687
Brentwood Union School District Certificates of Participation	2,618,592	91.596%	2,398,526
<b>City of Brentwood General Fund Obligations</b>	<b><u>54,905,000</u></b>	<b>100.000%</b>	<b><u>54,905,000</u></b>
GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT	<u>\$ 718,564,468</u>		<u>\$ 84,003,125</u>
Less: Contra Costa Obligations Supported From Revenue Funds			<u>4,574,886</u>
NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			<u>\$ 79,428,239</u>

<b>TOTAL DIRECT DEBT</b>			<b>\$ 61,441,845</b>
TOTAL GROSS OVERLAPPING DEBT			\$ 290,537,292
TOTAL NET OVERLAPPING DEBT			\$ 285,962,406
GROSS COMBINED TOTAL DEBT			\$ 351,979,137 <sup>(3)</sup>
NET COMBINED TOTAL DEBT			\$ 347,404,251

<b>Ratios to Adjusted Assessed Valuation:</b>	
<b>Total Direct Debt (\$61,441,845)</b> .....	<b>1.22%</b>
Gross Combined Total Debt .....	6.97%
Net Combined Total Debt .....	6.88%

Source: California Municipal Statistics, Inc.

- (1) Percentage of overlapping agency's assessed valuation located within the boundaries of the city.
- (2) Includes \$2,041,869 accreted value.
- (3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue, tax allocation bonds and non-bonded capital lease obligations.
- (4) Includes refunding bonds dated 6/30/2012. Excludes refunded issues.

City of Brentwood

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt Limit	\$ 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	\$ 209,939,754
Total Net Debt Applicable to Limit	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	6,536,845
Legal Debt Margin	\$ 100,562,804	\$ 127,684,461	\$ 162,220,661	\$ 203,590,536	\$ 262,514,313	\$ 297,953,724	\$ 271,163,388	\$ 222,589,592	\$ 213,201,694	\$ 203,402,909
<b>Total Net Debt Applicable to the Limit as a Percentage of Debt Limit</b>	5.81%	4.67%	3.80%	3.04%	2.39%	2.13%	2.35%	2.85%	2.98%	3.11%

**Legal Debt Margin Calculation for Fiscal Year 2012**

Assessed Value <sup>1</sup>	\$5,598,393,433
Debt Limit (3.75% of Assessed Value) <sup>2</sup>	209,939,754
Debt Applicable to Limit:	
General Obligation Bonds	6,536,845
<b>Total Net Debt Applicable to Limit</b>	<u>6,536,845</u>
<b>Legal Debt Margin</b>	<u>\$ 203,402,909</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 FOUR FISCAL YEARS**  
(Unaudited)

**Water Revenue Bonds, Series 2008**

Fiscal Year	Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2009*	\$ 17,620,443	\$ 11,356,551	\$ 6,263,892	\$ 420,000	\$ 1,858,366	2.75
2010	16,596,134	11,876,489	4,719,645	280,000	2,915,363	1.48
2011	16,674,462	11,336,197	5,338,265	300,000	2,902,763	1.67
2012	18,205,250	12,910,278	5,294,972	1,100,000	2,889,263	1.33

**Source:** City of Brentwood Finance Department

**Note:** Details regarding the City's outstanding debt can be found in Note #6, found on pages 64 - 72 of this report. Operating revenues 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 <sup>(1)</sup>	Personal Income (In Thousands) <sup>(2)</sup>	Per Capita Personal Income	Median Age <sup>(3)</sup>	School Enrollment <sup>(4)</sup>	Unemployment Rate <sup>(5)</sup>
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%
2011	52,030	1,498,335	28,798	34.8	15,940	9.0%

- 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) Liberty Union High School and Brentwood Union School Districts.
  - (5) Employment Development Department.

**Note:** Pre 2010 – 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 - present – 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	2012			2003		
	Employees	Rank	Percent of Total City Employment	Employees	Rank	Percent of Total City Employment
Brentwood Union School District	400-450	1	3.52%	300-400	1	4.01%
Liberty Union High School District	250-300	2	2.20%	200-300	2	2.67%
City of Brentwood	250-300	3	2.20%	200-300	3	2.67%
Safeway Stores, Inc.	200-250	4	1.76%	50-100	7	0.67%
BJ's Brewhouse	200-250	5	1.76%	-	-	-
Home Depot	150-200	6	1.32%	-	-	-
Winco Foods, Inc.	150-200	7	0.88%	-	-	-
Walgreen Co.	100-150	8	0.88%	100-150	5	1.34%
Kohl's	100-150	9	0.88%	-	-	-
John Muir	100-150	10	0.44%	-	-	-
Precision Cabinets	-	-	-	150-200	4	2.01%
Albertsons	-	-	-	100-150	6	1.34%
US Print	-	-	-	50-100	8	0.67%
Lucky Stores, Inc.	-	-	-	50-100	9	0.67%
Brentwood Dodge Chrysler Plymouth	-	-	-	25-50	10	0.33%
<b>Total</b>	<b>1,900-2,400</b>		<b>15.84%</b>	<b>1,225-1,850</b>		<b>16.38%</b>

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)**

<b>Function/Program</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
General Government	27	29	33	35	39	39	39	37	37	37
Public Safety	66	71	78	77	77	78	78	79	79	79
Community Development	31	34	37	38	39	29	27	26	26	23
Engineering	34	37	35	32	31	20	12	12	13	13
Public Works	14	15	19	19	19	20	20	20	23	23
Parks and Recreation	26	26	32	32	33	29	27	27	24	24
Wastewater	14	14	15	16	16	16	17	17	17	17
Solid Waste	14	18	20	20	22	23	23	23	24	24
Water	17	17	21	21	22	23	25	25	25	26
City Rentals	2	2	2	2	2	2	-	-	-	-
Housing	-	-	3	3	3	2	1	1	1	2
<b>Total</b>	<b>245</b>	<b>263</b>	<b>295</b>	<b>295</b>	<b>303</b>	<b>281</b>	<b>269</b>	<b>267</b>	<b>269</b>	<b>268</b>

Source: City of Brentwood Finance Department



## City of Brentwood

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

Function / Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>General Government</b>										
Building Permits Issued	1,400	1,421	1,452	978	404	129	31	136	109	175
Accounts Payable Invoices Processed	15,224	15,855	15,357	15,686	15,255	15,093	13,695	12,085	10,272	10,885
Purchase Orders Issued <sup>(1)</sup>	413	487	581	526	414	382	319	238	280	320
Checks Issued	14,710	16,624	17,215	18,058	17,628	16,968	15,043	14,328	14,366	14,047
<b>Public Works</b>										
Street Miles Swept	6,313	18,481	22,488	21,715	20,869	20,308	18,031	17,885	17,237	14,547
Debris Collected (tons)	608	1,987	2,265	2,215	2,215	2,017	2,047	1,832	2,226	1,995
Streetlights Maintenance Requests	235	656	576	438	570	834	871	760	806	659
<b>Police</b>										
Physical Arrests (est.)	1,086	1,202	1,339	1,314	1,500	1,852	1,603	1,625	1,448	1,745
Calls for Service (est.) <sup>(2)</sup>	19,197	21,190	22,491	23,553	26,000	27,953	32,608	38,922	35,168	37,124
Case Files Taken (est.)	5,032	5,367	5,449	5,571	6,000	6,162	5,941	6,117	5,450	6,044
<b>Parks and Recreation</b>										
Total Programs Offered (est.)	972	1,214	1,464	1,975	2,123	2,231	945	832	986	1,053
Total Participants and Spectators at Events	334,177	539,276	640,137	980,300	1,071,658	937,187	749,922	642,612	729,046	605,391
<b>Refuse Collection</b>										
Refuse Collected (tons per day)	45	52	64	71	82	99	96	95	90	88
Yard Waste (tons per day)	12	14	17	18	23	29	29	31	32	34
Recyclables Collected (tons per day)	13	15	18	19	21	25	22	22	22	22
Residential Services	10,807	12,303	13,540	14,489	15,183	14,893	15,263	15,469	15,562	15,907
Commercial Services	525	624	541	546	475	463	453	459	468	451
<b>Water</b>										
New Connections	1,531	1,800	961	900	536	225	39	113	117	125
Average Daily Consumption (millions of gallons)	5	5	8	9	11	11	10	10	9	9
Peak Daily Consumption (millions of gallons)	10	14	15	15	17	17	16	16	16	15
Number of Utility Customers	11,022	12,581	13,995	15,289	16,078	16,324	16,442	16,769	16,827	16,952
<b>Wastewater</b>										
New Connections	1,500	1,916	886	830	1,049	225	39	113	119	125
Average Daily Sewage Treatment (millions of gallons)	3	3	3	3	4	4	4	3	3	3

Source: Various City Departments

<sup>(1)</sup> Beginning in FY 2007, change orders were no longer included in the total number of purchase orders.

<sup>(2)</sup> Beginning in FY 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	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	-	-	-	-	-	-	1	1	1	1
Patrol Vehicles	29	33	36	40	52	52	50	50	51	51
<b>Parks and Recreation</b>										
Neighborhood Park Acreage	95	148	171	194	228	256	256	256	256	260
Play Areas	22	25	32	40	40	43	43	45	45	46
Multi-Use Trails (miles)	N/A	13	15	15	15	16	16	16	16	16
Multi-Use Ball and Soccer Fields	14	17	20	23	23	23	23	23	23	23
Picnic Areas/Tables <sup>(1)</sup>	23	23	25	214	253	276	276	276	276	287
<b>Refuse Collection</b>										
Collection Trucks	9	12	12	13	14	14	14	14	14	14
<b>Water</b>										
Water Mains (miles)	120	149	164	173	173	173	173	184	191	219
Fire Hydrants	1,323	1,397	1,521	1,628	1,628	1,869	1,910	1,940	1,945	2,153
Number of Wells	8	8	9	10	10	9	9	9	9	8
Number of Reservoirs	4	4	5	5	6	6	6	6	6	6
Storage Capacity (millions of gallons)	11	11	15	15	19	19	19	19	19	19
<b>Wastewater</b>										
Sanitary Sewers (miles)	67	92	101	138	150	150	150	150	152	179
Lift Stations	4	3	3	3	2	3	2	2	2	2
<b>Other Public Works</b>										
Streets (miles)	119	145	161	168	168	168	190	190	190	190
Street Lights	2,858	3,614	3,873	3,882	4,255	5,299	5,836	5,836	5,836	5,889

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)

<b>Date of Incorporation:</b>	January 19, 1948
<b>Forms of Government:</b>	General Law Council-Manager
<b>Fiscal Year Begins:</b>	July 1
<b>Area of City:</b>	14.83 Sq Miles
<b>Population as of January 2012:</b>	52,575

<u>Miles of Streets</u>	
Miles of Streets	190
Miles of Sanitary Sewers	179
Miles of Water Mains	219
Number of Street Lights	5,889

<u>Parks and Recreation</u>	
Neighborhood Parks	260
Aquatic Complex	7.5 acres
Skate Park	.50 acres
Play Areas	46
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	16,460
Average Daily Flow	3.4 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	287
BBQ Areas	25
Restrooms (Permanent)	8

<u>Number of Full-time Equivalent Positions</u>	<u>Year End</u>
269.75	2012
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

<u>Municipal Water System</u>	
Number of Wells	8
Number of Reservoirs	6
Storage Capacity (gallons)	19 MG
Average Daily Consumption	9.1 MGD
Peak Daily Consumption	15.2 MGD
Number of Fire Hydrants	2,153
Number of Connections	16,952

<u>Police Protection</u>	
Sworn Officers	62
Non-Sworn	17
Reserves	0
Vehicles	51
Motorcycles	4

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

<u>Municipal Solid Waste</u>	
Number of Residential Services	15,907
Number of Commercial Services	451

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

Source: Various City Departments

**INDEPENDENT AUDITOR'S REPORT ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and City Council  
City of Brentwood, California

We have audited the financial statements of the City of Brentwood, California, as of and for the year ended June 30, 2012, and have issued our report thereon dated January 11, 2013. The report includes special emphasis paragraphs concerning the dissolution of the Redevelopment Agency and transactions undertaken by the Redevelopment Agency prior to the dissolution. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

***Internal Control Over Financial Reporting***

Management of the City is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We have also issued a separate Memorandum on Internal Control dated January 11, 2013 which is an integral part of our audit and should be read in conjunction with this report.

This report is intended solely for the information and use of management, City Council, others within the City, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Maye & Associates*

January 11, 2013