



**COMPREHENSIVE**  
**Annual Financial Report**  
**Fiscal Year Ended June 30, 2014**

**City of Brentwood**  
150 City Park Way  
Brentwood, CA 94513





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

COVER: Shown on the cover is the “Sunflowers” Mosaic Sound Wall on the corner of Second Street and Brentwood Boulevard. This colorful work of art was created by Liberty High School’s Public Art Design Academy Senior Class of 2014.

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED  
JUNE 30, 2014



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





For Fiscal Year Ended June 30, 2014

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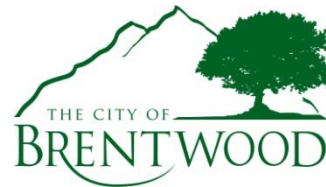


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December 9, 2014

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 (FY) ended June 30, 2014. The City of Brentwood annually publishes a complete set of financial statements, presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited by an independent, certified public accounting firm.

This is the fourteenth year the City's Finance Department has prepared this report. 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. GAAP requires that management provide a narrative introduction overview and analysis to accompany the basic financial statements in the form of a Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

### **INTERNAL CONTROLS**

Accounting for all of the City's activities is centralized under the Finance Department. The department has been delegated the responsibility for maintaining the integrity of the City's recorded financial data. The Finance Department, in conjunction with the City's management, is also responsible for establishing and maintaining an internal control structure designed to ensure that the City's assets are protected from loss, theft or misuse. The internal control structure is designed to provide reasonable assurance 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 fifteenth consecutive "Unmodified" Audit issued for the fiscal year ended June 30, 2014.



### **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 encompasses approximately 14.83 square miles. It 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, centrally located between the cities of Oakland, Sacramento, Stockton and the I-580 and I-680 corridor. The City is governed by a five member City Council, under the Council-Manager form of government. As of January 1, 2014, the City had a population of approximately 54,741.

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 prior to its dissolution, which became effective February 1, 2012 as a matter of State law. At that time, the City opted to become the Successor Agency to the Brentwood Redevelopment Agency. Financial data of the Successor Agency has been segregated in a private-purpose trust fund. In addition, the City is financially accountable for the Brentwood Infrastructure Financing Authority (the "Authority"), 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 the Authority is combined with the data of the primary government. For accounting purposes, the Authority, the Successor Agency and the City all have a June 30 year-end date. See Note #1 – A, found on page 32, for a more detailed discussion of the reporting entity.

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.

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 under the Capital Improvement Program Budget whose budget cycle exceeds one fiscal year. Funds which meet these requirements are the: Capital Improvement Financing Program Funds; Community Facilities Improvements Fund; Parks and Trails Improvements Fund; Drainage Improvements Fund; Roadway Improvements Fund; Capital Improvement Revenue Refunding Bonds Series 2012 Fund; General Obligation Bond Series 2002 Fund and Civic Center Project Lease Revenue Bonds Fund. See Note #2 – A, on page 45, for additional information.

### **ECONOMIC OUTLOOK**

The City experienced a period of growth from the mid 1990's to the mid 2000's. During this period, the population of the City more than tripled. Development activity slowed dramatically in 2007 as the impacts from the recession began to be felt. Conditions worsened in 2008 as the City issued only 31 new single family building permits for the year. Conditions remained challenging over the course of the next several years, with the City's assessed valuation falling by one third. However, over the past two years the convergence of low interest rates, and affordable housing prices, has resulted in increased development activity and a general upturn in the housing market, with the City issuing 500 single family residential permits in the 2013/14 fiscal year. Along with the recent increases in development activity, and general improvement in the economy as a whole, the City is seeing increasing revenues relating to the improving housing market. Property taxes, which have historically been the General Fund's top revenue source, increased 8.4% in FY 2013/14, and on July 1, 2014, the City was informed that its FY 2014/15 assessed valuation had increased by 18.6%.

In contrast to the City's property tax revenues, the City's sales tax revenues remained stable throughout the recession and, over the past several years, have continued to post annual increases. The City's sales tax revenues are expected to continue to show very modest increases as consumer activity continues to rise and 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 reserve policy requirements.

The City is also facing significant challenges on the expenditure side of the budget. While revenues have fallen, operational costs have continued to escalate. These budgetary challenges will be 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 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 2013/14 – 2022/23 General Fund Fiscal Model ("Fiscal Model"), presented to the City Council in August 2014, 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. In prior years, this Fiscal Model helped highlight the unsustainability of the existing cost structure associated with employee benefits, especially pensions, health care and retiree medical expenses, which ultimately led to the implementation of a second tier benefit level. More recently, increased development activity and rising property values have improved the outlook in the Fiscal Model. The Fiscal Model will be updated regularly and will serve as a valuable planning tool as the City emerges from the economic downturn. The Fiscal Model will also continue to be presented to the City Council on an annual basis.

The City also opened a Budget Stabilization Fund during the 2008/09 fiscal year. This fund was used to accumulate savings during good years in order to provide a source of funding for economically challenging years. As of June 30, 2013 this fund was closed with the remaining funds being transferred to a new Pension/OPEB Obligation Fund. Each year, General Fund savings, over and above the minimum fund balance requirement, are transferred to the Pension/OPEB Obligation Fund to be used to help offset the rising cost of OPEB as part of a long-term, pre-funding strategy of retiree medical benefits. In addition, this fund will be used to help offset the rising costs of pension expenses and to pay the unfunded liability on a cost reimbursement basis. This is an intermediate-term funding source which will: 1) help mitigate the effects of rising pension and OPEB costs, 2) provide the General Fund necessary time to allow for the financial savings associated with amended labor contracts, and other proposed long-term cost savings, to accumulate and 3) ultimately allow for the General Fund to operate in balance without this subsidy. Current projections indicate the General Fund will maintain a 30% reserve, as directed by City Council policy, throughout the next ten year period.

**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. A provision in the five-year agreements allowed for annual re-openers if certain assessed valuation thresholds were met. The threshold for a re-opener was met in 2013, and the City negotiated side letter agreements with each of the bargaining groups. With the rapid increase in assessed valuation, the re-opener threshold was also met in 2014, although the resulting fiscal impacts, if any, are not known at this time.

**Retirement** – The City is a member of the California Public Employees Retirement System (CalPERS). CalPERS rates fall into two categories: Police Safety (Sworn) and Miscellaneous (Non-sworn) Members. Employees in the CalPERS system are not covered by Social Security. One component required to help restore long-term fiscal stability for the City was the implementation of lower cost-pension benefits for newly hired employees, along with increased pension cost sharing requirements for both the Sworn and Non-sworn groups.

The City’s Sworn members have three 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 paid 3% of the required 9% CalPERS employee contribution in fiscal year 2013/14. The City 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 CalPERS employee contribution. The third tier was created through the signing of the Pension Reform Act of 2013 “PEPRA”, Assembly Bill 340. PEPRA applies to employees hired on or after January 1, 2013 who either have never been members of the CalPERS or a reciprocal agency, or who have had a break in service from a CalPERS agency of at least six months. Sworn employees who meet these criteria participate in the 2.7% at 57 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 one half of the pension normal cost, up to a cap of 12%, which equates to a current employee contribution of 11.5%.

The City’s Non-sworn members also have three 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 paid 6% of the required 8% CalPERS employee contribution 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 CalPERS employee contribution. The third tier was created by PEPRA, with qualifying employees hired on or after January 1, 2013 participating in the 2% at 62 retirement plan, with their “final compensation” based on their highest average three-year salary with annual cost of living adjustments of up to 2%. The employee is responsible for one half of the pension normal cost, up to a cap of 11%, which equates to a current employee contribution of 6.25%.

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 \$1,485.44 for Non-sworn and \$1,491.41 for Sworn. 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 \$1,326.63, or the "Kaiser employee only" rate, currently \$742.72, for Non-sworn employees. Monthly coverage for Sworn members will be provided at the greater of an indexed medical cost, currently at \$1,485.44 with a cap of \$1,500 or the "Kaiser employee only" rate. 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 \$119.

**Other Post-Employment Benefits** – 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 should ultimately allow for investment income, rather than City contributions, to provide the majority of funds needed to cover OPEB obligations in the future. In 2012, in response to rapidly rising costs, and an increasing unfunded OPEB obligation, the City negotiated with its labor bargaining units for a reduced OPEB commitment for future retirees.

**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)." CIFPs provide a mechanism through which the City and the development community cooperate to fund and construct both major Master Planned and Sub-Master Planned infrastructure (roads, water and wastewater lines, regional drainage facilities, etc.). Bonds are sold using the participating Developer's property as collateral. There is minimal risk involved for the City as a 3 to 1 value to lien ratio is used to determine the amount of bonds to be sold. Additionally, the City is able to obtain very low interest



rates through its outstanding financial reputation. As the properties develop, the bonds are repaid by the new property owner over a 30-year period.

**MAJOR INITIATIVES – BRINGING BRENTWOOD’S VISION TO REALITY**

*(City Council Goals Listed Alphabetically)*

**Deliver Excellent Public Services**

- **City Website Redesign** – The City Website Redesign project was completed and the new website was launched in July 2014. Representatives from all departments collaborated on the new design to ensure functionality and a consistent web experience throughout the new site. This redesign effort brings a fresh, new look to the City’s web presence and will more effectively showcase the City and the many features, resources and amenities available to the public. The website also features new technology which will help staff more effectively manage and maintain the website content. In addition to the website redesign, the City developed a Financial Dashboard, a web-based reporting tool, which provides the public with interactive information on the City’s finances, including analysis of the City’s year-to-date revenues, expenses and budgetary information for the City’s operations. It also allows users to view financial information from previous years, providing an easy way to compare trends over time. In addition, the Financial Dashboard provides financial information concerning the City’s capital improvement projects.
- **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 three phases, with the first two phases already completed. Phase one connected the City Data Center to City Hall and connected Public Works Operations to the Data Center. Phase two connected the Aquatic Park/Senior Activity Center to the Data Center. The third phase, which is planned for future years, will include an update to the Fiber Optic Master Plan Study and will identify future connection needs. Additionally, the City implemented Wi-Fi internet access points at the City’s Senior Center, Veterans Park, Aquatic Park and the Police Station in September 2014. Plans for further expansion of the Wi-Fi network include access to Sunset Park and the Public Works Operation area near Elkins Way.
- **Gigabit Broadband Internet Service** – In May 2014, the City Council approved an agreement with Sonic.net to install gigabit broadband internet service in Brentwood, making it the first city in the Bay Area to feature a widespread gigabit broadband network available to residents and businesses. It is estimated that initially over 8,000 homes and businesses in Brentwood will have the ability to connect to the gigabit network. Gigabit internet is an ultra-high speed broadband service, running at speeds 50-400 times greater than what most users currently experience. The combination of the City’s proximity to major technology job centers, along with an internet network rivaling any in the country, will help establish Brentwood as an attractive destination for the next generation of technology companies. Sonic.net will offer a lower speed copper service to those areas of the city which currently do not have conduit available. In addition, Sonic.net, in conjunction with the City, is developing plans on how to cost effectively expand the fiber service to the parts of the City that currently do

not have the necessary infrastructure. Sonic.net will also connect certain public facilities to the gigabit network, including schools with conduit access, and will dedicate fiber to the City for municipal services.

- **Other Technological Improvements** – The City has implemented electronic plan checking which gives development customers the ability to submit plans electronically. In addition to the current electronic plan checking process, the City is working towards implementing on-line development plan submittal, and permit fee payment, which will allow development customers the ability to submit plans and payment via the City’s website, saving resources and enhancing communication between developers and the City.

GeoVault, an updated GIS based interactive map room, has been incorporated into the City’s new website. GeoVault allows the public to access databases containing a variety of information about areas within the City limits such as zoning, parks and garbage service days.

### **Enhance Community and Neighborhood Improvement**

- **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. Through the Economic Development Grant, the Parks and Recreation Department was able to offer several special events and programs in fiscal year 2013/14, including Scarecrows in the Park, Christmas Tree Lighting, Letters from Santa and Movies in the Park. In addition, the community was once again brought together with the popular Starry Nights in Brentwood Summer Concert Series in City Park. The Annual “Playful City” Play Day was hosted in August 2013 in City Park. This event included a “Quasquicentennial” (125th birthday) celebration of City Park. Included in the event was a concert especially geared towards children, as well as many fun games, activities and birthday cupcakes.
- **Joint Use Sport Fields** – The City and the Liberty Union High School District (LUHSD) have a long history of developing joint use facilities. With the growth of year round sport seasons of competitive level play, traditional turf fields are not able to handle the year-round play due to inclement weather and the need to annually renovate turf. Therefore, the City and LUHSD currently have a joint use project to investigate the feasibility of replacing existing turf fields at the Liberty High School campus with lighted, all-weather sport fields.
- **Parks and Trails Improvements** – The City Wide Park Shade Improvement Project, using Measure WW Funds from East Bay Regional Park District, began construction during the fiscal year and is now complete. This project entailed adding permanent shade structures over bleachers and/or play equipment at five of the most heavily used parks, including: Sunset Park Athletic Complex; Blue Goose Park; Veterans Park Universal Abilities Playground; Balfour-Guthrie Park and Oak Meadow Park. Also, modern play equipment was installed at Spirit Park and Glory Park to replace the wooden play structures that had exceeded their expected lifespans. Along with this, a new Quick Response (QR) F.I.T. Trails program kicked off at three park/trail locations. Users can scan QR codes with their smart phones to access free exercise videos that are updated monthly. These exercise videos work the core, lower body and upper body and improve a person’s flexibility.

- **Community Beautification** – Construction has commenced on the Brentwood Boulevard Median Landscaping Improvements project, which will include widening of certain medians between Homecoming Way and Lone Tree Way, plus enhancement with trees, shrubs, vines and flowering plants. This addition supports the Brentwood Boulevard Specific Plan which envisions the development potential and the creation of a beautiful setting for the City’s northeast quadrant.
- **Public Art** – Through a Memorandum of Understanding with the Liberty High School Public Art and Design Academy, students installed a “Sunflowers” mosaic mural on the sound wall at the corner of Brentwood Boulevard and Second Street that features the theme of “Heritage, Vision and Opportunity”. In the upcoming year, public art by Brian Keith, featuring two large bronze sculptures, will be installed with the theme of “Playful Winds”. These pieces will be installed on Balfour Road between Mountain View Drive and Foothill Drive. Also, the Community Center Public Art Walls continue to exhibit art from local artists with displays updated quarterly.

**Ensure Long-term Financial Stability and Sustainability**

- **Utility Rate Studies** – A goal of the City, in consensus with the City Council, is to provide the best possible utility services to the public at the lowest possible price, while still maintaining the financial sustainability of the City’s utility Enterprises – Water, Wastewater and Solid Waste. To do so, the City conducts a Utility Rate Study every five years. A rate study was completed during the 2013/14 fiscal year for all three Utility Enterprises. City staff worked in conjunction with outside consultants to provide the most forward-looking, accurate revenue and expenditure data for the rate study. Although operational costs continue to increase, through the continued diligence of City staff the rate study determined the Enterprises can continue to maintain financial stability over the coming years with minimal impact to the utility usage rates. Proposed utility rate adjustments were approved by City Council in November 2013 and took effect in January 2014.
- **Cost Allocation Plan** – On an annual basis the City prepares a Cost Allocation Plan which is designed to help ensure the City is recovering costs in accordance with City Council policy. In preparing the Cost Allocation Plan, and determining fee and cost recovery for City programs, the appropriate balance between fee generation and customer service are carefully considered.
- **General Fund Fiscal Model** – The 2013/14 – 2022/23 General Fund Fiscal Model was presented to the City Council in August 2014 and continues to serve as a critical planning tool to help ensure fiscal sustainability. The Fiscal Model presents the next ten years of revenues, expenses and fund balance for the General Fund and provides City management with the ability to identify potential future economic challenges, with sufficient time to develop solutions, in order to minimize the impacts to the residents of the City.

**Promote Economic and Community Development**

- **Business Attraction and Retention** – The City launched a business attraction campaign, including outreach to key industry groups, marketing in industry publications and participation in several trade shows (biotechnology, food processing, industrial real estate, etc.). As part of a long-term strategy to attract large employers to Brentwood, the City took a leadership role in several regional partnerships, such as Team California, the East Bay Economic Development Alliance and the East Bay Leadership Council. The City actively supported

local brokers and property owners in several successful efforts to attract retail. Some highlights include the City's work with the owners of The Streets of Brentwood to attract seven new retailers and restaurants, as well as collaboration on a potential new project to expand the shopping center. The City provided business retention services to 61 local existing businesses, assisting them with real estate, marketing and other business issues, resulting in more than 300 jobs either created or retained in the City. The City also continued its Shop Brentwood campaign.

- **Agricultural Enterprise Implementation** – The City continued its Agricultural Enterprise program, which included conservation easements that, during the past 10 years, have preserved a total of 988 acres of environmentally sensitive farmland in the Ag Core. The program also includes marketing for agritourism and several other efforts to support the local agriculture industry.
- **General Plan Update** – In July of 2014, the City Council unanimously approved a comprehensive update of the General Plan. The General Plan is the City's "constitution" or "blueprint" for development, and includes a set of goals, policies and actions that collectively form the community's vision for the future. The last comprehensive update to the General Plan was in 1993, with a partial update completed in 2001. The comprehensive update, which formally began in April 2012, completed one of the goals identified in the Council's strategic plan. The update was a significant and collective effort on the part of the community, key stakeholders, a 12-member working group, the Planning Commission and the City Council. The next phase of the project will be continued maintenance and implementation of the various actions identified within the General Plan.
- **Downtown Specific Plan Update** – In June of 2014, the City Council unanimously approved an amendment to the Downtown Specific Plan by streamlining it and making it more user-friendly, primarily by addressing a series of technical deficiencies and development standards. The Downtown Specific Plan was adopted in 2005 and was amended in 2008 to accommodate the Civic Center project. The update, which began in mid-2012 with direction provided by the Downtown Specific Plan/Business Promotion Ad Hoc Committee, completes another one of the goals identified in the Council's strategic plan.

#### **Provide for Effective Transportation and Infrastructure**

- **Regional Transportation** – The State Route 4 (SR 4) Bypass Authority, in coordination with the Contra Costa Transportation Authority (CCTA), anticipates completion of the Sand Creek Road Interchange Project in the fall of 2014. The Sand Creek Road interchange project, which began construction in June of 2012, widens SR 4 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. The Balfour Road interchange project is currently under design and will provide four-lane widening from Sand Creek Road to Balfour Road and a bridge over Balfour Road.

State Route 239 (SR 239), is a legislatively approved, but unconstructed route in the California state highway system, which is a potential multimodal link between SR 4, near Brentwood, and I-205, west of Tracy in San Joaquin County. The route has not been adopted by the California Transportation Commission; however, Contra Costa County was awarded \$14 million for initial study and planning under the Safe Accountable Flexible Efficient Transportation Equity Act: a Legacy for Users in 2005. Administration of the study, now called TriLink, was transferred to the CCTA in January 2012.

- **Pavement Management** – The City continues to proactively monitor public roadway conditions, and plan for systematic pavement maintenance, in order to maintain public roadway safety and efficiently and cost effectively maintain the infrastructure network. For the fourth consecutive year, the City has been awarded “Bay Area Best Roads” from the Metropolitan Transportation Commission, the nine-county San Francisco Bay Area transportation agency.

**Provide for the Public’s Safety**

- **Enhance Emergency Preparedness and Response Plans** – The police department is working to conduct at least one internal workshop on emergency preparedness this upcoming fiscal year. The department is also partnering with the LUHSD and the Brentwood Union School District to finalize their emergency response plans. These plans will address joint active shooter training with the districts.
- **Support and Enhance the Neighborhood Watch Program** – The City of Brentwood currently has 68 neighborhoods participating in the Neighborhood Watch Program. This program has been a vital tool to deter and prevent crime in our community. The police department is continuously striving to increase the number of participating neighborhoods throughout the City.
- **Traffic Safety Emphasis Program** – The police department has planned for, and will be implementing, a traffic safety emphasis program in the upcoming fiscal year. As the city continues to grow, increased traffic safety has become a priority throughout the community.
- **Police Sworn Overstaffing Positions** – In November 2013, the City Council approved a resolution to allow for up to four authorized police Sworn overstaffing positions. While these positions are not used to increase authorized regular Sworn staffing levels, when needed, they help fill the gap when a regular position will be, or is already, vacant due to retirement, medical leave, or other extended absences. This policy supports the City’s emphasis on Public Safety by ensuring adequate Sworn personnel are available for service.



**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, 2013. 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,



Steven M. Salomon  
Interim City Manager



Pamela Ehler  
City Treasurer  
Director of Finance and Information Systems



Government Finance Officers Association

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, 2013**

Executive Director/CEO

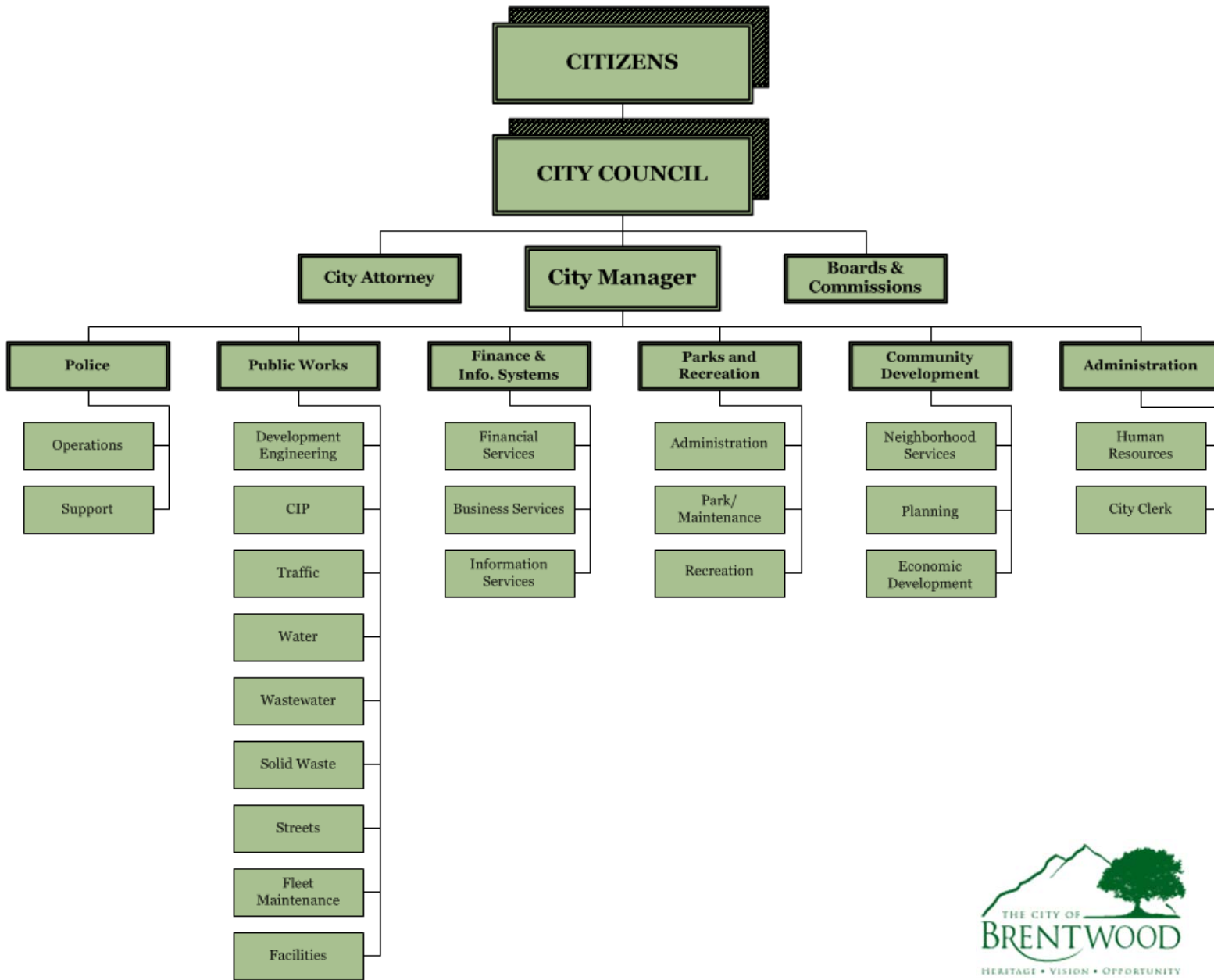
**LIST OF PRINCIPAL OFFICIALS**

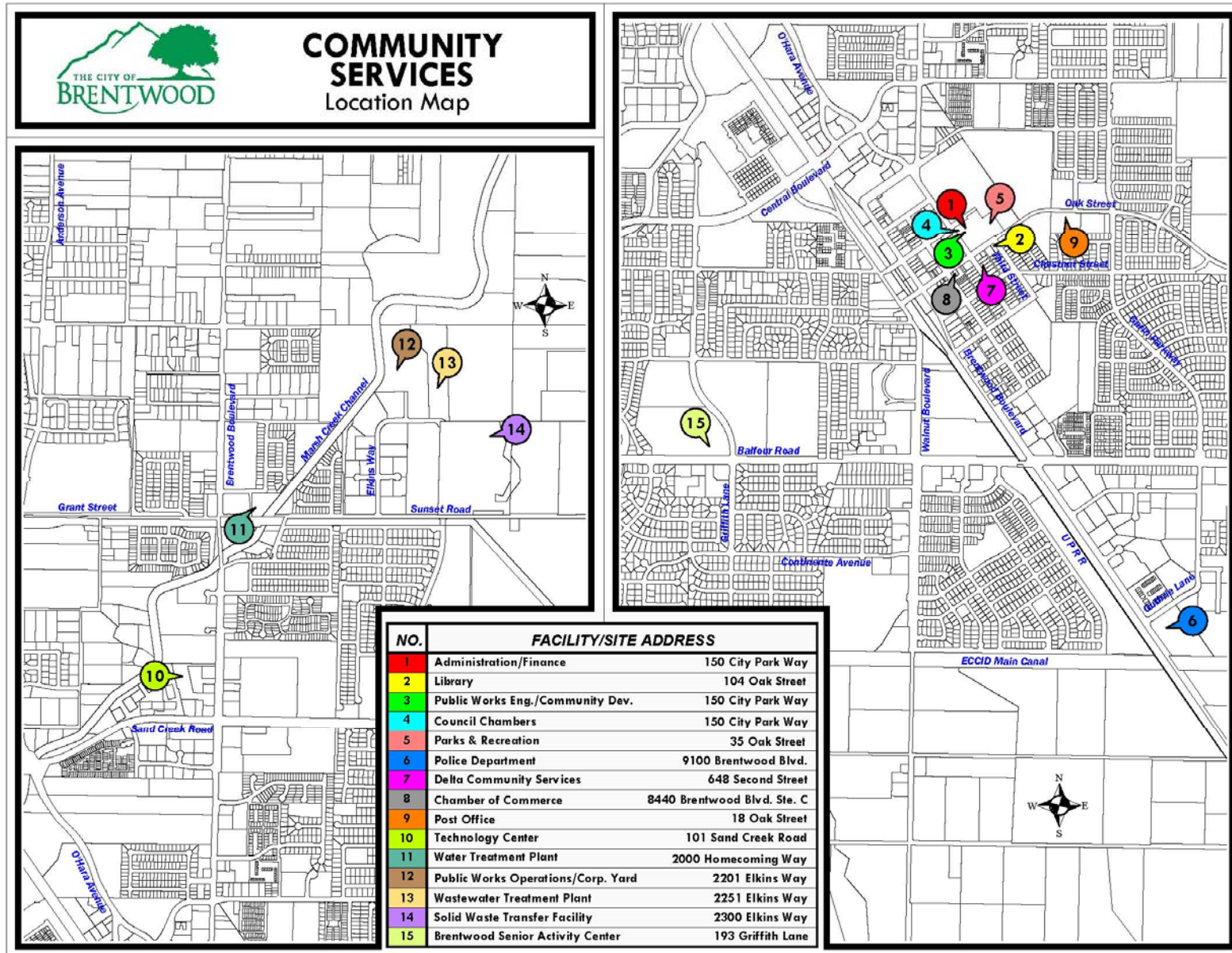
*City Officials*

Robert Taylor ..... Mayor  
 Joel Bryant ..... Vice Mayor  
 Steve Barr ..... Council Member  
 Gene Clare ..... Council Member  
 Erick Stonebarger ..... Council Member

*Executive Team*

Steven Salomon ..... Interim City Manager  
 Damien Brower ..... City Attorney  
 Karen Chew ..... Assistant City Manager  
 Pamela Ehler ..... City Treasurer/Director of Finance and Information Systems  
 Mark Evenson ..... Chief of Police  
 Bailey Grewal ..... Director of Public Works/City Engineer  
 Casey McCann ..... Director of Community Development  
 Bruce Mulder ..... Director of Parks and Recreation







*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 for 2013 by KaBOOM! a national non-profit dedicated to bringing play back into children’s lives.

The City of Brentwood received the **“Silver International Aquatic Safety Award”** for 2013 from Ellis and Associates International Aquatic Safety and Risk Management.

The City of Brentwood was recognized by the Arbor Day Foundation as a **“Tree City USA Community”** for 2013.

The City was recognized by the Metropolitan Transportation Commission for having the **“Highest Pavement Condition Index (PCI)”** in the Bay Area for 2013.

The City received the Government Finance Officers Association (GFOA) Award for the following:  
**“Excellence in Financial Reporting for Fiscal Year 2012/13”**

The City received the California Society of Municipal Finance Officers (CSMFO) Award for the following:  
**“Capital Budget Excellence Award for Fiscal Year 2013/14”**

The City of Brentwood received the **“San Francisco Bay Section Wastewater Treatment Plant of the Year (5-20 MGD)”** by the California Water Environmental Association.

The City of Brentwood received the **“Blue Shield Shop”** Award from the National Institute for Automotive Service Excellence (A.S.E.).



## INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council  
City of Brentwood, California

### *Report on the Financial Statements*

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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Opinions*

In our opinion, the 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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matters***

Management restated the amount due to the City from the Successor Agency as discussed in Note 12E.

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 was 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 are subject to review by the State as discussed in Note 12, but the effect of that review cannot be determined as of June 30, 2014.

AB1484 requires the Successor Agency to complete two Due Diligence Reviews (DDR) to determine the amount of the remaining assets that should be transferred by the City to the Successor Agency or by the Successor Agency to the County for distribution to the affected taxing entities. In February 2013, the State Department of Finance (DOF) completed its review of the DDR of the Low and Moderate Housing Fund's cash balance available for allocation to the affected taxing entities. The DDR indicated assets totaling \$83,053 were to be returned, but that amount was adjusted by the DOF to \$4,072,553. The City and Successor Agency complied with the DOF's determination by transmitting payments to the County Auditor-Controller in January and February 2013. In May 2013, the DOF completed its review of the DDR of all other funds of the former Redevelopment Agency. The DDR indicated there were no assets available for allocation to the affected taxing entities, but that amount was adjusted by the DOF to \$14,955,931. The City disputes the adjustments and has filed a lawsuit in 2013 against the DOF related to the DDR adjustments. On April 2, 2014, the Court ruled against the City and Successor Agency regarding the cash transfers, but did not rule on the legality of the property transfers. The City and Successor Agency have appealed the decision, as discussed in Note 14.

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.

The emphasis of these matters does not constitute a modification to our opinions.

### ***Other Matters***

#### ***Required Supplementary Information***

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.

*Other Information*


Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The Introductory Section, Supplemental Information, and Statistical Section as listed in the Table of Contents are presented for purposes of additional analysis and are not required parts of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic 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.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2014, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Mary & Associates". The signature is written in a cursive, flowing style.

Pleasant Hill, California  
October 27, 2014





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This discussion and analysis of the City of Brentwood's ("the City") financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2014. 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 \$801.6 million. Of this amount, \$93.9 million may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$14.2 million, with \$7.4 million attributable to governmental activities and \$6.8 million attributable to business-type activities. The rise in development activity is primarily responsible for these increases, with the City issuing 500 single family building permits during the year which resulted in additional permit and development impact fees.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$69.6 million, an increase of \$1.1 million in comparison to the prior year. Increased development activity served as the primary driving force behind this increase.
- The City's total long-term obligations decreased by \$3.5 million as increases of \$1.7 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 a net position of \$46.9 million at year end, which is an increase of \$5.7 million from the prior year. The increase is attributable to a \$1.3 million increase in the Parks and Landscape and Lighting Assessment Districts Replacement Fund and a net increase of \$3.2 million between the Insurance and Pension/OPEB Obligation Fund. These increases are indicative of the City's commitment to ensure sufficient funding is available for the replacement of parks assets and for managing the rising costs of pensions and retiree medical benefits. A significant source of this increase was funded through General Fund transfers.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial statements presented herein include all of the activities of 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 Position, and the Statement of Activities and Changes in Net Position, 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 position and changes in them. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. Other factors to consider are changes in the City's property tax base and the condition of the City's roads. The Government-Wide Financial Statements can be found on pages 17 – 18 of this report.

The **Fund Financial Statements** provide detailed information about the most significant funds, not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it's meeting legal responsibilities for using certain taxes, grants or 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 Position, only the latter is required to include a Statement of Changes in Net Position. The Fund Financial Statements can be found on pages 19 – 28 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, which can be spent in the near future, to finance the City's programs. The differences of results in the Governmental Fund Financial Statements, to those in the Government-Wide Financial Statements, are explained in a reconciliation following each Governmental Fund Financial Statement. The Governmental Fund Financial Statements can be found on pages 19 – 22 of this report.

**Proprietary Funds** – When the City charges customers for services it provides, whether to outside customers or other units of the City, these monies are generally reported in Proprietary Funds. The City maintains two different types of Proprietary Funds – Enterprise Funds and Internal Service Funds. Enterprise Funds are used to report the same functions presented as business-type activities in the Government-Wide Financial Statements. Examples of Enterprise Funds include Water and Solid Waste. Internal Service Funds are used to report activities which provide

supplies and services for the City's other programs and activities. Two examples are the Information Systems Replacement Fund and the Fleet Maintenance Services Fund. Internal Service Funds are reported with governmental activities in the Government-Wide Financial Statements, found on pages 17 – 18 of this report.

Proprietary Funds provide a more detailed version of the information provided in the Government-Wide Financial Statements. Cash flows for the 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 23 – 25 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 Position. 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 Statements can be found on pages 27 – 28 of this report.

#### **Notes to the Basic Financial Statements**

The Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements. The Notes to the Basic Financial Statements can be found on pages 29 – 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. 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 – 140 of this report: Non-Major Governmental Funds, Internal Service Funds, Fiduciary Funds, General Fund, Special Revenue Funds, Debt Service Funds and Capital Project Funds.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The net position for the City as a whole increased by 1.80%, or \$14.2 million, from \$787.4 million at June 30, 2013 to \$801.6 million at June 30, 2014. The annual change comes from the change in net position as recorded in the Statement of Activities, which flows through the Statement of Net Position. Net investment in capital assets was nearly unchanged on a percentage basis (decrease of \$0.8 million). 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 position represents resources which are subject to external restrictions on how they may be used. This restricted amount is \$83.2 million as of June 30, 2014. The remaining balance of unrestricted net position, \$93.9 million as of June 30, 2014, 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>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Current Assets	\$ 120,680,249	\$ 114,714,244	\$ 81,093,701	\$ 76,691,407	\$ 201,773,950	\$ 191,405,651
Capital Assets	504,652,551	503,627,764	242,491,135	244,189,489	747,143,686	747,817,253
Other Non-Current Assets	27,500,869	29,194,174	1,890,190	1,098,504	29,391,059	30,292,678
<b>Total Assets</b>	<b>652,833,669</b>	<b>647,536,182</b>	<b>325,475,026</b>	<b>321,979,400</b>	<b>978,308,695</b>	<b>969,515,582</b>
Current Liabilities	9,314,281	10,934,788	6,851,359	7,152,612	16,165,640	18,087,400
Long-Term Liabilities Outstanding	86,185,064	86,673,409	74,341,710	77,305,106	160,526,774	163,978,515
<b>Total Liabilities</b>	<b>95,499,345</b>	<b>97,608,197</b>	<b>81,193,069</b>	<b>84,457,718</b>	<b>176,692,414</b>	<b>182,065,915</b>
Net Position:						
Net Investment in Capital Assets	448,914,876	451,053,113	175,557,744	174,173,837	624,472,620	625,226,950
Restricted	55,657,033	50,993,394	27,579,197	25,789,668	83,236,230	76,783,062
Unrestricted	52,762,415	47,881,478	41,145,016	37,558,177	93,907,431	85,439,655
<b>Total Net Position</b>	<b>\$ 557,334,324</b>	<b>\$ 549,927,985</b>	<b>\$ 244,281,957</b>	<b>\$ 237,521,682</b>	<b>\$ 801,616,281</b>	<b>\$ 787,449,667</b>

**Governmental Activities** – The City’s net position from governmental activities increased 1.3%, from \$549.9 million to \$557.3 million. Increasing development activity was responsible for the majority of this increase, with the City issuing 500 single family building permits during the year. When comparing results to the prior year, the City received \$4.2 million less in operating and capital grants, which are variable in nature. Property tax, sales tax and investment income all posted moderate gains, reflective of the improving economic conditions. On the expense side, expenses declined by slightly less than half of one percent. The declines were attributable to the loss of grant funds, in addition to a large number of personnel vacancies that persisted throughout the fiscal year.

**Business-Type Activities** – The City’s net position from Business-Type activities increased 2.9%, from \$237.5 million to \$244.3 million. Net investment in capital assets decreased \$1.4 million as capital assets were acquired and long-term debt continued to be repaid. Overall, the unrestricted net position increased by \$3.6 million. A significant variance occurred within the capital grants and contributions revenue, with revenues decreasing by \$2.6 million due to the timing of acceptance of developer dedicated infrastructure.

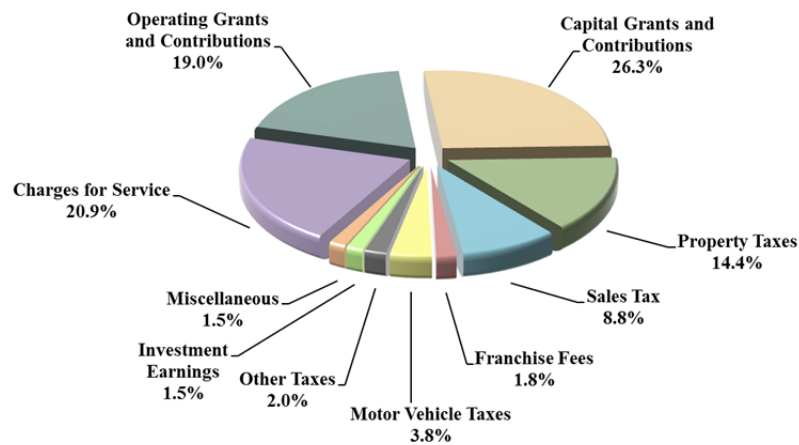
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 15,296,374	\$ 15,126,147	\$ 40,337,134	\$ 39,420,905	\$ 55,633,508	\$ 54,547,052
Operating Grants and Revenues	13,854,976	15,474,137	-	-	13,854,976	15,474,137
Capital Grants and Contributions	19,212,723	21,785,963	4,082,059	6,679,473	23,294,782	28,465,436
<b>General Revenues:</b>						
Taxes:						
Property Taxes	10,540,496	10,090,453	-	-	10,540,496	10,090,453
Sales Tax	6,447,687	6,060,363	-	-	6,447,687	6,060,363
Franchise Fees	1,321,089	1,254,136	-	-	1,321,089	1,254,136
Public Service Taxes	389,109	396,148	-	-	389,109	396,148
Measure C/J, TOT	1,036,221	960,804	-	-	1,036,221	960,804
Motor Vehicle Taxes	2,748,701	2,540,474	-	-	2,748,701	2,540,474
Investment Earnings	1,186,001	679,229	765,633	417,783	1,951,634	1,097,012
Miscellaneous	1,123,910	1,149,975	-	-	1,123,910	1,149,975
<b>Total Revenues</b>	<b>73,157,287</b>	<b>75,517,829</b>	<b>45,184,826</b>	<b>46,518,161</b>	<b>118,342,113</b>	<b>122,035,990</b>
<b>Expenses:</b>						
General Government	12,814,102	14,092,802	-	-	12,814,102	14,092,802
Public Safety	16,841,404	16,984,814	-	-	16,841,404	16,984,814
Community Development	3,897,722	3,486,844	-	-	3,897,722	3,486,844
Engineering	2,536,751	2,425,560	-	-	2,536,751	2,425,560
Public Works	6,932,406	7,481,326	-	-	6,932,406	7,481,326
Parks and Recreation	11,997,081	11,278,035	-	-	11,997,081	11,278,035
Community Services	6,077,404	5,979,870	-	-	6,077,404	5,979,870
Interest on Long-Term Debt	4,706,190	4,763,277	-	-	4,706,190	4,763,277
Wastewater	-	-	8,356,508	8,281,521	8,356,508	8,281,521
Solid Waste	-	-	9,583,321	8,871,904	9,583,321	8,871,904
Water	-	-	19,436,134	18,987,430	19,436,134	18,987,430
City Rentals	-	-	165,319	150,179	165,319	150,179
Housing	-	-	831,157	686,241	831,157	686,241
<b>Total Expenses</b>	<b>65,803,060</b>	<b>66,492,528</b>	<b>38,372,439</b>	<b>36,977,275</b>	<b>104,175,499</b>	<b>103,469,803</b>
Net Position Before Transfers and Extraordinary Items	7,354,227	9,025,301	6,812,387	9,540,886	14,166,614	18,566,187
Transfers	52,112	(74,087)	(52,112)	74,087	-	-
Extraordinary Items	-	(3,989,500)	-	-	-	(3,989,500)
Increase in Net Position	7,406,339	4,961,714	6,760,275	9,614,973	14,166,614	14,576,687
Net Position 7/1	549,927,985	544,966,271	237,521,682	227,906,709	787,449,667	772,872,980
Net Position 6/30	\$ 557,334,324	\$ 549,927,985	\$ 244,281,957	\$ 237,521,682	\$ 801,616,281	\$ 787,449,667



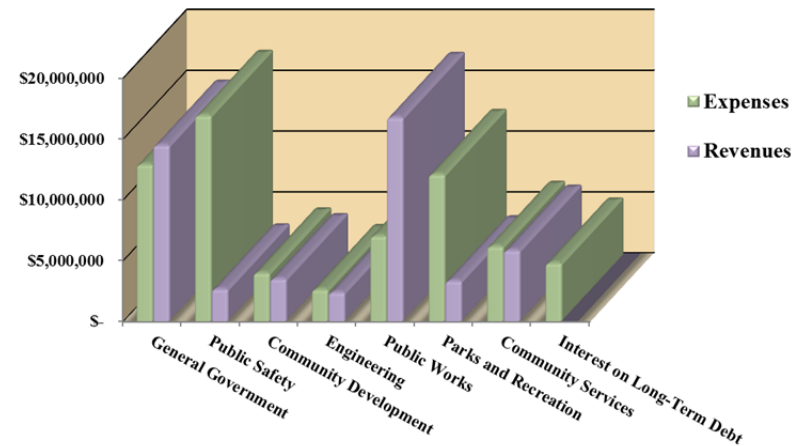
**Governmental Activities** – The cost of all Governmental activities this year was \$65.8 million. Net expenses, as shown in the Statement of Activities and Changes in Net Position found on page 18, were \$17.4 million. A portion of the cost for these activities was paid either by those who directly benefited from the programs (\$15.3 million), by other governments and organizations that subsidized certain programs with operating grants and contributions (\$13.9 million), or capital grants and contributions (\$19.2 million). Overall, the City's governmental program revenues were \$48.4 million.

Total resources available during the year to finance governmental operations were \$623.1 million consisting of net position at July 1, 2013 of \$549.9 million, program revenues of \$48.4 million and general revenues and transfers of \$24.8 million. Total Governmental activities during the year were \$65.8 million, thus net position was increased by \$7.4 million to \$557.3 million.

**Revenues by Source**



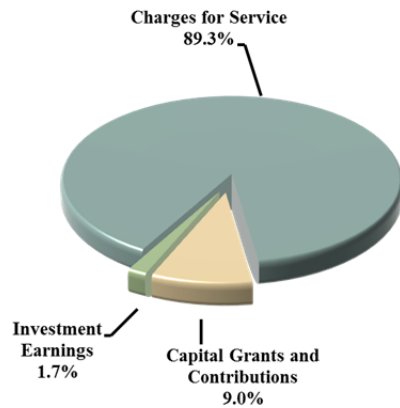
**Program Revenues and Expenses**



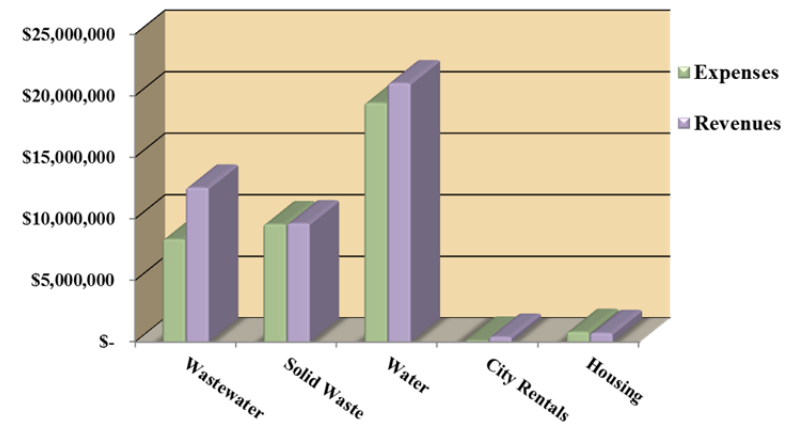
**Business-Type Activities** – The cost of all Business-Type activities this year was \$38.4 million. As shown in the Statement of Activities and Changes in Net Position found on page 18, the amounts paid by users of the systems were \$40.3 million. Capital Grants and Contributions totaled \$4.1 million and investment earnings were \$0.8 million.

Total resources available during the year to finance Business-Type activities were \$282.6 million, consisting of net position at July 1, 2013 of \$237.5 million, charges for services of \$40.3 million, capital contributions of \$4.1 million and general revenues and net transfers of \$0.7 million. Total Business-Type activities during the year were \$38.4 million, thus net position increased by \$6.8 million to \$244.3 million.

**Revenues by Source**



**Program Revenues and Expenses**



**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

At year end the City's General Fund had a fund balance of \$17,139,493. This is a decrease of \$895,192 compared to last year. The decrease was entirely attributable to a \$4,239,303 year-end transfer to the Pension/OPEB Obligation Fund. The General Fund still maintains a 30% unassigned reserve after this transfer. Absent this transfer, the General Fund would have reported a fund balance increase of approximately \$3.3 million. This surplus was generated primarily through increased development activity, with 500 single family building permits being issued during the year, resulting in an additional \$2.5 million in permit revenue. In addition, several vacancies, primarily in public safety, took a significant amount of time to fill which resulted in significant personnel cost savings.

Roadway Facility Fee, which is reported as a Special Revenue Fund, had an increase in fund balance of \$743,109. This increase was due to the increased development activity and will be used to fund future capital projects.

Community Facility Fee, which is reported as a Special Revenue Fund, had an increase in fund balance of \$403,874. This increase was due to the increased development activity and will be used to fund future capital projects.

Landscape and Lighting Assessment Districts, which is reported as a Special Revenue Fund, had an increase in fund balance of \$308,787. This increase was due to lower than anticipated expenditures and will ultimately result in lower assessment requirements in future years.

The Civic Center Project Lease Revenue Bond Acquisition Fund, which is reported as a Capital Project Fund, had an increase in fund balance of \$752,909. This increase was due to the transfer of funds for future capital improvement projects.

Civic Center Capital Improvement Financing Program, which is reported as a Capital Project Fund, had an increase in fund balance of \$319,378. This increase was due to savings associated with refinanced capital improvement financing program bonds and will be used for future infrastructure projects.

Community Facilities Improvements, which is reported as a Capital Projects fund, had a decrease in fund balance of \$1,434,764. This decrease is attributable to the costs incurred for the construction of the Community Center, Downtown Streetscapes and City Hall capital improvement projects.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Comparing the fiscal year 2013/14 original budget (adopted June 2012) General Fund expenditures and transfers out in the amount of \$40,127,893, to the final budget amount of \$45,534,313, there was an increase in budgeted expenditures and transfers out of \$5,406,420. The causes for these increases are summarized at the bottom of the page.

<u>Beginning Balance</u>	+	<u>Supplemental Changes</u>	=	<u>Final Budget</u>
\$40,127,893		\$5,406,420		\$45,534,313

During the fiscal year, the total revenues and transfers in for the General Fund were \$42,141,072. This was \$2,498,540 more than budgeted. The total expenditures and transfers out for the General Fund were \$43,036,264. This was \$2,498,049 less than budgeted.

Revenues exceeded budget due to development activity that surpassed estimates, with 500 single family residential building permits being issued while only 275 had been budgeted. This resulted in a \$2.5 million surplus in permit revenue during the year. On the expenditure side, the City continued to remain vigilant in reducing costs wherever possible. This resulted in savings across most departments as supplies and services costs remained low and personnel vacancies took longer than anticipated to be filled.

Supplemental changes to the 2013/14 fiscal year General Fund budget were:

- Increase of \$4,239,303 for a transfer to the Pension/OPEB Obligation Fund.
- Net increase of \$332,127 in transfers and capital expenditures.
- Net increase of \$323,292 for building services resulting from increased development activity.
- Increase of \$300,000 for legal services relating to the current redevelopment litigation with the State.
- Increase of \$283,907 for personnel, supplies and services for economic development purposes.
- Decrease of \$80,614 in finance personnel costs.
- Increase of \$8,405 for parks and recreation.

**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, 2014, capital assets, net of accumulated amortization and depreciation, of the Governmental activities totaled \$504,652,551. Capital assets, net of accumulated amortization and depreciation, of the Business-Type activities totaled \$242,491,135. Amortization and depreciation on capital assets is recognized in the Government-Wide financial statements. Refer to Note #5, found on pages 63 – 65 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 Amortization and Depreciation</b>	<b>Book Value</b>
<b>Capital Assets – Governmental:</b>			
Intangible Assets	\$ 6,258,156	\$ 881,250	\$ 5,376,906
Land	36,427,074	-	36,427,074
Buildings	56,356,487	4,837,350	51,519,137
Infrastructure	452,777,013	78,719,481	374,057,532
Machinery and Equipment	6,550,884	3,041,914	3,508,970
Vehicles	8,585,244	5,293,790	3,291,454
Land Improvements	27,254,973	3,781,820	23,473,153
Work in Progress – CIP and Infrastructure	6,998,325	-	6,998,325
<b>Total Capital Assets – Governmental</b>	<b>\$ 601,208,156</b>	<b>\$ 96,555,605</b>	<b>\$ 504,652,551</b>
<b>Capital Assets – Business-Type:</b>			
Intangible Assets	\$ 10,597,532	\$ 2,629,463	\$ 7,968,069
Land	2,154,202	-	2,154,202
Buildings	25,079,041	5,206,749	19,872,292
Infrastructure	227,335,219	36,284,624	191,050,595
Machinery and Equipment	2,243,807	1,076,511	1,167,296
Land Improvements	10,925,186	2,052,360	8,872,826
Work in Progress – CIP and Infrastructure	11,405,855	-	11,405,855
<b>Total Capital Assets – Business-Type</b>	<b>\$ 289,740,842</b>	<b>\$ 47,249,707</b>	<b>\$ 242,491,135</b>

**Debt Administration** – Debt, considered a liability of Governmental Activities, decreased in fiscal year 2013/14 by \$712,123 as a result of annual debt service and capital lease payments being made, offset by increases in the net OPEB obligation. Per capita debt outstanding decreased from \$1,655 to \$1,623 per capita compared to the prior fiscal year. Debt, considered a liability of Business-Type activities, decreased by \$2,857,382 in fiscal year 2013/14 as annual debt service payments were made, offset by increases in the net OPEB obligation.

Detailed information regarding long-term debt activity can be found in Note #6 on pages 65 – 73 in this report.

	<u>Balance June 30, 2013</u>	<u>Incurred or Issued</u>	<u>Satisfied or Matured</u>	<u>Balance June 30, 2014</u>
<b>Governmental Activities:</b>				
Bonds Payable	\$ 78,384,245	\$ 282,290 <sup>(1)</sup>	\$ 1,901,492	\$ 76,765,043
Capital Lease	277,656	-	277,656	-
Net OPEB Obligation	9,620,394	1,219,939	-	10,840,333
Accumulated Compensated Absences	1,259,425	1,407,429	1,442,633	1,224,221
<b>Total Governmental Activities</b>	<u>\$ 89,541,720</u>	<u>\$ 2,909,658</u>	<u>\$ 3,621,781</u>	<u>\$ 88,829,597</u>
<b>Business-Type Activities:</b>				
Bonds Payable	\$ 49,313,184	\$ -	\$ 1,174,665	\$ 48,138,519
Notes Payable	28,084,719	105,768	2,333,034	25,857,453
Net OPEB Obligation	2,876,749	516,917	-	3,393,666
Accumulated Compensated Absences	345,119	511,399	483,767	372,751
<b>Total Business-Type Activities</b>	<u>\$ 80,619,771</u>	<u>\$ 1,134,084</u>	<u>\$ 3,991,466</u>	<u>\$ 77,762,389</u>

(1) Accreted Interest



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

The key assumptions in the General Fund revenue forecast for fiscal year 2014/15 are:

- Development activity will continue at a modest pace, with approximately 275 new housing units being constructed. This is down from the 500 units constructed in fiscal year 2013/14, yet up from the low of 31 units which occurred in fiscal year 2008/09.
- The State of California will not implement additional mid-year revenue takeaways from the City.
- Assessed valuations in the City will show a marked increase following years of continued aggressive reductions implemented by the Contra Costa County Assessor. The City has been informed that an 18.6% increase in assessed valuation is to be expected.
- Persistently low interest rates will result in continued low levels of investment income.

For several years the City 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. The following key budgetary expenditure impacts were addressed in the fiscal year 2014/15 budget:

- 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.
- Increasing health insurance costs, including the elimination of the second tier for health benefits, which had negatively impacted the City's ability to recruit and retain qualified staff.

The City's long-term expenditures will be influenced by the five-year labor contracts signed with all of the City's bargaining groups in 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 and maintaining a competitive compensation plan needed to allow the City to recruit and retain qualified employees. Through the labor negotiation process, the City succeeded in this objective as the new contracts included: 1) second tier retirement benefits for new sworn employees (non-sworn became effective in 2010); 2) reduced OPEB coverage commitments and 3) increased pension contributions by employees. In addition, the Pension Reform Act of 2013, Assembly Bill 340, will also serve to help control future pension costs. However, the labor contracts do contain re-opener provisions based on assessed valuation thresholds. In July 2014 the threshold was met and the City's labor groups have elected to re-open the contracts during fiscal year 2014/15.

**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 [finance@brentwoodca.gov](mailto:finance@brentwoodca.gov).

**City of Brentwood**

**Statement of Net Position**

June 30, 2014

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current Assets:			
Cash and Investments	\$ 98,683,081	\$ 71,396,666	\$ 170,079,747
Restricted Cash and Investments	19,632,129	3,959,428	23,591,557
Receivables, Net of Allowance for Doubtful Accounts	901,960	5,707,517	6,609,477
Prepays	422,720	30,090	452,810
Land Held for Resale	1,040,359	-	1,040,359
Total Current Assets	120,680,249	81,093,701	201,773,950
Non-Current Assets:			
Long-Term Notes and Loans Receivable	28,377,368	1,013,691	29,391,059
Internal Balances	(876,499)	876,499	-
Capital Assets, Net of Accumulated Depreciation and Amortization:			
Intangible Assets	5,376,906	7,968,069	13,344,975
Land	36,427,074	2,154,202	38,581,276
Buildings	51,519,137	19,872,292	71,391,429
Infrastructure	374,057,532	191,050,595	565,108,127
Machinery and Equipment	3,508,970	1,167,296	4,676,266
Vehicles	3,291,454	-	3,291,454
Land Improvements	23,473,153	8,872,826	32,345,979
Work in Progress	6,998,325	11,405,855	18,404,180
Total Non-Current Assets	532,153,420	244,381,325	776,534,745
<b>Total Assets</b>	<b>652,833,669</b>	<b>325,475,026</b>	<b>978,308,695</b>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	3,886,375	3,341,409	7,227,784
Unearned Revenue	161,333	-	161,333
Deposits Held	2,622,040	89,271	2,711,311
Long-Term Liabilities Due Within One Year	2,644,533	3,420,679	6,065,212
Total Current Liabilities	9,314,281	6,851,359	16,165,640
Non-Current Liabilities Due in More Than One Year:			
Bonds Payable	74,855,043	46,883,519	121,738,562
Notes Payable	-	23,915,425	23,915,425
Net OPEB Obligation	10,840,333	3,393,666	14,233,999
Compensated Absences Payable	489,688	149,100	638,788
Total Non-Current Liabilities	86,185,064	74,341,710	160,526,774
<b>Total Liabilities</b>	<b>95,499,345</b>	<b>81,193,069</b>	<b>176,692,414</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	448,914,876	175,557,744	624,472,620
Restricted for:			
Capital Projects	37,783,201	7,840,961	45,624,162
Debt Service	5,057,183	3,959,428	9,016,611
Housing	1,104,377	5,251,602	6,355,979
Landscape and Lighting Assessment Districts	4,062,518	-	4,062,518
Agricultural/Farmland Mitigation	1,125,742	-	1,125,742
Public Art	1,271,671	-	1,271,671
Developer Facility Fee Program	3,864,660	10,517,107	14,381,767
Other Programs	1,387,681	10,099	1,397,780
Unrestricted	52,762,415	41,145,016	93,907,431
<b>Total Net Position</b>	<b>\$ 557,334,324</b>	<b>\$ 244,281,957</b>	<b>\$ 801,616,281</b>

**City of Brentwood**

**Statement of Activities and Changes in Net Position**  
For Year Ended June 30, 2014

Functions/Programs	Program Revenues					Net (Expenses) Revenues and Changes in Net Position		
	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	\$ 12,814,102	\$ 7,838,278	\$ 1,860,414	\$ 4,693,883	\$ 14,392,575	\$ 1,578,473	\$ -	\$ 1,578,473
Public Safety	16,841,404	511,100	1,920,556	144,407	2,576,063	(14,265,341)	-	(14,265,341)
Community Development	3,897,722	3,392,009	-	24,479	3,416,488	(481,234)	-	(481,234)
Engineering	2,536,751	2,298,698	-	-	2,298,698	(238,053)	-	(238,053)
Public Works	6,932,406	-	4,317,351	12,362,771	16,680,122	9,747,716	-	9,747,716
Parks and Recreation	11,997,081	1,256,289	-	1,987,183	3,243,472	(8,753,609)	-	(8,753,609)
Community Services	6,077,404	-	5,756,655	-	5,756,655	(320,749)	-	(320,749)
Interest on Long-Term Debt	4,706,190	-	-	-	-	(4,706,190)	-	(4,706,190)
<b>Total Governmental Activities</b>	<b>65,803,060</b>	<b>15,296,374</b>	<b>13,854,976</b>	<b>19,212,723</b>	<b>48,364,073</b>	<b>(17,438,987)</b>	<b>-</b>	<b>(17,438,987)</b>
<b>Business-Type Activities</b>								
Wastewater	8,356,508	10,979,074	-	1,572,833	12,551,907	-	4,195,399	4,195,399
Solid Waste	9,583,321	9,648,049	-	-	9,648,049	-	64,728	64,728
Water	19,436,134	19,050,072	-	1,990,289	21,040,361	-	1,604,227	1,604,227
City Rentals	165,319	438,420	-	-	438,420	-	273,101	273,101
Housing	831,157	221,519	-	518,937	740,456	-	(90,701)	(90,701)
<b>Total Business-Type Activities</b>	<b>38,372,439</b>	<b>40,337,134</b>	<b>-</b>	<b>4,082,059</b>	<b>44,419,193</b>	<b>-</b>	<b>6,046,754</b>	<b>6,046,754</b>
<b>Total Primary Government</b>	<b>\$ 104,175,499</b>	<b>\$ 55,633,508</b>	<b>\$ 13,854,976</b>	<b>\$ 23,294,782</b>	<b>\$ 92,783,266</b>	<b>\$ (17,438,987)</b>	<b>\$ 6,046,754</b>	<b>\$ (11,392,233)</b>
General Revenues:								
Taxes:								
Property Taxes						10,540,496	-	10,540,496
Sales Tax						6,447,687	-	6,447,687
Franchise Fees						1,321,089	-	1,321,089
Public Service Taxes						389,109	-	389,109
Measure C/J, Transient Occupancy Tax						1,036,221	-	1,036,221
Motor Vehicle Taxes						2,748,701	-	2,748,701
Investment Earnings						1,186,001	765,633	1,951,634
Miscellaneous						1,123,910	-	1,123,910
Transfers						52,112	(52,112)	-
<b>Total General Revenues and Transfers</b>						<b>24,845,326</b>	<b>713,521</b>	<b>25,558,847</b>
<b>Change in Net Position</b>						<b>7,406,339</b>	<b>6,760,275</b>	<b>14,166,614</b>
<b>Net Position - Beginning of Year</b>						<b>549,927,985</b>	<b>237,521,682</b>	<b>787,449,667</b>
<b>Net Position - End of Year</b>						<b>\$ 557,334,324</b>	<b>\$ 244,281,957</b>	<b>\$ 801,616,281</b>

**City of Brentwood**

**Balance Sheet**  
**Governmental Funds**  
 June 30, 2014

	Debt Service Funds				Total Governmental Funds
	General Fund	Capital Improvement Revenue Refunding Bonds Series 2012	2009 Civic Center Project Lease Revenue Bonds	Other Governmental Funds	
<b>ASSETS</b>					
Current Assets:					
Cash and Investments	\$ 20,556,372	\$ 157,370	\$ 14,595	\$ 34,383,191	\$ 55,111,528
Restricted Cash and Investments	-	1,421,278	3,402,896	14,807,955	19,632,129
Receivables	1,467,026	16,080,004	12,297,369	7,131,396	36,975,795
Prepays	63,693	-	-	845	64,538
Due from Other Funds	-	-	-	4,887	4,887
Land Held for Resale	-	-	-	1,040,359	1,040,359
Non-Current Assets:					
Interfund Advance Receivable	-	-	-	2,274,821	2,274,821
<b>Total Assets</b>	<b>\$ 22,087,091</b>	<b>\$ 17,658,652</b>	<b>\$ 15,714,860</b>	<b>\$ 59,643,454</b>	<b>\$ 115,104,057</b>
<b>LIABILITIES</b>					
Liabilities:					
Accounts Payable and Accrued Liabilities	\$ 1,494,384	\$ 24	\$ -	\$ 2,055,702	\$ 3,550,110
Due to Other Funds	-	-	-	789,712	789,712
Unearned Revenue	154,570	-	-	-	154,570
Deposits Held	2,622,040	-	-	-	2,622,040
Non-Current Liabilities Due in More Than One Year:					
Interfund Advance Payable	-	-	-	2,177,752	2,177,752
<b>Total Liabilities</b>	<b>4,270,994</b>	<b>24</b>	<b>-</b>	<b>5,023,166</b>	<b>9,294,184</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue - Accounts Receivable	676,604	-	-	21,649	698,253
Unavailable Revenue - Interfund Advance Receivable	-	-	-	97,069	97,069
Unavailable Revenue - Loans Receivable	-	16,080,000	12,297,368	7,027,821	35,405,189
<b>Total Deferred Inflows of Resources</b>	<b>676,604</b>	<b>16,080,000</b>	<b>12,297,368</b>	<b>7,146,539</b>	<b>36,200,511</b>
<b>FUND BALANCES</b>					
Nonspendable	63,693	-	-	845	64,538
Restricted	92,426	1,578,628	3,417,492	43,763,992	48,852,538
Committed	-	-	-	6,501,740	6,501,740
Assigned	5,083,574	-	-	-	5,083,574
Unassigned	11,899,800	-	-	(2,792,828)	9,106,972
<b>Total Fund Balances</b>	<b>17,139,493</b>	<b>1,578,628</b>	<b>3,417,492</b>	<b>47,473,749</b>	<b>69,609,362</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 22,087,091</b>	<b>\$ 17,658,652</b>	<b>\$ 15,714,860</b>	<b>\$ 59,643,454</b>	<b>\$ 115,104,057</b>

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

*June 30, 2014*

<b>Total Fund Balances - Total Governmental Funds</b>	\$	69,609,362
 Amounts reported for Governmental Activities in the Statement of Net Position are different because:		
Capital assets used in Governmental Activities are not current financial resources; therefore, they are not reported in the Governmental Funds Balance Sheet.		499,947,470
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 Position.		46,903,730
The long-term assets are not available to pay for current period expenditures; therefore, they are unavailable in the funds.		28,496,086
Governmental Funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		(1,223,755)
Long-term liabilities are not due and payable in the current period; therefore, they are not reported in the Governmental Funds Balance Sheet.		
Bonds		(75,541,288)
Net OPEB Obligation		(9,756,619)
Compensated Absences		(1,064,374)
Accrued Liabilities		(36,288)
		(101,638,354)
<b>Net Position of Governmental Activities</b>	<b>\$</b>	<b>557,334,324</b>

**City of Brentwood**

**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For Year Ended June 30, 2014**

	Debt Service Funds				Total Governmental Funds
	General Fund	Capital Improvement Revenue Refunding Bonds Series 2012	2009 Civic Center Project Lease Revenue Bonds	Other Governmental Funds	
<b>REVENUES</b>					
Taxes	\$ 15,499,584	\$ -	\$ -	\$ 2,278,385	\$ 17,777,969
Licenses	618,161	-	-	-	618,161
Permits and Fines	5,920,923	-	-	-	5,920,923
Uses of Money and Property	466,987	89,120	15,459	450,667	1,022,233
Intergovernmental	2,859,541	1,298,073	2,089,417	2,546,215	8,793,246
Franchises	1,321,089	-	-	-	1,321,089
Charges for Other Services	381,111	-	-	-	381,111
Charges to Other Funds	6,577,548	-	-	-	6,577,548
Fees and Other Revenues	1,643,099	-	-	21,062,584	22,705,683
<b>Total Revenues</b>	<b>35,288,043</b>	<b>1,387,193</b>	<b>2,104,876</b>	<b>26,337,851</b>	<b>65,117,963</b>
<b>EXPENDITURES</b>					
Current:					
General Government	5,411,219	-	-	4,852,914	10,264,133
Public Safety	16,808,923	-	-	131,365	16,940,288
Community Development	4,038,207	7,861	10,250	18,998	4,075,316
Engineering	2,620,029	-	-	-	2,620,029
Public Works	2,687,875	-	-	-	2,687,875
Parks and Recreation	4,987,381	-	-	5,207,090	10,194,471
Community Services	565,327	-	-	5,523,359	6,088,686
Capital Outlay	-	-	-	1,487,631	1,487,631
Debt Service:					
Principal	-	865,000	645,000	325,000	1,835,000
Interest and Fiscal Charges	-	1,063,788	3,346,279	80,325	4,490,392
<b>Total Expenditures</b>	<b>37,118,961</b>	<b>1,936,649</b>	<b>4,001,529</b>	<b>17,626,682</b>	<b>60,683,821</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,830,918)</b>	<b>(549,456)</b>	<b>(1,896,653)</b>	<b>8,711,169</b>	<b>4,434,142</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	6,853,029	713,278	2,940,966	7,656,269	18,163,542
Transfers Out	(5,917,303)	(159,093)	(1,039,080)	(14,396,593)	(21,512,069)
<b>Total Other Financing Sources (Uses)</b>	<b>935,726</b>	<b>554,185</b>	<b>1,901,886</b>	<b>(6,740,324)</b>	<b>(3,348,527)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(895,192)</b>	<b>4,729</b>	<b>5,233</b>	<b>1,970,845</b>	<b>1,085,615</b>
<b>Fund Balance, Beginning of Year</b>	<b>18,034,685</b>	<b>1,573,899</b>	<b>3,412,259</b>	<b>45,502,904</b>	<b>68,523,747</b>
<b>Fund Balance, End of Year</b>	<b>\$ 17,139,493</b>	<b>\$ 1,578,628</b>	<b>\$ 3,417,492</b>	<b>\$ 47,473,749</b>	<b>\$ 69,609,362</b>



***Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-Wide Statement of Activities Changes in Net Position***

*For Year Ended June 30, 2014*

<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$	1,085,615
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, 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.		1,487,631
Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in Governmental Funds.		(8,778,130)
The net effect of various miscellaneous transactions involving Capital Assets (e.g. sales, trade-ins and contributions) is to increase net position.		8,345,933
To record the net change in compensated absences in the Statement of Activities.		38,752
Bond proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Government-Wide Statement of Net Position. Repayment of bond principal is an expenditure in Governmental Funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.		
This amount represents loan repayments from Successor Agency		(719,737)
This amount represents long-term debt repayments		1,835,000
This amount represents the increase in Net OPEB Obligations		(1,117,350)
This amount represents accretion interest		(282,290)
This amount represents amortized bond premiums		66,492
This amount represents the increase in accrued liabilities		12,100
Revenues in the Governmental Funds which have been previously recognized in the Statement of Activities.		(227,180)
Internal Service Funds are used by management to charge the costs of certain activities, such as data processing and fleet management, to individual funds. The net revenue of the Internal Service Funds is reported with Governmental Activities.		5,659,503
<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b>7,406,339</b>

**City of Brentwood**

**Statement of Net Position**

**Proprietary Funds**

June 30, 2014

	Business-Type Activities - Enterprise Funds					Totals	Governmental
	Wastewater	Solid Waste	Water	City Rentals	Housing		Activities - Internal Service Funds
<b>ASSETS</b>							
Current Assets:							
Cash and Investments	\$ 34,777,912	\$ 6,509,202	\$ 25,252,956	\$ 90,440	\$ 4,766,156	\$ 71,396,666	\$ 43,571,553
Restricted Cash and Investments	-	-	3,959,428	-	-	3,959,428	-
Receivables	1,651,766	1,540,884	2,407,474	80,589	26,804	5,707,517	7,958
Prepays	8,243	9,287	9,586	2,488	486	30,090	358,182
Due from Other Funds	-	-	-	-	-	-	784,825
Total Current Assets	36,437,921	8,059,373	31,629,444	173,517	4,793,446	81,093,701	44,722,518
Non-Current Assets:							
Long-Term Notes Receivable	-	-	-	-	1,013,691	1,013,691	-
Interfund Advance Receivable	278,143	344,689	387,257	-	26,299	1,036,388	321,028
Capital Assets:							
Intangible Assets	-	-	10,597,532	-	-	10,597,532	-
Land	409,620	254,420	128,560	-	1,361,602	2,154,202	-
Buildings	2,895,398	-	20,358,966	-	1,824,677	25,079,041	-
Infrastructure	92,572,095	696,851	134,066,273	-	-	227,335,219	-
Machinery and Equipment	1,360,135	84,389	799,283	-	-	2,243,807	3,394,173
Vehicles	-	-	-	-	-	-	8,585,244
Land Improvements	58,494	1,000,000	9,866,692	-	-	10,925,186	-
Work in Progress	239,237	10,393,092	773,526	-	-	11,405,855	-
Less Accumulated Depreciation and Amortization	(17,549,980)	(1,067,863)	(28,389,178)	-	(242,686)	(47,249,707)	(7,274,336)
Total Capital Assets, Net of Accumulated Depreciation	79,984,999	11,360,889	148,201,654	-	2,943,593	242,491,135	4,705,081
Total Non-Current Assets	80,263,142	11,705,578	148,588,911	-	3,983,583	244,541,214	5,026,109
<b>Total Assets</b>	<b>116,701,063</b>	<b>19,764,951</b>	<b>180,218,355</b>	<b>173,517</b>	<b>8,777,029</b>	<b>325,634,915</b>	<b>49,748,627</b>
<b>LIABILITIES</b>							
Current Liabilities:							
Accounts Payable and Accrued Liabilities	501,676	421,991	2,406,763	7,519	3,460	3,341,409	299,977
Unearned Revenue	-	-	-	-	-	-	6,763
Deposits Held	-	10,099	52,500	-	26,672	89,271	-
Long-Term Debt Due Within One Year	1,942,028	-	1,255,000	-	-	3,197,028	-
Compensated Absences Payable	64,685	83,419	68,271	-	7,276	223,651	95,908
Total Current Liabilities	2,508,389	515,509	3,782,534	7,519	37,408	6,851,359	402,648
Non-Current Liabilities Due in More Than One Year:							
Interfund Advance Payable	-	-	-	-	159,889	159,889	1,294,596
Bonds Payable	-	-	46,883,519	-	-	46,883,519	-
Notes Payable	16,852,847	-	7,062,578	-	-	23,915,425	-
Net OPEB Obligation	862,788	1,202,013	1,231,469	-	97,396	3,393,666	1,083,714
Compensated Absences Payable	43,123	55,613	45,514	-	4,850	149,100	63,939
Total Non-Current Liabilities	17,758,758	1,257,626	55,223,080	-	262,135	74,501,599	2,442,249
<b>Total Liabilities</b>	<b>20,267,147</b>	<b>1,773,135</b>	<b>59,005,614</b>	<b>7,519</b>	<b>299,543</b>	<b>81,352,958</b>	<b>2,844,897</b>
<b>NET POSITION</b>							
Net Investment in Capital Assets	61,190,126	11,360,889	100,063,136	-	2,943,593	175,557,744	4,705,081
Restricted for:							
Capital Projects	5,700,981	1,064,911	1,075,069	-	-	7,840,961	-
Special Projects and Programs	10,517,107	10,099	3,959,428	-	5,251,602	19,738,236	-
Unrestricted	19,025,702	5,555,917	16,115,108	165,998	282,291	41,145,016	42,198,649
<b>Total Net Position</b>	<b>\$ 96,433,916</b>	<b>\$ 17,991,816</b>	<b>\$ 121,212,741</b>	<b>\$ 165,998</b>	<b>\$ 8,477,486</b>	<b>\$ 244,281,957</b>	<b>\$ 46,903,730</b>

**City of Brentwood**

**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For Year Ended June 30, 2014**

	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	\$ 10,811,429	\$ 9,633,852	\$ 18,881,988	\$ 438,420	\$ 221,519	\$ 39,987,208	\$ 11,077,298
Other Income	167,645	14,197	168,084	-	-	349,926	238,322
<b>Total Operating Revenues</b>	<b>10,979,074</b>	<b>9,648,049</b>	<b>19,050,072</b>	<b>438,420</b>	<b>221,519</b>	<b>40,337,134</b>	<b>11,315,620</b>
<b>Operating Expenses:</b>							
Personnel Services	2,301,319	3,111,284	3,427,283	-	344,418	9,184,304	2,974,554
Repairs and Maintenance	203,738	1,281,686	429,390	57,539	36,820	2,009,173	117,349
Materials, Supplies and Services	4,005,248	5,111,364	9,681,736	107,780	413,425	19,319,553	5,330,116
Depreciation and Amortization	1,489,389	69,280	3,003,720	-	36,494	4,598,883	1,036,721
<b>Total Operating Expenses</b>	<b>7,999,694</b>	<b>9,573,614</b>	<b>16,542,129</b>	<b>165,319</b>	<b>831,157</b>	<b>35,111,913</b>	<b>9,458,740</b>
<b>Operating Income (Loss)</b>	<b>2,979,380</b>	<b>74,435</b>	<b>2,507,943</b>	<b>273,101</b>	<b>(609,638)</b>	<b>5,225,221</b>	<b>1,856,880</b>
<b>Non-Operating Revenues (Expenses):</b>							
Interest Income	345,400	70,589	248,445	1,094	100,105	765,633	401,984
Interest Expense	(356,814)	-	(2,788,237)	-	-	(3,145,051)	-
Connection Fees Paid	-	-	(105,768)	-	-	(105,768)	-
Loss on Disposal of Capital Assets	-	(9,707)	-	-	-	(9,707)	-
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(11,414)</b>	<b>60,882</b>	<b>(2,645,560)</b>	<b>1,094</b>	<b>100,105</b>	<b>(2,494,893)</b>	<b>401,984</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>2,967,966</b>	<b>135,317</b>	<b>(137,617)</b>	<b>274,195</b>	<b>(509,533)</b>	<b>2,730,328</b>	<b>2,258,864</b>
Contributions - Impact Fees and Credits	903,197	-	1,262,340	-	518,937	2,684,474	-
Capital Asset Contributions	669,636	-	727,949	-	-	1,397,585	-
Transfers In	301,723	37,573	309,589	20,399	139,662	808,946	5,208,901
Transfers Out	(335,000)	(81,549)	(140,978)	(303,531)	-	(861,058)	(1,808,262)
<b>Change in Net Position</b>	<b>4,507,522</b>	<b>91,341</b>	<b>2,021,283</b>	<b>(8,937)</b>	<b>149,066</b>	<b>6,760,275</b>	<b>5,659,503</b>
<b>Net Position, Beginning of Year</b>	<b>91,926,394</b>	<b>17,900,475</b>	<b>119,191,458</b>	<b>174,935</b>	<b>8,328,420</b>	<b>237,521,682</b>	<b>41,244,227</b>
<b>Net Position, End of Year</b>	<b>\$ 96,433,916</b>	<b>\$ 17,991,816</b>	<b>\$ 121,212,741</b>	<b>\$ 165,998</b>	<b>\$ 8,477,486</b>	<b>\$ 244,281,957</b>	<b>\$ 46,903,730</b>

**City of Brentwood**

**Statement of Cash Flows**  
**Proprietary Funds**  
**For Year Ended June 30, 2014**

	Business-Type Activities - Enterprise Funds						Governmental
	Wastewater	Solid Waste	Water	City Rentals	Housing	Totals	Activities - Internal Service Funds
<b>Cash Flows from Operating Activities</b>							
Cash Received from Customers/Other Funds	\$ 10,871,319	\$ 9,322,648	\$ 18,805,646	\$ 420,514	\$ 403,242	\$ 39,823,369	\$ 12,371,883
Cash Payments to Suppliers of Goods and Services	(3,396,183)	(4,665,210)	(8,240,507)	(153,202)	(315,139)	(16,770,241)	(5,820,822)
Cash Payments to Employees for Services	(2,301,319)	(3,111,284)	(3,427,285)	-	(344,418)	(9,184,306)	(3,036,280)
Cash Payments for Interfund Services	(645,594)	(1,840,172)	(733,533)	(9,951)	(41,131)	(3,270,381)	(429,183)
Other Receipts	23,599	14,516	170,508	18,006	-	226,629	238,322
Other Payments	-	-	-	-	(26,424)	(26,424)	-
<b>Net Cash Provided By (Used for) Operating Activities</b>	<b>4,551,822</b>	<b>(279,502)</b>	<b>6,574,829</b>	<b>275,367</b>	<b>(323,870)</b>	<b>10,798,646</b>	<b>3,323,920</b>
<b>Cash Flows from Non-Capital Financing Activities</b>							
Transfers Received	301,723	37,573	309,589	20,399	139,662	808,946	5,208,901
Transfers Paid	(335,000)	(81,549)	(140,978)	(303,531)	-	(861,058)	(1,808,262)
Due from Other Funds	-	-	-	-	-	-	(784,825)
Developer Fees and Credits	-	-	-	-	518,937	518,937	-
<b>Net Cash Provided By (Used for) Non-Capital Financing Activities</b>	<b>(33,277)</b>	<b>(43,976)</b>	<b>168,611</b>	<b>(283,132)</b>	<b>658,599</b>	<b>466,825</b>	<b>2,615,814</b>
<b>Cash Flows from Capital and Related Financing Activities</b>							
Contributions - Impact Fees and Credits	903,197	-	1,262,340	-	-	2,165,537	-
Interest Paid on Debt	(356,814)	-	(2,788,237)	-	-	(3,145,051)	-
Principal Paid on Debt	(1,907,594)	-	(1,625,440)	-	-	(3,533,034)	(277,657)
Acquisition and Construction of Assets	(412,051)	(2,097,258)	(76,842)	-	-	(2,586,151)	(980,369)
<b>Net Cash Provided By (Used for) Capital and Related Financing Activities</b>	<b>(1,773,262)</b>	<b>(2,097,258)</b>	<b>(3,228,179)</b>	<b>-</b>	<b>-</b>	<b>(7,098,699)</b>	<b>(1,258,026)</b>
<b>Cash Flows from Investing Activities</b>							
Interest on Investments	345,311	70,676	248,361	1,094	100,098	765,540	401,895
<b>Net Cash Provided By Investing Activities</b>	<b>345,311</b>	<b>70,676</b>	<b>248,361</b>	<b>1,094</b>	<b>100,098</b>	<b>765,540</b>	<b>401,895</b>
Net Increase (Decrease) in Cash and Cash Equivalents	3,090,594	(2,350,060)	3,763,622	(6,671)	434,827	4,932,312	5,083,603
Cash and Cash Equivalents - Beginning of Year	31,687,318	8,859,262	25,448,762	97,111	4,331,329	70,423,782	38,487,950
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 34,777,912</b>	<b>\$ 6,509,202</b>	<b>\$ 29,212,384</b>	<b>\$ 90,440</b>	<b>\$ 4,766,156</b>	<b>\$ 75,356,094</b>	<b>\$ 43,571,553</b>
<b>Reconciliation of Operating Income to Net Cash Provided By (Used for) Operating Activities:</b>							
Operating Income (Loss)	\$ 2,979,380	\$ 74,435	\$ 2,507,943	\$ 273,101	\$ (609,638)	\$ 5,225,221	\$ 1,856,880
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used for) Operating Activities:							
Depreciation and Amortization	1,489,389	69,280	3,003,720	-	36,494	4,598,883	1,036,721
Change in Assets and Liabilities:							
Receivables, Net	161,860	(310,902)	272,431	282	181,723	305,394	(326,914)
Prepaid Items	(243,067)	302	(359,560)	(182)	(26,424)	(628,931)	(31,043)
Accounts Payable and Other Payables	23,208	(304,590)	985,061	2,166	47,537	753,382	784,727
Net OPEB Obligation	135,689	177,577	160,392	-	43,259	516,917	-
Compensated Absences Payable	5,648	11,335	7,627	-	3,020	27,630	3,549
Deposits	(285)	3,061	(2,785)	-	159	150	-
<b>Net Cash Provided By (Used for) Operating Activities</b>	<b>\$ 4,551,822</b>	<b>\$ (279,502)</b>	<b>\$ 6,574,829</b>	<b>\$ 275,367</b>	<b>\$ (323,870)</b>	<b>\$ 10,798,646</b>	<b>\$ 3,323,920</b>
<b>Noncash Capital Activities:</b>							
Capital Asset Contributions	\$ 669,636	\$ -	\$ 727,949	\$ -	\$ -	\$ 1,397,585	\$ -
Retirement of Capital Assets	-	(9,707)	-	-	-	(9,707)	-



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**City of Brentwood**

***Statement of Fiduciary Net Position***  
***Agency Funds and Private Purpose Trust Fund***  
***June 30, 2014***

	<b>Agency Funds</b>	<b>Private-Purpose Trust Fund - Successor Agency</b>
<b>ASSETS</b>		
Current Assets:		
Cash and Investments	\$ 12,063,606	\$ 1,860,239
Restricted Cash and Investments	6,354,728	-
Interest Receivable	318	19
Total Current Assets	18,418,652	1,860,258
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	1,582,737	142
Due to City of Brentwood	35,906	2,284,603
Long-Term Liabilities Due Within One Year	-	750,000
Total Current Liabilities	1,618,643	3,034,745
Non-Current Liabilities Due in More Than One Year:		
Due to Bondholders	16,800,009	-
Long-Term Liabilities	-	27,627,368
Total Non-Current Liabilities	16,800,009	27,627,368
<b>Total Liabilities</b>	<b>18,418,652</b>	<b>30,662,113</b>
<b>NET POSITION (DEFICIT)</b>		
Held in Trust for Other Governments	-	(28,801,855)
<b>Total Net Position (Deficit)</b>	<b>\$ -</b>	<b>\$ (28,801,855)</b>



**City of Brentwood**

***Statement of Changes in Fiduciary Net Position***  
***Private-Purpose Trust Fund***  
***For Year Ended June 30, 2014***

	<b>Private-Purpose Trust Fund - Successor Agency</b>
<b>ADDITIONS</b>	
Property Taxes	\$ 2,647,540
Investment Earnings	74,542
Other	13,397
<b>Total Additions</b>	<u>2,735,479</u>
<b>DEDUCTIONS</b>	
Administrative Expenses	253,218
Interest and Fiscal Agent Expenses	1,696,150
<b>Total Deductions</b>	<u>1,949,368</u>
<b>Change in Net Position</b>	786,111
<b>NET POSITION HELD IN TRUST</b>	
Net Position - Beginning of Year, as Restated	<u>(29,587,966)</u>
Net Position - Ending	<u><u>\$ (28,801,855)</u></u>

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**NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****A. DESCRIPTION OF THE REPORTING ENTITY**

The City of Brentwood is governed by a five member City Council under the Council-Manager form of government. The accompanying financial statements present the City of Brentwood, the primary government, and its component units, entities for which the 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, the Brentwood Infrastructure Financing Authority, a component unit, has been included in the primary reporting entity and is treated as a blended component unit.

- 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 Authority for the purpose of acting as a vehicle for various financing activities of the City and the Authority. 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 Authority by issuing debt and financing the construction of public facilities. Separate financial statements are not required for the Authority and therefore, are not issued.

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. The Statement of Activities and Changes in Net Position 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.

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

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 Position 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, current liabilities and current deferred inflows/outflows are included on the Balance Sheets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except for revenues subject to accrual (generally 60 days after year-end) which are recognized when due.

Expenditures are recorded in the accounting period in which the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the payment is due.

Taxes, including property and sales taxes, special assessments 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.

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

For Proprietary Funds, all assets, liabilities and deferred inflows/outflows, whether current or non-current, are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. 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 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 Position, only the latter is required to include a Statement of Changes in Net Position.

**Fund Types**

A *Major Fund* is a fund whose revenues, expenditures/expenses, assets, combined with deferred outflows of resources, or liabilities, combined with deferred inflows of resources (excluding extraordinary items), are at least 10% of corresponding totals for all Governmental or Enterprise funds and at least 5% 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.

The government reports the following three major Governmental Funds: General Fund, Capital Improvement Revenue Refunding Bond Series 2012 and Civic Center Project Lease Revenue Bonds. Specific descriptions of the City's funds are as follows:

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 legally restricted to expenditures for particular purposes. There are no Special Revenue Funds included as major Governmental Funds. Specific descriptions of the Special Revenue Funds are as follows:

- Roadway Facility Fee – This fund accounts for development fees collected for the design and construction of roadways within the City.



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

- 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. The allocations must be spent for street maintenance, construction and a limited amount for engineering.
- SB 1186 Disability Access – This fund accounts for the monies received due to Senate Bill 1186 (SB1186), which requires cities to collect a \$1 fee for new and renewed business licenses for purposes of increasing compliance with state disability laws.
- 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 Park Assessment District – 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 for a variety of allowable uses, including but not limited to police services, joint use school facilities and library facilities. The allowable uses of the funds are governed by the formation documents of each individual District.
- Community Facility Fee – This fund accounts for development fees collected for the design and construction of public facilities within the City.
- Abandoned 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.
- 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. Federal funds must be used for narcotic enforcement and crime suppression. State funds must be used for areas related to drug prevention.

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

- Measure C/J – This fund accounts for the local jurisdiction portions of the Local Street Maintenance and Improvements 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 provides funding to enhance 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 Facility Fee – This fund accounts for development fees collected for the design and construction of parks within the City.
- Agriculture Administration – This fund accounts for 20% of the Agriculture Preservation fees collected from development. 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 the acquisition and construction of Public Art.
- Arts Commission – This fund accounts for revenues and expenditures associated with the Arts Commission.
- Fire Facility Fee – This fund accounts for development fees collected for the design and construction of fire facilities required to serve new development in the City.
- Agriculture Land – This fund accounts for 80% of the Agriculture Preservation fees collected from development. 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.
- Landscape and Lighting Assessment Districts – This fund accounts for special benefit assessments levied on property owners for landscape and street lighting maintenance.

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

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

- Capital Improvement Revenue Refunding Bonds Series 2012 – This fund accounts for debt service transactions related to the refinance of the 2001 CIP Bond. The 2001 CIP Bond, which had initially refinanced the Roadway Bonds and a Tax Allocation Bond, and also financed the Brentwood Technology Center.
- General Obligation Bonds Series 2002 – This fund accounts for tax levies from which general obligation debt service transactions are made on the General Obligation Bonds Series 2002. This bond was used to finance the 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.

*Capital Project Funds* account for the acquisition and construction of major capital facilities and infrastructure not financed by Proprietary Funds. Specific descriptions of the Capital Project Funds are as follows:

- 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.
- Civic Center Capital Improvement Financing Program (formerly City Capital Improvement Financing Program Fund) – This fund accounts for savings from refinanced City Capital Improvement Financing Program bonds and their use to finance a portion of the Civic Center project.
- Civic Center Project Lease Revenue Bond Acquisition – 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 Improvements – This fund accounts for various community facilities improvement projects associated with either the construction or improvement of the City's community facilities.
- Parks and Trails Improvements – This fund accounts for various park and trail improvement projects associated with either the construction or improvement of the City's parks.

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

- Drainage Improvements – This fund accounts for various drainage improvement projects associated with either the upgrade or replacement of the City’s storm drain collection system.
- Roadway Improvements – This fund accounts for transactions related to proceeds from assessment bonds and other resources and their use to acquire and construct certain roadway improvements.
- Economic Infrastructure Projects – This fund accounts for loans to be used for Economic Development infrastructure projects and related costs which will be repaid from another source.
- Vineyards Projects – This fund accounts for transactions related to proceeds from assessment bonds and other resources and their use to finance infrastructure improvements within the Vineyards assessment district.

*Proprietary Funds* account for operations financed and operated in a manner similar to private business enterprises. The intent of the City Council is for the costs of providing certain goods or services to the general public be financed or recovered primarily through user charges. The government reports the following Proprietary Funds:

- Wastewater Enterprise – This fund accounts for the operation, maintenance and capital improvement projects of the wastewater system. These activities are 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 units. 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’s General Fund to be financially prepared for either a critical or catastrophic event or for one-time purchases of equipment to enhance public safety.

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

- Information Services – To provide a source of funding for the development and coordination of the City’s information systems’ needs.
- Equipment Replacement – To provide a source of funding for vehicle and equipment replacement.
- Information Systems Replacement – To provide a source of funding for the 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 – To provide a source of funding for expenditures related to continuing education.
- Fleet Maintenance Services – To provide a source of funding for the maintenance of all City vehicles, except for Police Department vehicles.
- Facilities Maintenance Services – To provide a source of funding for maintenance and repairs of City facilities.
- Parks and LLAD Replacement – To provide a source of funding for the replacement of landscaping, equipment and facilities in the Citywide Parks and Landscape and Lighting Assessment Districts (LLAD).
- Insurance – To provide a source of funding for future insurance costs and unforeseen expenses due to legal matters or lawsuits.
- Pension/Other Post-Employment Benefits (OPEB) Obligation – To provide an intermediate-term funding source for OPEB and pension expenses.

*Fiduciary Funds* account for Trust and Agency Funds. The financial activities of these funds are excluded from the Government-Wide Financial Statements, but are presented in separate Fiduciary Fund Financial Statements. The Trust and Agency Funds consist of:

- Assessments – Special obligations payable from, and secured by, specific revenue sources.
- Pass-Through Funds – Special funds used for the collection and distribution of development fees collected on behalf of other agencies.
- Asset Seizure – Special funds to be used exclusively to support law enforcement and prosecutorial efforts.
- 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.

**NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****D. ASSETS, LIABILITIES, DEFERRED INFLOWS/OUTFLOWS AND NET POSITION OR EQUITY****i. Use of Restricted/Unrestricted Net Position**

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the City's policy is to apply restricted net position 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, 2014.

**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 which 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. A portion of fund balance equal to the prepaid items is reserved to indicate that the funds are 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 value when received. Depreciation is recorded on a straight-line basis over the useful lives of the assets as follows:

Land Improvements	20 - 65 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 which are normally 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
- 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 the General Fund, the City Low Income Housing Fund or the Citywide Park Assessment District Fund.

**viii. Property Tax**

Property tax valuations, liens and levies for secured and unsecured property are valued on March 1st of each year. 50% 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 remits them to the City. The City accounts for the remittance in the General Fund. City property tax revenues are recognized when levied, to the extent that they result in current receivables. The City receives its full assessment of property tax and the County retains all delinquent charges.

**ix. Motor Vehicle Taxes**

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

**x. 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 the Governmental Accounting Standards Board Pronouncement (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.

**xi. New Governmental Accounting Standards Board Pronouncements**

In March 2012, the 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,

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

certain items previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items previously reported as assets and liabilities. The requirements of the Statement are effective for fiscal periods beginning after December 15, 2012. The City implemented GASB Statement No. 65 for the presentation of the 2012/13 fiscal year financial statement and reclassified certain items, that were previously reported as assets and liabilities, as deferred outflows of resources and deferred inflows of resources and made other changes as established related to the calculation of the major funds determination and the write-off of debt issuance costs.

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 types. This Statement also amends Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, 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 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 implemented GASB Statement No. 66 for the presentation of the 2012/13 fiscal year financial statements with no resulting impact.

In June of 2012, GASB issued GASB Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and Statement No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) which meet certain criteria. The requirements of GASB Statement Nos. 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to define contribution plans which provide post-employment benefits other than pensions. The requirements of the Statement are effective for fiscal periods beginning after June 15, 2013. The City does not have any stand-alone pension plans subject to the provisions of this statement; however, the City participates in CalPERS agent multiple-employer plans that are in the process of implementing the provisions of the statement.

In June 2012, GASB issued GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) which meet certain criteria. The requirements of GASB Statement Nos. 27 and 50 remain applicable for pensions not covered by the scope of this Statement. The

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

requirements of the Statement are effective for fiscal periods beginning after June 15, 2014. The City is in the process of determining the impact GASB Statement No. 68 will have on its financial statements.

In January 2013, GASB issued GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term “government combinations” includes a variety of transactions referred to as mergers, acquisitions and transfers of operations. The requirements of the Statement are effective for fiscal periods beginning after December 15, 2013. The City has implemented GASB Statement No. 69 for the presentation of the 2013/14 fiscal year financial statements, with no resulting impact.

In April 2013, GASB issued GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. This Statement requires a government which extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate it is more likely than not the government will be required to make a payment on the guarantee. This Statement also requires a government which has issued an obligation, guaranteed in a nonexchange transaction, to recognize revenue to the extent of the reduction in its guaranteed liabilities. The requirements of the Statement are effective for fiscal periods beginning after June 15, 2013. The City has implemented GASB Statement No. 70 for the presentation of the 2013/14 fiscal year financial statements, with no resulting impact.

In November 2013, GASB issued GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. This Statement requires a state or local government employer, or non-employer contributing entity in a special funding situation to recognize a net pension liability as of a date (the measurement date) no earlier than the end of its prior fiscal year. This Statement also requires that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. The requirements of the Statement are effective for fiscal periods beginning after June 15, 2014. The City is in the process of determining the impact GASB Statement No. 71 will have on its financial statements.

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

The City Capital Improvement Financing Program Fund was renamed the Civic Center Capital Improvement Financing Program Fund in order to further clarify the description of the purpose of the fund.

The Thoroughfares Fund was renamed Roadway Facility Fee Fund to further clarify the description for the purpose of the fund.

For internal consistency, minor changes have been made to the names of certain funds; however, the purpose of these funds remains unchanged.

**NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****xiii. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position and balance sheet will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position and balance sheet will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net position which applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the Governmental Funds balance sheet. The Governmental Funds report unavailable revenues from three sources: accounts receivable, interfund advance receivable and loans receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**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 and certain Capital Project funds. The funds listed on the following page are not legally required to adopt budgets as their appropriations are either established by: 1) the related bond documentation, 2) other legal agreements or 3) are multi-year projects whose budget cycle exceeds one fiscal year.

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

**Capital Project Funds**

Capital Improvement Financing Program 2005-1	Parks and Trails Improvements
Capital Improvement Financing Program 2006-1	Drainage Improvements
Community Facilities Improvements	Roadway Improvements

**Debt Service Funds**

Capital Improvement Revenue Refunding Bonds Series 2012
General Obligation Bonds Series 2002
2009 Civic Center Project Lease Revenue Bonds

**B. DEFICIT FUND EQUITY**

Below is a list of funds which have either a deficit fund or an accumulated deficit balance as of June 30, 2014. The deficit in Parks and Trails Facility Fee is due to pre-funding of parks projects in advance of receiving funding from development. Future impact fees will be deposited into this fund. The deficit in Other Grants is due to the timing of grant reimbursement monies expected to be received during the subsequent fiscal year. The deficit in Parks and Trails Improvements 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 2014/15 – 2015/16 Operating Budget.

<b>Special Revenue Funds:</b>	
Parks and Trails Facility Fee	\$ 2,177,898
Other Grants	\$ 4,887
<b>Capital Project Funds:</b>	
Parks and Trails Improvements	\$ 610,043
<b>Internal Service Funds:</b>	
Information Services	\$ 59,308
Fleet Maintenance Services	\$ 38,348

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

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

The composition of the “Due To/From Other Funds” balance, as of June 30, 2014, is shown below. The Parks and Trails Improvements 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 the City in the future. See Note #12 for additional information. The Other Grants amount is due to the timing of grant reimbursement and is expected to be received in the next fiscal year.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Pension/OPEB Obligation	Parks and Trails Improvements	\$ 784,825
Community Facilities Improvements	Other Grants	4,887
	<b>Total</b>	<b>\$ 789,712</b>

The interfund advance payable from the 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 income stream. The interfund advance payable from Parks and Trails Facility Fee is due to the construction of parks within the City in advance of receiving development fee revenue. Future development will reduce this obligation. The Pension/OPEB Obligation amounts are due to the accelerated payment of unfunded OPEB obligations by certain Internal Service and Enterprise funds.

<u>Interfund Advance</u>		
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Roadway Improvements	Housing Enterprise	\$ 97,069
Wastewater Enterprise	Housing Enterprise	35,331
Water Enterprise	Housing Enterprise	27,489
Community Facilities Improvements	Parks and Trails Facility Fee	2,177,752
Information Services	Pension/OPEB Obligation	153,134
Fleet Maintenance Services	Pension/OPEB Obligation	63,184
Facilities Maintenance Services	Pension/OPEB Obligation	104,710
Wastewater Enterprise	Pension/OPEB Obligation	242,812
Solid Waste Enterprise	Pension/OPEB Obligation	344,689
Water Enterprise	Pension/OPEB Obligation	359,768
Housing Enterprise	Pension/OPEB Obligation	26,299
	<b>Total</b>	<b>\$ 3,632,237</b>

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

**Interfund Transfers**

Fund Description	Interfund Transfers										
	General Fund	Capital Improvement Revenue Refunding Bonds Series 2012	2009 Civic Center Project Lease Revenue Bonds	Non-Major Governmental Funds	Internal Service Funds	Wastewater Enterprise	Solid Waste Enterprise	Water Enterprise	City Rentals Enterprise	Housing Enterprise	Total Transfers Out
General Fund	\$ -	\$ -	\$ -	\$ 1,153,000	\$ 4,764,303	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,917,303
Capital Improvement Revenue Refunding Bonds Series 2012	159,093	-	-	-	-	-	-	-	-	-	159,093
Civic Center Project Lease Revenue Bonds	-	-	-	1,039,080	-	-	-	-	-	-	1,039,080
Non-Major Governmental Funds	6,008,148	409,747	2,940,966	4,573,409	208,393	32,808	31,531	31,530	20,399	139,662	14,396,593
Internal Service Funds	685,788	-	-	780,780	154,656	127,937	6,042	53,059	-	-	1,808,262
Wastewater Enterprise	-	-	-	110,000	-	-	-	225,000	-	-	335,000
Solid Waste Enterprise	-	-	-	-	81,549	-	-	-	-	-	81,549
Water Enterprise	-	-	-	-	-	140,978	-	-	-	-	140,978
City Rentals Enterprise	-	303,531	-	-	-	-	-	-	-	-	303,531
<b>Total Transfers In</b>	<b>\$ 6,853,029</b>	<b>\$ 713,278</b>	<b>\$ 2,940,966</b>	<b>\$ 7,656,269</b>	<b>\$ 5,208,901</b>	<b>\$ 301,723</b>	<b>\$ 37,573</b>	<b>\$ 309,589</b>	<b>\$ 20,399</b>	<b>\$ 139,662</b>	<b>\$ 24,181,389</b>

Transfers are indicative of funding for: 1) capital projects or debt service, 2) subsidies of various City operations or 3) reallocations of special revenues. The following schedule briefly summarizes the City’s significant, unusual or inconsistent fund type transfer activity:

<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	\$ 1,494,323	Gas Tax revenue to subsidize the Street Maintenance Division.
General Fund	\$ 3,471,925	Provide a subsidy to cover a portion of the costs for Police Services.
Internal Service	\$ 4,239,303	Transfer of unassigned General Fund balance in excess of reserve requirement.
Capital Projects	\$ 350,000	Provide a subsidy to cover a portion of the costs for the General Plan Update project.
Capital Projects	\$ 400,000	Provide a subsidy to cover a portion of the costs for the City Phone System Upgrade project.
Capital Projects	\$ 450,000	Provide a subsidy to cover a portion of the costs for the Parkway Rehabilitation project.
Capital Projects	\$ 462,000	Provide a subsidy to cover a portion of the costs for the Fire Station #54 (Replace Downtown) project.
Capital Projects	\$ 1,000,000	Provide a subsidy to cover a portion of the costs for the Wastewater Treatment Plant Holding Pond Liner project.
Capital Projects	\$ 1,150,000	Provide a subsidy to cover a portion of the costs for the Wastewater Treatment Plant Belt Filter Press project.
Capital Projects	\$ 2,750,000	Provide a subsidy to cover a portion of the costs for the Wastewater Treatment Plant Solids System Expansion project.

**NOTE #2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)****D. MINIMUM FUND BALANCE POLICIES**

The City's Budget and Fiscal Policy requires the City to strive to maintain: 1) 30% of annual expenditures 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 the fiscal year ended June 30, 2014. The ability of the City to maintain 30% cash reserves in the Enterprise funds depends upon the timing of infrastructure projects.

**E. 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. 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 a City Council resolution which may be modified or rescinded only through subsequent a City Council resolution. 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, 2014, are shown on the next page.



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

	Debt Service				Total
	General Fund	Capital Improvement Revenue Bond Series 2012	2009 Civic Center Project Lease Revenue Bonds	Other Governmental Funds	
<b>Fund Balances:</b>					
<b>Nonspendable:</b>					
Prepaid Expenses	\$ 63,693	\$ -	\$ -	\$ 845	\$ 64,538
<b>Total Nonspendable Fund Balances</b>	<b>63,693</b>	<b>-</b>	<b>-</b>	<b>845</b>	<b>64,538</b>
<b>Restricted for:</b>					
Debt Service	-	1,578,628	3,417,492	61,063	5,057,183
Community Facilities Projects	-	-	-	3,461,297	3,461,297
Civic Center Projects	-	-	-	7,735,427	7,735,427
Low Income Housing	-	-	-	1,104,377	1,104,377
Vineyards Development Projects	-	-	-	2,055,176	2,055,176
Infrastructure Projects	-	-	-	6,277,447	6,277,447
Streets and Roadways	-	-	-	3,205,901	3,205,901
Drainage Projects	-	-	-	1	1
CIFP Projects	-	-	-	8,461,665	8,461,665
Landscape and Lighting Assessment Districts	-	-	-	4,062,518	4,062,518
Off Street Parking Facilities in Downtown	-	-	-	27,453	27,453
Agricultural/Farmland Mitigation	-	-	-	1,125,742	1,125,742
Brentwood Redevelopment Escrow	92,426	-	-	-	92,426
Fire Facilities	-	-	-	3,416,192	3,416,192
Arts Commission	-	-	-	5,088	5,088
Public Art	-	-	-	1,266,583	1,266,583
Developer Facility Fee Program	-	-	-	448,468	448,468
Drug Prevention Programs	-	-	-	37,733	37,733
Public Safety	-	-	-	188,612	188,612
Disability Access	-	-	-	6,300	6,300
PEG Media	-	-	-	816,949	816,949
<b>Total Restricted Fund Balances</b>	<b>92,426</b>	<b>1,578,628</b>	<b>3,417,492</b>	<b>43,763,992</b>	<b>48,852,538</b>
<b>Committed to:</b>					
Infrastructure Projects	-	-	-	6,043	6,043
Abandoned Vehicle Abatement	-	-	-	128,361	128,361
Community Facilities	-	-	-	1,501,004	1,501,004
Public Safety	-	-	-	216,622	216,622
Parks Maintenance	-	-	-	258,298	258,298
Streets and Roadways	-	-	-	4,391,412	4,391,412
<b>Total Committed Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,501,740</b>	<b>6,501,740</b>
<b>Assigned to:</b>					
Capital Projects	5,083,574	-	-	-	5,083,574
<b>Total Assigned Fund Balances</b>	<b>5,083,574</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,083,574</b>
<b>Unassigned:</b>	<b>11,899,800</b>	<b>-</b>	<b>-</b>	<b>(2,792,828)</b>	<b>9,106,972</b>
<b>Total Fund Balances</b>	<b>\$ 17,139,493</b>	<b>\$ 1,578,628</b>	<b>\$ 3,417,492</b>	<b>\$ 47,473,749</b>	<b>\$ 69,609,362</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 \$632,568 at June 30, 2014. The bank balance, before reconciling items, was \$1,339,718. The bank balance is insured for up to \$250,000 and the remaining balance 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. The City’s cash and investment balances are as follows:

<b>Pooled Deposits:</b>	
Demand Deposits	\$ 632,568
Petty Cash	8,790
Investments	213,308,519
<b>Total Cash and Investments</b>	<u><u>\$ 213,949,877</u></u>

**Cash and investments appear on the financial statements as follows:**

<b>Cash and Investments:</b>	
Governmental Activities	\$ 98,683,081
Business-Type Activities	71,396,666
Fiduciary Funds	13,923,845
	<u>184,003,592</u>

<b>Restricted Cash and Investments:</b>	
Governmental Activities	19,632,129
Business-Type Activities	3,959,428
Fiduciary Funds	6,354,728
	<u>29,946,285</u>
<b>Total Cash and Investments</b>	<u><u>\$ 213,949,877</u></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.

<b>Authorized Investment Type</b>	<b>Maximum Maturity</b>	<b>Maximum Percentage of Portfolio<sup>(1)</sup></b>	<b>Maximum Investment in One Issuer</b>
California State, Local Agency and Other State Obligations	5 years	30%	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptances	180 days	40%	None
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%	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	N/A	\$50M/Account	\$50M/Account
California Asset Management Program	N/A	N/A	N/A
Time Deposits	5 years	25%	None

*(1) Excluding amounts held by bond trustee not subject to California Government code restrictions.*

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

**Credit Risk** – The City’s portfolio is comprised of the highest quality government and corporate securities. Consistent with City policy, almost 70% 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, Local Agency Investment Fund (LAIF) or Money Market Funds, which are all unrated. Investments at June 30, 2014, held on behalf of the City, are presented below and categorized separately to give an indication of the level of risk associated with each investment. Investments are reported at fair value.

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>% of Rated Portfolio</u>
Medium Term Corporate Notes	\$ 8,339,123	A	7%
Medium Term Corporate Notes	3,284,137	A-	3%
Medium Term Corporate Notes	5,613,721	A+	4%
Medium Term Corporate Notes	6,818,494	AA-	5%
Medium Term Corporate Notes	9,552,655	AA	8%
Medium Term Corporate Notes	10,435,057	AA+	8%
U.S. Agency Bonds/Notes	36,953,268	AA+	30%
Municipal Bonds/Notes	838,623	AA	1%
Municipal Bonds/Notes	842,110	AAA	1%
Certificates of Deposit - Negotiable	7,996,546	A-1+	6%
Certificates of Deposit - Negotiable	7,728,042	A-1	6%
Certificates of Deposit - Negotiable	4,802,568	A+	4%
Certificates of Deposit - Negotiable	4,799,088	AA-	4%
Money Market Mutual Funds	16,049,777	AAAm	13%
Money Market Treasury Funds	492,638	AAAm	0%
California Asset Management Program	21,880	AAAm	0%
Total Rated Investments	<u>124,567,727</u>		
U.S. Treasury Notes	72,062,325	Exempt	
Local Agency Investment Fund	15,278,783	Not Rated	
Money Market Treasury Funds	1,399,684	Not Rated	
Total Unrated Investments	<u>88,740,792</u>		
<b>Total Investments</b>	<u><u>\$ 213,308,519</u></u>		

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

**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:

<b>Issuers<sup>(1)</sup></b>	<b>Fair Value</b>	<b>% of Portfolio</b>
Federal National Mortgage Association	\$ 15,303,013	7.17
Federal Home Loan Bank	\$ 16,324,413	7.65

*(1) Excludes U. S. Treasury Securities, LAIF and Money Market Mutual Funds.*

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

<b>Issuers<sup>(1)</sup></b>	<b>Type of Investment</b>	<b>Fair Value</b>
Fannie Mae Global Notes	Federal Agency	\$ 3,279,797
Federal Home Loan Bank	Federal Agency	\$ 1,414,789

*(1) Excludes U. S. Treasury Securities, LAIF and Money Market Mutual Funds.*

The City did not have investments in any one issuer, other than the U.S. Treasury securities, mutual funds and external investment pools, which represent 5% or more of 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, 58% of the investment portfolio is concentrated in the 0 to 2 year maturity range.

**Investment Maturities**

	<u>Fair Value<sup>(1)</sup></u>	<u>0-6 mos</u>	<u>6-12 mos.</u>	<u>1-2 years</u>	<u>2-3 years</u>	<u>% of Portfolio</u>
U.S. Treasury Notes/Bonds/Bills	\$ 72,062,325	\$ -	\$ -	\$ 16,540,944	\$ 55,521,381	33.78
Medium-Term Corporate Notes	44,043,187	-	-	13,230,664	30,812,523	20.65
U.S. Agency Bonds/Notes <sup>(2)</sup>	36,953,268	5,915,404	4,190,048	23,590,538	3,257,278	17.32
Municipal Bonds/Notes	1,680,733	-	-	1,680,733	-	0.79
Certificates of Deposit - Negotiable	25,326,244	4,019,363	-	21,306,881	-	11.87
Local Agency Investment Funds	15,278,783	15,278,783	-	-	-	7.16
California Asset Management Program	21,880	21,880	-	-	-	0.02
Money Market Mutual Funds	16,049,777	16,049,777	-	-	-	7.52
Money Market Treasury Funds	1,892,322	1,892,322	-	-	-	0.89
<b>Totals</b>	<b>\$ 213,308,519</b>	<b>\$ 43,177,529</b>	<b>\$ 4,190,048</b>	<b>\$ 76,349,760</b>	<b>\$ 89,591,182</b>	
% of Portfolio		20.24	1.97	35.79	42.00	100.00

(1) Fair Value includes accrued interest.

(2) Any Callable securities in U.S. Agency Bonds/Notes are reported at either 0-6 months or the earliest call date.

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

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

LAIF is an external investment program sponsored by the State of California and authorized under Sections 16429.1, 2 and 3 of the California Government code. It is part of the State’s Pooled Money Investment Account (PMIA) managed by the Investment Division of the State Treasurer’s Office. LAIF is a voluntary program, created by statute, as an investment alternative for California local governments and special

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

districts. The City is a voluntary participant in this investment pool. The management of PMIA has indicated to the City that, as of June 30, 2014, the amortized cost of the pool was \$64,850,840,279 and the fair value was \$64,870,214,443. 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 CAMP participants to invest certain proceeds of debt issues and surplus funds. CAMP 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 value amounts provided by CAMP, which is the same as the value of the pool share. At June 30, 2014, the fair value was 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.

**F. FAIR VALUE OF INVESTMENTS**

The following methods and assumptions are used to record the fair value of the City’s investments:

- The City maintains investment accounting records on a cost basis and adjusts those records to fair value on an annual basis.
- The investment custodians provide fair values on each investment instrument on a monthly basis.
- The investments held are widely traded in the financial markets and trading values are readily available from numerous published sources.
- Money market investments (those investments with maturities of less than one year) are reported at amortized cost adjusted to market value on a yearly basis.

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

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. At June 30, 2014, the City had a contractual withdrawal value of \$15,278,783, whose pro-rata share of fair value was estimated by the State Treasurer to be \$15,283,348. The fair value change in this investment for the year was not material for presentation in the financial statements.

**NOTE #4 – ACCOUNTS, NOTES AND LOANS RECEIVABLE**

Receivables at June 30, 2014 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	\$ 312,698	\$ 1,153,693	\$ -	\$ 635	\$ -	\$ -	\$ 1,467,026
Internal Services	-	6,860	-	1,098	-	-	7,958
Special Revenue	-	71,019	11,848	525	-	4,743,218 <sup>(1)</sup>	4,826,610
Debt Service	-	-	-	13	-	28,377,368 <sup>(2)</sup>	28,377,381
Capital Projects	-	19,458	-	717	-	2,284,603 <sup>(2)</sup>	2,304,778
Sub-Total Governmental Activities	312,698	1,251,030	11,848	2,988	-	35,405,189	36,983,753
Less: Allowance	-	(676,604) <sup>(3)</sup>	-	-	-	-	(676,604)
<b>Total Governmental Activities</b>	<b>\$ 312,698</b>	<b>\$ 574,426</b>	<b>\$ 11,848</b>	<b>\$ 2,988</b>	<b>\$ -</b>	<b>\$ 35,405,189</b>	<b>\$ 36,307,149</b>
<b>Business-Type Activities:</b>							
Wastewater	\$ -	\$ -	\$ -	\$ 948	\$ 1,650,818	\$ -	\$ 1,651,766
Solid Waste	-	22,874	-	186	1,517,824	-	1,540,884
Water	-	123,108	-	683	2,283,683	-	2,407,474
City Rentals	-	80,587	-	2	-	-	80,589
Housing	-	26,672	-	132	-	7,078,561 <sup>(1)</sup>	7,105,365
<b>Total Business-Type Activities</b>	<b>\$ -</b>	<b>\$ 253,241</b>	<b>\$ -</b>	<b>\$ 1,951</b>	<b>\$ 5,452,325</b>	<b>\$ 7,078,561</b>	<b>\$ 12,786,078</b>

(1) Does not include reservation for loans expected to be forgiven. These loans are discussed on the following pages.

(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 unavailable revenue for fund financial statement presentation purposes. Note #12 discusses the dissolution of the Redevelopment Agency and the Successor Agency activities.

(3) Accounts receivable for citation revenues are unavailable and the revenue is not recognized until received.



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

Notes and Loans Receivable at June 30, 2014 were comprised of the following:

<b>Governmental Activities:</b>	
Amounts Due from Successor Agency	\$ 30,661,971
Loans under City Low Income Housing (including interest)	4,743,218
Sub-total Governmental Funds	35,405,189
Less: Reservation for Loans Expected to be Forgiven	4,743,218
Less: Reservation for Amounts Owed from Successor Agency	2,284,603
<b>Net Notes and Loans Receivable</b>	<b>\$ 28,377,368</b>
<b>Business-Type Activities:</b>	
Down Payment Assistance and Gap Assistance Program Loans	\$ 1,013,691
Loans under Affordable Housing In-Lieu (including interest)	6,064,870
Sub-total Business-Type Activities	7,078,561
Less: Reservation for Loans Expected to be Forgiven	6,064,870
<b>Net Notes and Loans Receivable</b>	<b>\$ 1,013,691</b>

**Down Payment Assistance and Gap Assistance Program 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 either 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 7%, loans held between three and ten years accrue interest at 5% and loans held longer than ten years accrue interest at 3%.

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 either due in 30 years or upon a change in ownership of the property. The interest rate is set at 3%, simple interest. As of June 30, 2014 the City is owed \$1,013,691, 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 would expend funds on capital projects on behalf of the Brentwood Redevelopment Agency. The Brentwood Redevelopment Agency was obligated to reimburse the City for these costs. Due to the dissolution by the State of redevelopment agencies (as discussed in Note #12) the liability for these expended funds was transferred from the Brentwood Redevelopment Agency to the Successor Agency. As of June 30, 2014, the balance of the amounts due to the City from the Successor Agency for capital projects was \$2,284,603 for Governmental-type activities.

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

In addition, the former Brentwood Redevelopment Agency had long-term obligations for the funding of its portion of the CIP 2012 Revenue Refunding Bonds and the 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, 2014 was \$28,377,368 and has been offset in the deferred inflows of resources in the Governmental Fund financial statements. The long-term obligations are discussed in further detail in both Note #6, and Note #12.

**Loans under the former Brentwood Redevelopment Agency and the City’s Affordable Housing In-Lieu Programs** – The City and the former Brentwood Redevelopment Agency entered into the loan programs, on the following page, 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 Government-Wide financial statements and include a reserve for their eventual forgiveness. However, with the dissolution of the Brentwood Redevelopment Agency, the City agreed to become the successor to the Brentwood Redevelopment Agency’s housing activities. Therefore, as of February 1, 2012, the City Low Income Housing Fund assumed the loans receivable of the former Brentwood Redevelopment Agency’s Low and Moderate Income Housing Fund as discussed in Note #12. The City Low Income Housing and Affordable Housing In-Lieu loans were comprised of the following at June 30, 2014:

<b>Governmental Activities:</b>	
Brentwood/202 Senior Housing, Inc.	\$ 314,550
Christian Church Homes Sycamore II	998,360
Eden Housing	127,125
Mercy Housing	1,715,000
Brentwood Senior Commons	400,000
Brentwood Green Valley	1,188,183
Sub-total Loans under City Low Income Housing	<u>4,743,218</u>
Less: Reservation for Loans Expected to be Forgiven	<u>4,743,218</u>
<b>Net Notes and Loans Receivable</b>	<b><u><u>\$ -</u></u></b>
<b>Business-Type Activities:</b>	
Eden Housing	\$ 1,138,000
Mercy Housing	735,000
Meta Housing	4,191,870
Sub-total Loans under Affordable Housing In-Lieu	<u>6,064,870</u>
Less: Reservation for Loans Expected to be Forgiven	<u>6,064,870</u>
<b>Net Notes and Loans Receivable</b>	<b><u><u>\$ -</u></u></b>

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

**Brentwood/202 Senior Housing, Inc.** – In April 1996, the Brentwood Redevelopment Agency loaned Brentwood/202 Senior Housing, Inc., a California non-profit 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 does not bear interest. The outstanding principal due under this note is due and payable in full, either 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 Housing Successor shall forgive the outstanding principal balance due on the maturity date. The balance at June 30, 2014 was \$314,550.

**Christian Church Homes Sycamore II** – In June 2003, the Brentwood Redevelopment 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 either no later than June 27, 2058 or upon default. As of June 30, 2014, principal and accrued interest total \$998,360. 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.

**Eden Housing** – In January 2005, the City of Brentwood Affordable Housing and the Brentwood Redevelopment Agency entered into two notes with Eden Housing, Inc., in the amounts of \$900,000 and \$100,000 for the development of Brentwood City Commons, an 80-unit very-low and extremely-low income senior apartment project. 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, 2014, principal and accrued interest for both notes total \$1,265,125. 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 Brentwood Redevelopment 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, 2014, the principal and accrued interest due for both notes total \$2,450,000. 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.

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

**Brentwood Senior Commons** – In November 2010, the Brentwood Redevelopment Agency entered into a Loan Agreement with Brentwood Senior Commons, L.P., in the amount of \$400,000, to provide funding for a portion of elevator improvements within the Brentwood Senior Commons project. This note shall bear 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 as Housing Successor may, in its sole discretion, forgive the repayment of all or part of the Loan. As of June 30, 2014, 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. 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 City as Housing Successor shall forgive the annual interest and 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 over a 55-year period.

In addition, all accrued but unpaid interest is forgiven so long as the note is not in default. As of June 30, 2014, the principal due for both notes, before the forgiveness, totaled \$1,211,095. Per the terms of the note, \$22,912 of the principal and \$36,333 of the interest were forgiven at June 30, 2014. The remaining balance at June 30, 2014 totaled \$1,188,183. 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 Brentwood 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 to the 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 California State Department of Finance (DOF), the City assumed the rights and obligations under the loan agreement and funded the loan from the Housing Enterprise Fund.

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

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, 2014, principal and accrued interest total \$4,191,870. 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.

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**NOTE #5 – CAPITAL ASSETS**

The City reports all capital assets, including infrastructure, in the Government-Wide Statement of Net Position. Capital assets of the primary government, as of June 30, 2014, are as follows:

	Balance July 1, 2013	Increases	Decreases	Transfers	Balance June 30, 2014
<b>Governmental Activities:</b>					
Capital Assets, Not Being Depreciated or Amortized:					
Land	\$ 35,828,124	\$ 598,950	\$ -	\$ -	\$ 36,427,074
Work in Progress - CIP	6,748,817	1,487,631	-	(1,238,123)	6,998,325
Total Capital Assets, Not Being Depreciated or Amortized	<u>42,576,941</u>	<u>2,086,581</u>	<u>-</u>	<u>(1,238,123)</u>	<u>43,425,399</u>
Capital Assets, Being Depreciated and Amortized:					
Intangible Assets	6,258,156	-	-	-	6,258,156
Buildings	56,238,156	-	-	118,331	56,356,487
Infrastructure	444,263,889	7,746,983	-	766,141	452,777,013
Machinery and Equipment	6,197,233	-	-	353,651	6,550,884
Vehicles	8,305,938	1,006,074	(726,768)	-	8,585,244
Land Improvements	27,254,973	-	-	-	27,254,973
Total Capital Assets Being Depreciated and Amortized	<u>548,518,345</u>	<u>8,753,057</u>	<u>(726,768)</u>	<u>1,238,123</u>	<u>557,782,757</u>
Less Accumulated Depreciation and Amortization for:					
Intangible Assets	784,971	96,279	-	-	881,250
Buildings	3,714,510	1,122,840	-	-	4,837,350
Infrastructure	71,882,466	6,837,015	-	-	78,719,481
Machinery and Equipment	2,504,729	537,185	-	-	3,041,914
Vehicles	5,320,683	699,875	(726,768)	-	5,293,790
Land Improvements	3,260,163	521,657	-	-	3,781,820
Total Accumulated Depreciation and Amortization	<u>87,467,522</u>	<u>9,814,851</u>	<u>(726,768)</u>	<u>-</u>	<u>96,555,605</u>
Total Capital Assets, Being Depreciated and Amortized, Net	<u>461,050,823</u>	<u>(1,061,794)</u>	<u>-</u>	<u>1,238,123</u>	<u>461,227,152</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$ 503,627,764</u>	<u>\$ 1,024,787</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 504,652,551</u>
<b>Business-Type Activities:</b>					
Capital Assets, Not Being Depreciated or Amortized:					
Land	\$ 2,154,202	\$ -	\$ -	\$ -	\$ 2,154,202
Work in Progress - CIP	10,458,279	1,487,316	-	(539,740)	11,405,855
Total Capital Assets, Not Being Depreciated or Amortized	<u>12,612,481</u>	<u>1,487,316</u>	<u>-</u>	<u>(539,740)</u>	<u>13,560,057</u>
Capital Assets, Being Depreciated and Amortized:					
Intangible Assets	10,597,532	-	-	-	10,597,532
Buildings	25,093,041	-	(14,000)	-	25,079,041
Infrastructure	225,935,867	1,397,585	-	1,767	227,335,219
Machinery and Equipment	1,705,834	-	-	537,973	2,243,807
Land Improvements	10,925,186	-	-	-	10,925,186
Total Capital Assets Being Depreciated and Amortized	<u>274,257,460</u>	<u>1,397,585</u>	<u>(14,000)</u>	<u>539,740</u>	<u>276,180,785</u>
Less Accumulated Depreciation and Amortization for:					
Intangible Assets	2,370,270	259,193	-	-	2,629,463
Buildings	4,708,086	502,956	(4,293)	-	5,206,749
Infrastructure	32,783,801	3,500,823	-	-	36,284,624
Machinery and Equipment	1,017,287	59,224	-	-	1,076,511
Land Improvements	1,801,008	251,352	-	-	2,052,360
Total Accumulated Depreciation and Amortization	<u>42,680,452</u>	<u>4,573,548</u>	<u>(4,293)</u>	<u>-</u>	<u>47,249,707</u>
Total Capital Assets, Being Depreciated and Amortized, Net	<u>231,577,008</u>	<u>(3,175,963)</u>	<u>(9,707)</u>	<u>539,740</u>	<u>228,931,078</u>
<b>Business-Type Activities Capital Assets, Net</b>	<u>\$ 244,189,489</u>	<u>\$ (1,688,647)</u>	<u>\$ (9,707)</u>	<u>\$ -</u>	<u>\$ 242,491,135</u>

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

For the year ended June 30, 2014, depreciation and amortization expense on capital assets was charged as follows:

<b>Governmental Activities:</b>	
General Government	\$ 2,801,206
Public Safety	243,472
Community Development	1,661
Public Works	4,400,483
Parks and Recreation	1,331,308
Internal Service	1,036,721
	<hr/>
<b>Total Depreciation and Amortization Expense - Governmental Activities</b>	<b>\$ 9,814,851</b>
<b>Business-Type Activities:</b>	
Wastewater	\$ 1,489,389
Solid Waste	69,280
Water	2,978,385
Housing	36,494
	<hr/>
<b>Total Depreciation and Amortization Expense - Business-Type Activities</b>	<b>\$ 4,573,548</b>

**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 is amortizing 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 is amortizing 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 is amortizing the expense over 65 years.

- As of June 30, 1993, \$513,156 for the BUSD Gym located at Bristow Middle School.
- As of June 30, 2002, \$1,000,000 for the BUSD Gym located at Edna Hill Middle School.
- As of June 30, 2003, \$650,000 for the LUHSD Gym located at Liberty High School.
- As of June 30, 2005, \$95,000 for the LUHSD Ball Fields located at Liberty High School.
- As of June 30, 2005, \$2,500,000 for the LUHSD Community Pool and Gym located at Heritage High School.
- As of June 30, 2009, \$1,500,000 for the BUSD Gym located at Adams Middle School.

**NOTE #6 – LONG-TERM OBLIGATIONS**

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

**A. GOVERNMENTAL ACTIVITIES**

	Balance June 30, 2013	Additions	Payments Adjustments	Balance June 30, 2014	Amounts Due Within One Year
<b>Bonds</b>					
CIP 2012 Revenue Refunding Bonds	\$ 23,205,000	\$ -	\$ (865,000)	\$ 22,340,000	\$ 885,000
General Obligation Bonds Series 2002	6,513,998	282,290 <sup>(1)</sup>	(325,000)	6,471,288	360,000
2009 Civic Center Project Lease Revenue Bonds	47,375,000	-	(645,000)	46,730,000	665,000
Net Bond Premium	1,290,247	-	(66,492)	1,223,755	-
Total Bonds	<u>78,384,245</u>	<u>282,290</u>	<u>(1,901,492)</u>	<u>76,765,043</u>	<u>1,910,000</u>
<b>Capital Lease</b>					
Equipment	277,656	-	(277,656)	-	-
Total Capital Lease	<u>277,656</u>	<u>-</u>	<u>(277,656)</u>	<u>-</u>	<u>-</u>
<b>Other</b>					
Net OPEB Obligation	9,620,394	1,219,939	-	10,840,333	-
Accumulated Compensated Absences	1,259,425	1,407,429	(1,442,633)	1,224,221	734,533
Total Other	<u>10,879,819</u>	<u>2,627,368</u>	<u>(1,442,633)</u>	<u>12,064,554</u>	<u>734,533</u>
<b>Total General Long-Term Debt</b>	<u>\$ 89,541,720</u>	<u>\$ 2,909,658</u>	<u>\$ (3,621,781)</u>	<u>\$ 88,829,597</u>	<u>\$ 2,644,533</u>

(1) Accreted Interest



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

**i. Bonds**

• **CIP 2012 Revenue Refunding Bonds**

On January 11, 2012, the 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% to 5.25%, 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 Brentwood 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 DOF. As of June 30, 2014, the Successor Agency listed this debt obligation on its ROPS and the DOF has approved its inclusion for each applicable ROPS period through December 31, 2014. 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 \$24,397,520 remaining share of debt service on the bonds, which is scheduled to occur in 2032. For fiscal year 2013/14, gross tax revenue available to be distributed to the Successor Agency totaled \$5,548,659, which represented coverage of 4.06 times \$1,365,550 of the Successor Agency’s debt service. The remaining portion of the bonds is repayable from any source of the City’s available funds.

<b>Year Ending</b>				
<b>June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
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	965,000	949,063	1,914,063	
2019	1,020,000	898,163	1,918,163	
2020-2024	5,950,000	3,614,355	9,564,355	
2025-2029	7,075,000	1,946,237	9,021,237	
2030-2032	4,600,000	334,637	4,934,637	
<b>Total</b>	<b>\$ 22,340,000</b>	<b>\$ 10,795,394</b>	<b>\$ 33,135,394</b>	

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

- **General Obligation Bonds Series 2002**

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% to 5.68%, range from \$208,666 to \$925,000. The General Obligation Bonds Series 2002 shall accrete 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
2015	\$ 360,000	\$ 63,263	\$ 423,263
2016	400,000	44,363	444,363
2017	445,000	23,363	468,363
2018	208,907	281,093	490,000
2019	204,893	310,107	515,000
2020-2024	974,687	2,010,313	2,985,000
2025-2029	926,850	2,888,150	3,815,000
2030-2031	359,639	1,445,361	1,805,000
Sub-total	3,879,976	<u>\$ 7,066,013</u>	<u>\$ 10,945,989</u>
Accretion to date	2,591,312		
<b>Total</b>	<u>\$ 6,471,288</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 and new Senior Center, plus library improvements and other public capital improvements. Total annual debt service payments, including interest at 3.00% to 7.647% (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 a Trust Agreement. “Revenues” means all amounts received by the Trustee, U.S. Bank, as payment on principal and interest. The City’s revenue sources, as described in the Official Statement, are pledged payments from the Brentwood Redevelopment Agency (now Successor Agency) pursuant to the reimbursement agreement, pledged payments from the Community Facilities Districts (CFD) local

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

obligations and pledged payments from the Capital Improvement Financing Program (CIFP) revenues.

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 Brentwood 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 DOF. As of June 30, 2014, the Successor Agency listed this debt obligation on its ROPS and the DOF has approved its inclusion for each applicable ROPS period through December 31, 2014. 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.B. 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 was 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; 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% of the interest payable on the bonds, although this amount is subject to reduction due to the Federal budget sequestration. 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 2013/14 was \$1,039,080.

<b>Year Ending</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
<b>June 30</b>			
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	1,125,000	3,190,554	4,315,554
2019	1,170,000	3,119,868	4,289,868
2020-2024	6,610,000	14,400,750	21,010,750
2025-2029	8,230,000	11,816,786	20,046,786
2030-2034	10,440,000	8,325,519	18,765,519
2035-2039	13,300,000	3,815,088	17,115,088
2040	3,070,000	117,381	3,187,381
<b>Total</b>	<b>\$ 46,730,000</b>	<b>\$ 54,645,258</b>	<b>\$ 101,375,258</b>

**NOTE #6 – LONG-TERM OBLIGATIONS (Continued)****ii. Capital Leases**

On July 25, 2011, the City entered into a lease-to-purchase agreement with Motorola to purchase 150 installed Motorola police radios and accessories. The total lease amount was \$832,970, which included a lease rate of 3.27% over three years. The first and second lease-to-purchase payments of \$277,657 were made in August 2011 and August 2012, respectively. The final payment of \$277,656 was made August 15, 2013.

**iii. Net OPEB Obligation**

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.

**iv. Accumulated Compensated Absences**

The long-term compensated absences balances as of June 30, 2014 were:

Governmental	\$ 489,688
Business-Type	\$ 149,100

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

**B. BUSINESS-TYPE ACTIVITIES**

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Payments Adjustments</u>	<u>Balance June 30, 2014</u>	<u>Amounts Due Within One Year</u>
<b>Bonds</b>					
Water Revenue Bonds Series 2008	\$ 49,955,000	\$ -	\$ (1,200,000)	\$ 48,755,000	\$ 1,255,000
Net Bond Discount	(641,816)	-	25,335	(616,481)	-
Total Bonds	<u>49,313,184</u>	<u>-</u>	<u>(1,174,665)</u>	<u>48,138,519</u>	<u>1,255,000</u>
<b>Notes Payable</b>					
CCWD Water Connection Fee	7,382,250	105,768	(425,440)	7,062,578	-
State Water Resources Loan (Wastewater)	20,702,469	-	(1,907,594)	18,794,875	1,942,028
Total Notes Payable	<u>28,084,719</u>	<u>105,768</u>	<u>(2,333,034)</u>	<u>25,857,453</u>	<u>1,942,028</u>
<b>Other</b>					
Net OPEB Obligation	2,876,749	516,917	-	3,393,666	-
Accumulated Compensated Absences	345,119	511,399	(483,767)	372,751	223,651
Total Other	<u>3,221,868</u>	<u>1,028,316</u>	<u>(483,767)</u>	<u>3,766,417</u>	<u>223,651</u>
<b>Total All Business-Type Funds</b>	<u>\$ 80,619,771</u>	<u>\$ 1,134,084</u>	<u>\$ (3,991,466)</u>	<u>\$ 77,762,389</u>	<u>\$ 3,420,679</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 5.75%, due July 1, 2038. The balance at June 30, 2014 is \$48,755,000. Future payments for these bonds are as follows:

<b>Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	1,460,000	2,523,313	3,983,313
2019	1,545,000	2,439,363	3,984,363
2020-2024	9,120,000	10,802,775	19,922,775
2025-2029	9,825,000	8,114,374	17,939,374
2030-2034	11,270,000	5,338,149	16,608,149
2035-2038	11,575,000	1,710,337	13,285,337
<b>Total</b>	<b>\$ 48,755,000</b>	<b>\$ 38,921,525</b>	<b>\$ 87,676,525</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 \$87,676,525 at June 30, 2014. The Water Fund’s principal and interest paid for the current year was \$3,988,237 and the total customer net revenues received in the current year were \$7,022,448.

**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, 2014, was \$3,526 per connection, with an interest rate of 0% per annum, which increased the liability by \$105,768. 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 amended 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, \$138,520 was paid in fiscal year 2011/12, no fees were paid in fiscal year 2012/13 and \$425,440 was paid in fiscal year 2013/14. Forecasting the annual payments beyond 2013/14 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, 2014, the City’s gross repayment obligation totaled \$20,531,655 and is being reported in the accompanying financial statement net of the unamortized discount of \$1,736,780. During fiscal year 2013/14, the City repaid \$1,907,594 on the obligation and amortized \$373,701 of the discount which was reported as interest expense.

<b>Year Ending</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
<b>June 30</b>			
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	2,049,105	232,190	2,281,295
2019	2,086,093	195,202	2,281,295
2020-2023	8,727,793	397,387	9,125,180
<b>Total</b>	<b>\$ 18,794,875</b>	<b>\$ 1,736,780</b>	<b>\$ 20,531,655</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 of the Fiduciary funds section.

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**NOTE #7 – SPECIAL ASSESSMENT DISTRICTS (No City Liability) (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	\$ 24,306,000
<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	9,280,000
<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	12,907,000
<b>Brentwood Infrastructure Financing Authority - CIPF 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	34,155,000
<b>Brentwood Infrastructure Financing Authority - CIPF 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	14,745,000
<b>Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2006 A&amp;B (Refinancing of CIPF 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	30,735,000
<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	755,000
<b>Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2012 (Refinancing of CIPF'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	19,030,000
<b>Total Assessment District Debt</b>	<b>\$ 145,913,000</b>

**NOTE #8 – CLASSIFICATION OF NET POSITION**

In the Government-Wide Financial Statements, net position is classified in the following categories:

- Net Investment In Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. 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 Position – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments.
- Unrestricted Net Position – This category represents the net position of the City, which is 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 prior to October 1, 2010, are required to contribute 6% of their annual covered salary, with the City paying the remaining 2% plus an employer contribution of 16.607%. Miscellaneous Plan employees, hired after September 30, 2010, contribute their entire employee amount of 7% (lower due to a reduced benefit level) of their annual covered salary, with the City paying the employer contribution of 16.607%. Miscellaneous Plan employees, new to CalPERS and hired after December 31, 2012, contribute their entire employee amount of 6.25% (due to the Pension Reform Act of 2013 “PEPRA”, Assembly Bill 340) of their annual covered salary, with the City paying the employer contribution of 16.607%.

**NOTE #9 – DEFINED BENEFIT PENSION PLAN (Continued)**

Active plan members in the Safety Plan, hired prior to September 1, 2012, are required to contribute 6% of their annual covered salary, with the City paying the remaining 3% and an employer contribution of 28.340%. Safety Plan employees, hired after August 31, 2012, contribute the entire employee amount of 9% of their annual covered salary, with the City paying the employer contribution of 20.774%. Safety Plan employees, new to CalPERS and hired after December 31, 2012, contribute their entire employee amount of 11.5% (due to PEPR) of their annual covered salary, with the City paying the employer contribution of 11.5%.

**C. ANNUAL PENSION COST**

For fiscal year 2013/14, the City of Brentwood’s annual pension cost was \$4,908,728. This amount equals the City’s required and actual contributions. The required contribution for fiscal year 2013/14 was determined as part of the June 30, 2011 actuarial valuation using the entry age normal actuarial cost method, with the contributions determined as a percent of pay. The actuarial assumptions included: 1) 7.5% investment rate of return (net of administrative expenses), 2) projected salary increases, which vary by duration of service, age and type of employment, ranging from 3.3% to 14.2% and 3) payroll growth of 3.0%. Both 1) and 2) include an inflation component of 2.75%. 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 (UAAL) (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	Annual Pension	Percentage of APC	Net Pension
	Ending	Cost (APC)	Contributed	Obligation
	6/30/2012	\$ 3,690,704	100%	\$ -
	6/30/2013	\$ 3,399,080	100%	\$ -
	6/30/2014	\$ 3,057,058	100%	\$ -

Safety:	Fiscal Year	Annual Pension	Percentage of APC	Net Pension
	Ending	Cost (APC)	Contributed	Obligation
	6/30/2012	\$ 2,338,227	100%	\$ -
	6/30/2013	\$ 2,127,911	100%	\$ -
	6/30/2014	\$ 1,851,665	100%	\$ -

**NOTE #9 – DEFINED BENEFIT PENSION PLAN (Continued)**

**E. FUNDING STATUS**

As of the June 30, 2012 valuation date, the most recent available, the funded status of the Miscellaneous Plan is 81.8% and the Safety Plan is 84.1%. 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
6/30/2010	\$ 64,448,656	\$ 51,650,390	\$ 12,798,266	80.1%	\$ 15,595,846	82.1%
6/30/2011	\$ 70,784,681	\$ 57,629,887	\$ 13,154,794	81.4%	\$ 16,423,251	80.1%
6/30/2012	\$ 77,927,216	\$ 63,713,256	\$ 14,213,960	81.8%	\$ 15,793,396	90.0%

**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
6/30/2010	\$ 10,165,475,166	\$ 8,470,235,152	\$ 1,695,240,014	83.3%	\$ 955,980,815	177.3%
6/30/2011	\$ 10,951,745,049	\$ 9,135,654,246	\$ 1,816,090,803	83.4%	\$ 949,833,090	191.2%
6/30/2012	\$ 11,724,021,480	\$ 9,854,787,710	\$ 1,869,233,770	84.1%	\$ 947,734,809	197.2%

The City’s Safety Plan represents approximately 0.69%, 0.69% and 0.67% of the State-wide pool for the years ended June 30, 2012, 2011 and 2010, respectively, based on covered payroll of \$6,574,740, \$6,554,902 and \$6,421,737 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 (MPA). MPA 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 MPA for the following: Liability (\$29 million coverage, \$10,000 deductible); Employer’s Resource Management Association (ERMA) (\$2 million coverage, \$50,000 deductible on employment claims); Fire and Property (\$1 billion coverage, \$25,000 deductible for all-risk and copper claims, \$150,000 deductible for water claims); 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 million coverage, \$50,000 deductible); Government Crime (\$1 million coverage, \$10,000 deductible); Public Entity Pollution (\$1 million coverage, \$100,000 deductible); Boiler and Machinery (\$25 million coverage, \$5,000 deductible) and Workers Compensation (coverage to the statutory limit, \$0 deductible). The agreement provides that MPA will be self-sustaining through member premiums and assessments. MPA purchases commercial insurance in excess of those amounts covered by its self-insurance pool.

MPA 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, 2014 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 MPA 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. 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

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

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.

The first tier, for employees who retire prior to July 1, 2012, provides for a maximum monthly coverage amount of \$1,485.44 for miscellaneous retirees and \$1,491.41 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 \$1,326.63 for miscellaneous retirees and \$1,485.44 for safety retirees. There will be no future increases in the maximum coverage amount for miscellaneous retirees until the Kaiser employee-only monthly medical insurance rate exceeds \$1,326.63. 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 \$119 per month. This amount is set annually by PEMHCA.

Currently 98 retirees, 76 of whom are in Tier 1 and 22 of whom are in Tier 2, are receiving these benefits. During fiscal year 2013/14, expenditures of \$1,143,550, and pre-funding contributions of \$926,471, 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

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

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 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 \$2,697,548. 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 2013/14, the City paid \$1,143,550 for pay-as-you-go retiree healthcare Plan benefits and \$926,471 to pre-fund future Plan benefits.

GAAP permits assets to be treated as OPEB assets and deducted from the Actuarial Accrued Liability (AAL) when such assets are placed in an irrevocable trust or equivalent arrangement. The City’s current year contributions, along with investment income, resulted in assets with CERBT of \$3,226,989 as of June 30, 2014, which partially reduced the UAAL. 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, 2013, 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	\$ 4,223,000
Interest on Net OPEB Obligation	691,000
Adjustment to Annual Required Contribution	<u>(1,107,123)</u>
Annual OPEB Cost (Expense)	3,806,877
Contributions (Benefit Payments)	1,143,550
Contributions (Trust Pre-Funding)	<u>926,471</u>
Increase in Net OPEB Obligation	1,736,856
Net OPEB Obligation – July 1, 2013	<u>12,497,143</u>
Net OPEB Obligation – June 30, 2014	<u><u>\$ 14,233,999</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>
6/30/2012	\$ 4,150,000	38.6%	\$ 10,513,643
6/30/2013	\$ 3,652,500	45.7%	\$ 12,497,143
6/30/2014	\$ 3,806,877	54.4%	\$ 14,233,999

As of June 30, 2012 and 2013 the Successor Agency was obligated for \$5,857 in OPEB obligations. The Successor Agency satisfied this obligation during the 2013/14 fiscal year. Neither the obligation nor the payment amounts are included in the table above and on page 81.

**D. FUNDING STATUS AND FUNDING PROGRESS**

The funded status of the Plan as of June 30, 2013, the Plan’s most recent actuarial valuation date, is as follows:

Actuarial Accrued Liability	\$ 34,494,000
Actuarial Value of Plan Assets	<u>1,892,000</u>
Unfunded Actuarial Accrued Liability	\$ 32,602,000
Funded Ratio	
(Actuarial Value of Plan Assets/Actuarial Accrued Liability)	5%
Covered Payroll (Active Plan Members)	\$ 23,621,000
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll	138%

**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, 2013 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included select and ultimate investment rates of return equal to 5.53% for the 2013/14 fiscal year and increasing annually to 6.76% over four 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 CERBT and an assumed 4.00% 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 8.00% for Health Maintenance Organizations (HMOs) and 8.30% for Preferred Provider Organizations (PPOs) for 2015 premiums over 2014 premiums, both grading down to 5.00% annual increases for calendar year 2021 and thereafter. The payroll and the general inflation assumptions are a 3.25% and 3.00% annual increase, respectively. The UAAL is being amortized as a level percentage of projected payrolls over 25 years on a closed basis, from June 30, 2013.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded Actuarial Accrued Liability As a % of Covered Payroll ((b-a)/c)
6/30/2010	\$ -	\$ 30,282,000	\$ 30,282,000	0.00%	\$ 22,246,000	136%
6/30/2011	\$ 322,000	\$ 29,350,000	\$ 29,028,000	1.10%	\$ 21,848,000	133%
6/30/2013	\$ 1,892,000	\$ 34,494,000	\$ 32,602,000	5.49%	\$ 23,621,000	138%

**NOTE #12 – BRENTWOOD REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES****A. REDEVELOPMENT AGENCY DISSOLUTION**

In an effort to balance its budget, the State of California adopted ABx1 26 on June 28, 2011, amended by AB 1484 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 AB 1484 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 conducted its review of asset transfers beginning in September 2013, but the results of that review are not yet available.

Effective February 1, 2012, the Brentwood Redevelopment Agency was dissolved and certain assets of the Brentwood Redevelopment Agency Low and Moderate Income Housing Fund were distributed to a Housing Successor, and all remaining Brentwood 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. The City also elected to become the Successor Agency to the Brentwood Redevelopment Agency and on February 1, 2012 the Brentwood Redevelopment Agency's remaining assets were distributed to, and liabilities were assumed by, the Successor Agency. ABx1 26 required 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 Brentwood 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 Brentwood 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 Brentwood Redevelopment Agency.

As of June 30, 2014, 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. Information presented in the following sections of Note #12 represent other assets and liabilities of the Successor Agency as of June 30, 2014.

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

**B. LONG-TERM OBLIGATIONS**

The Successor Agency assumed the long-term obligations of the former Brentwood Redevelopment Agency as of February 1, 2012. The following summarizes the long-term obligations of the Successor Agency as of June 30, 2014.

	Balance June 30, 2013	Additions	Payments Adjustments	Balance June 30, 2014	Amounts Due Within One Year
CIP 2012 Revenue Refunding Bonds	\$ 16,630,000	\$ -	\$ (550,000)	\$ 16,080,000	\$ 575,000
2009 Civic Center Project Lease Revenue Bonds	12,467,105	-	(169,737)	12,297,368	175,000
Net OPEB Obligation	5,857	-	(5,857)	-	-
Accumulated Compensated Absences	3,285	-	(3,285)	-	-
<b>Total</b>	<b>\$ 29,106,247</b>	<b>\$ -</b>	<b>\$ (728,879)</b>	<b>\$ 28,377,368</b>	<b>\$ 750,000</b>

**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 Brentwood Redevelopment Agency pledged future tax increment revenues, less amounts required to be set aside in the Redevelopment Agency Low Income Housing Fund, for the repayment of the Tax Allocation Bonds. On January 11, 2012, the 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 4.25% to 5.375%, 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 Brentwood 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 DOF. The Successor Agency listed this debt obligation on its ROPS and the DOF has approved its inclusion for each applicable ROPS period through December 31, 2014. The City has recorded a receivable for the debt obligations of the Successor Agency, as detailed in Note #4. The pledge of future Successor Agency tax revenues ends upon repayment of the Successor Agency’s \$24,397,519 remaining share of debt service on the bonds, which is scheduled to occur in 2032.

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

- **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, a new Community Center, a new Senior Center, plus library improvements and other public capital improvements. The Brentwood Redevelopment Agency entered into a reimbursement agreement with the Authority which indicates the Brentwood Redevelopment Agency will pay a proportionate amount of the City's base rental payments for specific and allowable projects the Brentwood Redevelopment Agency has agreed to fund. The Civic Center Project Lease Revenue Bonds generated \$12,631,578 for allowable Brentwood Redevelopment Agency projects.

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 Brentwood 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 DOF. As of June 30, 2014, the Successor Agency listed this debt obligation on its ROPS and the DOF has approved its inclusion for each applicable ROPS period through December 31, 2014. The City has recorded a receivable for the debt obligations of the Successor Agency, as detailed in Note #4. The pledge of future tax revenues ends upon repayment of the Successor Agency's \$26,677,700 remaining share of debt service on the bonds. The repayment of the debt service is scheduled to occur in 2040.

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

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

<b>Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	951,053	1,545,420	2,496,473
2019	997,895	1,491,899	2,489,794
2020-2024	5,769,474	6,545,834	12,315,308
2025-2029	7,320,789	4,717,055	12,037,844
2030-2034	6,497,367	2,478,176	8,975,543
2035-2039	3,500,000	1,003,971	4,503,971
2040	807,895	30,890	838,785
<b>Total Payments Due</b>	<b>\$ 28,377,368</b>	<b>\$ 22,697,851</b>	<b>\$ 51,075,219</b>

**ii. Net OPEB Obligation**

During the 2013/14 fiscal year, the Successor Agency satisfied its remaining Net OPEB obligation by making a payment of \$5,857 to the CERBT Trust.

**iii. Accumulated Compensated Absences**

During the 2013/14, fiscal year the Successor Agency satisfied its remaining Compensated Absences obligation by making a payment of \$3,285 to the City.

**NOTE #12 – BRENTWOOD REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES***(Continued)***C. PLEDGED REVENUES**

As discussed above, the Successor 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 \$51,075,219 remaining debt service on the bonds, which is scheduled to occur in 2040. With the dissolution of the Brentwood Redevelopment Agency discussed above, tax increment is no longer distributed. Instead, the Successor Agency receives payments from Contra Costa County's Redevelopment Property Tax Trust Fund which are to be used to fund debt service on the bonds, with no distinction between housing and non-housing revenues. For fiscal year 2013/14, gross tax increment available to be distributed to the Successor Agency was \$5,548,659, which represents coverage of 230% of the fiscal year 2013/14 debt service requirements.

**D. 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 DOF. Although the DOF 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 DOF cannot be determined at this time. The City is currently in litigation with the DOF regarding items on the ROPS. Refer to Note #14 for additional information.

**ii. State Asset Transfer Review**

The activities of the former Brentwood 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 Brentwood 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.

The Successor Agency was also required to engage a licensed accountant to perform a Low and Moderate Income Housing Fund Due Diligence Review (DDR) and a separate DDR covering all funds other than the Low and Moderate Income Housing Fund. The Successor Agency submitted the Low and Moderate Income Housing Fund DDR to the DOF in December 2012 to determine the amount of cash and

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

cash equivalents available for distribution to the affected taxing agencies. The DOF determined the Successor Agency's Low and Moderate Income Housing Fund balance available for distribution was \$4,072,553. This amount was remitted to the County in FY 2012/13.

The Successor Agency submitted the DDR covering all funds other than the Low and Moderate Income Housing Fund to DOF in January 2013. The DOF has determined that certain transfers disclosed in the DDR were invalid and the City disagrees with the findings of the DOF. The City is currently in litigation with the DOF regarding these disputed transfers. Refer to Note #14 for additional information.

**iii. Construction Funding Commitments**

As of June 30, 2014, the Successor Agency has committed funding totaling \$2,284,603 to the City of Brentwood for the completion of several projects. This amount is recognized by the Successor Agency as payable to the City for funds spent on projects. The commitment of these funds was approved by the Brentwood Oversight Board and the funds are included on the Successor Agency's ROPS, although future payments are the subject of the litigation discussed in Note #14.

**E. NET POSITION RESTATEMENT**

The Successor Agency has determined the amount due to the City of Brentwood for authorized capital projects was understated by \$160,855. This amount has therefore been subtracted from the beginning net position in the Fiduciary Statement of Net Position. The effect of the restatement on the beginning balance decreased the Fiduciary net position by \$160,855. This adjustment does not impact the net position of the City.

**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, 2014 which is likely to have a material adverse effect on the financial position of the City with the possible exception of current litigation against the DOF. On July 17, 2013, the City and Successor Agency filed suit against the DOF. On April 2, 2014 the Court ruled against the City and Successor Agency, although the City and Successor Agency believe in the merits of the case and appealed the decision. Refer to Note #14 - Subsequent Events, for additional information.



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

**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, 2014, was \$16,536,392, after a total of \$4,910,834 was used as credits during fiscal year 2013/14. 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, 2014, the City had several commitments with respect to unfinished capital projects. The Successor Agency has committed funding totaling \$3,462,355 to the City of Brentwood for the completion of those projects and, as of June 30, 2014, has made payments of \$1,177,752. As of June 30, 2014, the City recognized \$2,284,603 of this as a receivable from the Successor Agency, offset with deferred inflows of resources, for project costs which have thus far been incurred. The commitment of these funds was approved by the Brentwood Oversight Board and the funds were included on the Successor Agency’s ROPS, although future payments are the subject of the litigation discussed in Note #14. Payment for these commitments began in fiscal year 2012/13.

As of June 30, 2014, the City had the following commitments with respect to unfinished major capital projects:

<u>Project Name</u>	<u>Outstanding Commitments</u>
Brentwood Blvd. Median Landscaping Improvements	\$ 1,360,802
Citywide Park Shade Improvements	123,057
Civic Center FOB Security System	246,251
Library Relocation - Phase II	147,997
Solid Waste Transfer Station Expansion	860,954
<b>Total</b>	<u>\$ 2,739,061</u>

**NOTE #14 – SUBSEQUENT EVENTS****A. REDEVELOPMENT AGENCY LITIGATION**

In April 2013, the DOF informed the City it had denied \$19,619,350 in transfers made from the former Brentwood Redevelopment Agency to the City prior to the State of California's dissolution of redevelopment agencies. The transfers were made in accordance with third party contractual obligations entered into for the construction of five capital projects which had all commenced construction by 2011. Of the payment denied by DOF, \$4,216,474 consisted of bond proceeds and/or investment income earned on the bond proceeds. The DOF also disallowed the transfer of nine parcels from the Brentwood Redevelopment Agency to the City.

In May 2013, following a meet and confer session between the DOF and the City, the DOF reaffirmed its denial of the above transfers and ordered the City to return \$4,216,474 in bond proceeds to the Successor Agency and remit \$14,955,931 to the County Auditor-Controller for distribution to applicable taxing entities. The amounts required to be remitted to the County Auditor-Controller and Successor Agency were less than the total denial amount of the transfers as a result of a previously calculated negative balance available for distribution through the DDR process.

The City and Successor Agency filed suit against the DOF claiming, among other things: 1) the DOF's DDR determination violates California Proposition 22 which prohibits the Legislature from reallocating tax increment; 2) the transfers made by the former Brentwood Redevelopment Agency were legally valid at the time they were made and were for enforceable obligations and third party contracts; 3) the transfers were made for the payment for goods and services which are broadly exempted from reversal as defined in California Health and Safety Code Section 34179.5(b)(3); 4) the DOF's enforcement of its final determination is unconstitutional; 5) the property transfers are not subject to the DDR process because they were not transferred with the meaning of California Health and Safety Code Section 34179.5(b)(3) and 6) the property transfers were valid transfers.

On April 2, 2014, the Court ruled against the City and Successor Agency on the cash transfers, but did not rule on the legality of the property transfers. The City and Successor Agency believe in the merits of the case and have appealed the decision. A decision concerning the disputed funds is expected in mid-2015. There has not been a final judicial or administrative determination regarding the legality of the retroactive provisions of ABx1 26 and AB 1484. The amount, if any, of assets that may be required to be returned to the Successor Agency and/or remitted to the County Auditor-Controller cannot be determined at this time.

**B. BOND REFINANCE**

On October 14, 2014, the Brentwood Infrastructure Financing Authority issued a total of \$74,400,000 of Infrastructure Revenue Refunding Bonds, Series 2014A and Subordinated Series 2014B. The proceeds will be used to refinance the existing 2004A and Subordinated Series 2004B Bonds; Series 2004C Bonds; Assessment District 2005-1 Bonds and Assessment District 2006-1 Bonds. The savings generated from

**NOTE #14 – SUBSEQUENT EVENTS (Continued)**

the refinance will be split between the property owners and the City. The savings received by the City will be restricted for future Capital Improvements.

These bonds are Special Assessment District Bonds, issued pursuant to the Municipal Improvement Act of 1915, and are not reported in the long-term debt obligations of the City. 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, 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 as described in Note #7.

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**Budgetary Comparison Schedule, General Fund**  
*For Year Ended June 30, 2014*

	Budget Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 14,387,542	\$ 14,745,667	\$ 15,499,584	\$ 753,917
Licenses	528,575	528,575	618,161	89,586
Permits and Fines	2,904,674	3,408,419	5,920,923	2,512,504
Uses of Money and Property	738,171	399,608	466,987	67,379
Intergovernmental	2,669,896	2,920,571	2,859,541	(61,030)
Franchises	1,348,630	1,290,680	1,321,089	30,409
Charges for Other Services	315,901	315,901	381,111	65,210
Charges to Other Funds	7,019,785	7,521,785	6,577,548	(944,237)
Fees and Other Revenues	1,837,156	1,775,385	1,643,099	(132,286)
<b>Total Revenues</b>	<b>31,750,330</b>	<b>32,906,591</b>	<b>35,288,043</b>	<b>2,381,452</b>
<b>EXPENDITURES</b>				
Current:				
General Government	6,101,137	6,306,986	5,411,219	895,767
Public Safety	17,358,905	17,599,663	16,808,923	790,740
Community Development	3,590,401	4,279,971	4,038,207	241,764
Engineering	2,716,658	2,757,014	2,620,029	136,985
Public Works	2,829,921	2,872,351	2,687,875	184,476
Parks and Recreation	5,089,761	5,229,570	4,987,381	242,189
Community Services	571,077	571,455	565,327	6,128
<b>Total Expenditures</b>	<b>38,257,860</b>	<b>39,617,010</b>	<b>37,118,961</b>	<b>2,498,049</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(6,507,530)</b>	<b>(6,710,419)</b>	<b>(1,830,918)</b>	<b>4,879,501</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	7,914,760	6,735,941	6,853,029	117,088
Transfers Out	(1,870,033)	(5,917,303)	(5,917,303)	-
<b>Total Other Financing Sources (Uses)</b>	<b>6,044,727</b>	<b>818,638</b>	<b>935,726</b>	<b>117,088</b>
<b>Net Change in Fund Balances</b>	<b>\$ (462,803)</b>	<b>\$ (5,891,781)</b>	<b>(895,192)</b>	<b>\$ 4,996,589</b>
<b>Fund Balance, Beginning of Year</b>			<b>18,034,685</b>	
<b>Fund Balance, End of Year</b>			<b>\$ 17,139,493</b>	

**NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION**

Budgets for governmental funds are prepared in accordance with Generally Accepted Accounting Principles 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 four expenditure categories: personnel services, supplies and services, internal service 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 that is committed to delivering excellent public services that meet the needs of the community by continually striving to meet the following goals:

- *Deliver Excellent Public Services*
- *Enhance Community and Neighborhood Improvement*
- *Ensure Long-term Financial Stability and Sustainability*
- *Promote Economic and Community Development*
- *Provide for Effective Transportation and Infrastructure*
- *Provide for the Public's Safety*

**City of Brentwood**

***Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2014***

**Special Revenue Funds**

	<b>Roadway Facility Fee</b>	<b>Gas Tax</b>	<b>SB 1186 Disability Access</b>	<b>Police Grants</b>	<b>Other Grants</b>	<b>Citywide Park Assessment District</b>	<b>Community Facilities Districts</b>
<b>ASSETS</b>							
Current Assets:							
Cash and Investments	\$ 4,392,917	\$ 121,859	\$ 6,714	\$ 197,330	\$ -	\$ 445,574	\$ 192,961
Restricted Cash and Investments	-	-	-	-	-	-	-
Receivables	112	7	-	22,311	11,848	20	23,690
Prepays	-	-	-	-	-	845	-
Due from Other Funds	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-
Non-Current Assets:							
Interfund Advance Receivable	97,069	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 4,490,098</b>	<b>\$ 121,866</b>	<b>\$ 6,714</b>	<b>\$ 219,641</b>	<b>\$ 11,848</b>	<b>\$ 446,439</b>	<b>\$ 216,651</b>
<b>LIABILITIES</b>							
Liabilities:							
Accounts Payable and Accrued Liabilities	\$ 1,617	\$ -	\$ 414	\$ 31,029	\$ -	\$ 253,194	\$ 29
Due to Other Funds	-	-	-	-	4,887	-	-
Non-Current Liabilities Due in More Than One Year:							
Interfund Advance Payable	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>1,617</b>	<b>-</b>	<b>414</b>	<b>31,029</b>	<b>4,887</b>	<b>253,194</b>	<b>29</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable Revenue - Accounts Receivable	-	-	-	-	11,848	-	-
Unavailable Revenue - Interfund Advance Receivable	97,069	-	-	-	-	-	-
Unavailable Revenue - Loans Receivable	-	-	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>97,069</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,848</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	845	-
Restricted	-	121,866	6,300	188,612	-	-	-
Committed	4,391,412	-	-	-	-	192,400	216,622
Unassigned	-	-	-	-	(4,887)	-	-
<b>Total Fund Balances</b>	<b>4,391,412</b>	<b>121,866</b>	<b>6,300</b>	<b>188,612</b>	<b>(4,887)</b>	<b>193,245</b>	<b>216,622</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 4,490,098</b>	<b>\$ 121,866</b>	<b>\$ 6,714</b>	<b>\$ 219,641</b>	<b>\$ 11,848</b>	<b>\$ 446,439</b>	<b>\$ 216,651</b>

*Continued*

**City of Brentwood**

**Combining Balance Sheet**  
**Non-Major Governmental Funds (Continued)**  
 June 30, 2014

**Special Revenue Funds (Continued)**

	<b>Community Facility Fee</b>	<b>Abandoned Vehicle Abatement</b>	<b>Infrastructure Improvements</b>	<b>City Low Income Housing</b>	<b>PEG Media</b>	<b>Asset Forfeiture</b>	<b>Measure C/J</b>
<b>ASSETS</b>							
Current Assets:							
Cash and Investments	\$ 1,502,246	\$ 128,379	\$ 6,044	\$ 64,028	\$ 817,077	\$ 37,828	\$ 31,820
Restricted Cash and Investments	-	-	-	-	-	-	-
Receivables	35	3	-	4,743,220	23	1	4
Prepays	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	1,040,359	-	-	-
Non-Current Assets:							
Interfund Advance Receivable	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,502,281</b>	<b>\$ 128,382</b>	<b>\$ 6,044</b>	<b>\$ 5,847,607</b>	<b>\$ 817,100</b>	<b>\$ 37,829</b>	<b>\$ 31,824</b>
<b>LIABILITIES</b>							
Liabilities:							
Accounts Payable and Accrued Liabilities	\$ 1,277	\$ 21	\$ 1	\$ 12	\$ 151	\$ 96	\$ 20
Due to Other Funds	-	-	-	-	-	-	-
Non-Current Liabilities Due in More Than One Year:							
Interfund Advance Payable	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>1,277</b>	<b>21</b>	<b>1</b>	<b>12</b>	<b>151</b>	<b>96</b>	<b>20</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable Revenue - Accounts Receivable	-	-	-	-	-	-	-
Unavailable Revenue - Interfund Advance Receivable	-	-	-	-	-	-	-
Unavailable Revenue - Loans Receivable	-	-	-	4,743,218	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,743,218</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	1,104,377	816,949	37,733	31,804
Committed	1,501,004	128,361	6,043	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>1,501,004</b>	<b>128,361</b>	<b>6,043</b>	<b>1,104,377</b>	<b>816,949</b>	<b>37,733</b>	<b>31,804</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 1,502,281</b>	<b>\$ 128,382</b>	<b>\$ 6,044</b>	<b>\$ 5,847,607</b>	<b>\$ 817,100</b>	<b>\$ 37,829</b>	<b>\$ 31,824</b>

*Continued*

**City of Brentwood**

**Combining Balance Sheet**  
**Non-Major Governmental Funds (Continued)**  
 June 30, 2014

**Special Revenue Funds (Continued)**

	<b>Facility Fee Administration</b>	<b>Parks Advertising</b>	<b>Parks and Trails Facility Fee</b>	<b>Agriculture Administration</b>	<b>Public Art Administration</b>	<b>Public Art Acquisition</b>	<b>Arts Commission</b>
<b>ASSETS</b>							
Current Assets:							
Cash and Investments	\$ 448,535	\$ 63,640	\$ -	\$ 498,783	\$ 249,400	\$ 1,017,367	\$ 5,089
Restricted Cash and Investments	-	-	-	-	-	-	-
Receivables	11	2,282	-	14	7	27	-
Prepays	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-
Non-Current Assets:							
Interfund Advance Receivable	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 448,546</b>	<b>\$ 65,922</b>	<b>\$ -</b>	<b>\$ 498,797</b>	<b>\$ 249,407</b>	<b>\$ 1,017,394</b>	<b>\$ 5,089</b>
<b>LIABILITIES</b>							
Liabilities:							
Accounts Payable and Accrued Liabilities	\$ 78	\$ 24	\$ 146	\$ 93	\$ 42	\$ 176	\$ 1
Due to Other Funds	-	-	-	-	-	-	-
Non-Current Liabilities Due in More Than One Year:							
Interfund Advance Payable	-	-	2,177,752	-	-	-	-
<b>Total Liabilities</b>	<b>78</b>	<b>24</b>	<b>2,177,898</b>	<b>93</b>	<b>42</b>	<b>176</b>	<b>1</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable Revenue - Accounts Receivable	-	-	-	-	-	-	-
Unavailable Revenue - Interfund Advance Receivable	-	-	-	-	-	-	-
Unavailable Revenue - Loans Receivable	-	-	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	448,468	-	-	498,704	249,365	1,017,218	5,088
Committed	-	65,898	-	-	-	-	-
Unassigned	-	-	(2,177,898)	-	-	-	-
<b>Total Fund Balances</b>	<b>448,468</b>	<b>65,898</b>	<b>(2,177,898)</b>	<b>498,704</b>	<b>249,365</b>	<b>1,017,218</b>	<b>5,088</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 448,546</b>	<b>\$ 65,922</b>	<b>\$ -</b>	<b>\$ 498,797</b>	<b>\$ 249,407</b>	<b>\$ 1,017,394</b>	<b>\$ 5,089</b>

*Continued*



**City of Brentwood**

**Combining Balance Sheet**  
**Non-Major Governmental Funds (Continued)**  
 June 30, 2014

	Special Revenue Funds (Continued)				Debt Service	Capital Project Funds		
	Fire Facility Fee	Agriculture Land	Parking In-Lieu	Landscape and Lighting Assessment Districts	Funds General Obligation Bonds Series 2002	Capital Improvement Financing Program 2005-1	Capital Improvement Financing Program 2006-1	Civic Center Capital Improvement Financing Program
<b>ASSETS</b>								
Current Assets:								
Cash and Investments	\$ 3,416,738	\$ 627,524	\$ 27,457	\$ 4,606,579	\$ 61,103	\$ -	\$ -	\$ 1,390,565
Restricted Cash and Investments	-	-	-	-	-	4,490,342	2,581,048	-
Receivables	93	17	1	22,884	8	-	-	38
Prepays	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-
Non-Current Assets:								
Interfund Advance Receivable	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 3,416,831</b>	<b>\$ 627,541</b>	<b>\$ 27,458</b>	<b>\$ 4,629,463</b>	<b>\$ 61,111</b>	<b>\$ 4,490,342</b>	<b>\$ 2,581,048</b>	<b>\$ 1,390,603</b>
<b>LIABILITIES</b>								
Liabilities:								
Accounts Payable and Accrued Liabilities	\$ 639	\$ 503	\$ 5	\$ 557,144	\$ 48	\$ -	\$ -	\$ 328
Due to Other Funds	-	-	-	-	-	-	-	-
Non-Current Liabilities Due in More Than One Year:								
Interfund Advance Payable	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>639</b>	<b>503</b>	<b>5</b>	<b>557,144</b>	<b>48</b>	<b>-</b>	<b>-</b>	<b>328</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable Revenue - Accounts Receivable	-	-	-	9,801	-	-	-	-
Unavailable Revenue - Interfund Advance Receivable	-	-	-	-	-	-	-	-
Unavailable Revenue - Loans Receivable	-	-	-	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,801</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	3,416,192	627,038	27,453	4,062,518	61,063	4,490,342	2,581,048	1,390,275
Committed	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>3,416,192</b>	<b>627,038</b>	<b>27,453</b>	<b>4,062,518</b>	<b>61,063</b>	<b>4,490,342</b>	<b>2,581,048</b>	<b>1,390,275</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 3,416,831</b>	<b>\$ 627,541</b>	<b>\$ 27,458</b>	<b>\$ 4,629,463</b>	<b>\$ 61,111</b>	<b>\$ 4,490,342</b>	<b>\$ 2,581,048</b>	<b>\$ 1,390,603</b>

Continued

**City of Brentwood**

**Combining Balance Sheet**  
**Non-Major Governmental Funds (Continued)**  
 June 30, 2014

**Capital Project Funds (Continued)**

	<b>Civic Center Project Lease Revenue Bond Acquisition</b>	<b>Community Facilities Improvements</b>	<b>Parks and Trails Improvements</b>	<b>Drainage Improvements</b>	<b>Roadway Improvements</b>	<b>Economic Infrastructure Projects</b>	<b>Vineyards Projects</b>	<b>Total Non-Major Governmental Funds</b>
<b>ASSETS</b>								
Current Assets:								
Cash and Investments	\$ -	\$ 1,401,545	\$ 264,100	\$ 37,414	\$ 3,988,609	\$ 6,278,475	\$ 2,055,491	\$ 34,383,191
Restricted Cash and Investments	7,736,565	-	-	-	-	-	-	14,807,955
Receivables	210	1,499,913	784,825	1	19,564	171	56	7,131,396
Prepays	-	-	-	-	-	-	-	845
Due from Other Funds	-	4,887	-	-	-	-	-	4,887
Land Held for Resale	-	-	-	-	-	-	-	1,040,359
Non-Current Assets:								
Interfund Advance Receivable	-	2,177,752	-	-	-	-	-	2,274,821
<b>Total Assets</b>	<b>\$ 7,736,775</b>	<b>\$ 5,084,097</b>	<b>\$ 1,048,925</b>	<b>\$ 37,415</b>	<b>\$ 4,008,173</b>	<b>\$ 6,278,646</b>	<b>\$ 2,055,547</b>	<b>\$ 59,643,454</b>
<b>LIABILITIES</b>								
Liabilities:								
Accounts Payable and Accrued Liabilities	\$ 1,348	\$ 123,022	\$ 89,318	\$ 37,414	\$ 955,942	\$ 1,199	\$ 371	\$ 2,055,702
Due to Other Funds	-	-	784,825	-	-	-	-	789,712
Non-Current Liabilities Due in More Than One Year:								
Interfund Advance Payable	-	-	-	-	-	-	-	2,177,752
<b>Total Liabilities</b>	<b>1,348</b>	<b>123,022</b>	<b>874,143</b>	<b>37,414</b>	<b>955,942</b>	<b>1,199</b>	<b>371</b>	<b>5,023,166</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable Revenue - Accounts Receivable	-	-	-	-	-	-	-	21,649
Unavailable Revenue - Interfund Advance Receivable	-	-	-	-	-	-	-	97,069
Unavailable Revenue - Loans Receivable	-	1,499,778	784,825	-	-	-	-	7,027,821
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>1,499,778</b>	<b>784,825</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,146,539</b>
<b>FUND BALANCES</b>								
Nonspendable	-	-	-	-	-	-	-	845
Restricted	7,735,427	3,461,297	-	1	3,052,231	6,277,447	2,055,176	43,763,992
Committed	-	-	-	-	-	-	-	6,501,740
Unassigned	-	-	(610,043)	-	-	-	-	(2,792,828)
<b>Total Fund Balances</b>	<b>7,735,427</b>	<b>3,461,297</b>	<b>(610,043)</b>	<b>1</b>	<b>3,052,231</b>	<b>6,277,447</b>	<b>2,055,176</b>	<b>47,473,749</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 7,736,775</b>	<b>\$ 5,084,097</b>	<b>\$ 1,048,925</b>	<b>\$ 37,415</b>	<b>\$ 4,008,173</b>	<b>\$ 6,278,646</b>	<b>\$ 2,055,547</b>	<b>\$ 59,643,454</b>



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**City of Brentwood**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For Year Ended June 30, 2014**

**Special Revenue Funds**

	<b>Roadway Facility Fee</b>	<b>Gas Tax</b>	<b>SB 1186 Disability Access</b>	<b>Police Grants</b>	<b>Other Grants</b>	<b>Citywide Park Assessment District</b>	<b>Community Facilities Districts</b>
<b>REVENUES</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,858,571	\$ -
Uses of Money and Property	40,726	2,478	57	2,027	-	5,990	1,250
Intergovernmental	-	1,613,703	-	144,407	-	-	-
Fees and Other Revenues	3,703,673	-	4,128	-	-	50,446	3,588,183
<b>Total Revenues</b>	<b>3,744,399</b>	<b>1,616,181</b>	<b>4,185</b>	<b>146,434</b>	<b>-</b>	<b>1,915,007</b>	<b>3,589,433</b>
<b>EXPENDITURES</b>							
Current:							
General Government	2,676,132	-	108	-	6,579	-	-
Public Safety	-	-	-	131,261	-	-	-
Community Development	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	2,789,349	-
Community Services	-	-	-	-	-	-	30,601
Capital Outlay	-	-	-	-	-	-	-
Debt Service:							
Principal	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>2,676,132</b>	<b>-</b>	<b>108</b>	<b>131,261</b>	<b>6,579</b>	<b>2,789,349</b>	<b>30,601</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,068,267</b>	<b>1,616,181</b>	<b>4,077</b>	<b>15,173</b>	<b>(6,579)</b>	<b>(874,342)</b>	<b>3,558,832</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	643,741	-	-	-	-	750,998	1,681,131
Transfers Out	(968,899)	(1,494,323)	-	-	-	-	(5,152,487)
<b>Total Other Financing Sources (Uses)</b>	<b>(325,158)</b>	<b>(1,494,323)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>750,998</b>	<b>(3,471,356)</b>
<b>Net Change in Fund Balances</b>	<b>743,109</b>	<b>121,858</b>	<b>4,077</b>	<b>15,173</b>	<b>(6,579)</b>	<b>(123,344)</b>	<b>87,476</b>
<b>Fund Balance, Beginning of Year</b>	<b>3,648,303</b>	<b>8</b>	<b>2,223</b>	<b>173,439</b>	<b>1,692</b>	<b>316,589</b>	<b>129,146</b>
<b>Fund Balance, End of Year</b>	<b>\$ 4,391,412</b>	<b>\$ 121,866</b>	<b>\$ 6,300</b>	<b>\$ 188,612</b>	<b>\$ (4,887)</b>	<b>\$ 193,245</b>	<b>\$ 216,622</b>

*Continued*

**City of Brentwood**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds (Continued)**  
**For Year Ended June 30, 2014**

**Special Revenue Funds (Continued)**

	<b>Community Facility Fee</b>	<b>Abandoned Vehicle Abatement</b>	<b>Infrastructure Improvements</b>	<b>City Low Income Housing</b>	<b>PEG Media</b>	<b>Asset Forfeiture</b>	<b>Measure C/J</b>
<b>REVENUES</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	11,750	1,166	61	703	8,324	489	1,655
Intergovernmental	-	-	-	-	-	-	752,210
Fees and Other Revenues	1,503,082	116,413	-	-	-	3,460	-
<b>Total Revenues</b>	<b>1,514,832</b>	<b>117,579</b>	<b>61</b>	<b>703</b>	<b>8,324</b>	<b>3,949</b>	<b>753,865</b>
<b>EXPENDITURES</b>							
Current:							
General Government	196,941	-	-	34,836	858	19,422	3,918
Public Safety	-	104	-	-	-	-	-
Community Development	-	-	6	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Debt Service:							
Principal	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>196,941</b>	<b>104</b>	<b>6</b>	<b>34,836</b>	<b>858</b>	<b>19,422</b>	<b>3,918</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,317,891</b>	<b>117,475</b>	<b>55</b>	<b>(34,133)</b>	<b>7,466</b>	<b>(15,473)</b>	<b>749,947</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	4,434	-	-	-	-	-	-
Transfers Out	(918,451)	(90,400)	-	-	-	-	(719,615)
<b>Total Other Financing Sources (Uses)</b>	<b>(914,017)</b>	<b>(90,400)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(719,615)</b>
<b>Net Change in Fund Balances</b>	<b>403,874</b>	<b>27,075</b>	<b>55</b>	<b>(34,133)</b>	<b>7,466</b>	<b>(15,473)</b>	<b>30,332</b>
<b>Fund Balance, Beginning of Year</b>	<b>1,097,130</b>	<b>101,286</b>	<b>5,988</b>	<b>1,138,510</b>	<b>809,483</b>	<b>53,206</b>	<b>1,472</b>
<b>Fund Balance, End of Year</b>	<b>\$ 1,501,004</b>	<b>\$ 128,361</b>	<b>\$ 6,043</b>	<b>\$ 1,104,377</b>	<b>\$ 816,949</b>	<b>\$ 37,733</b>	<b>\$ 31,804</b>

*Continued*

**City of Brentwood**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds (Continued)**  
**For Year Ended June 30, 2014**

**Special Revenue Funds (Continued)**

	<b>Facility Fee Administration</b>	<b>Parks Advertising</b>	<b>Parks and Trails Facility Fee</b>	<b>Agriculture Administration</b>	<b>Public Art Administration</b>	<b>Public Art Acquisition</b>	<b>Arts Commission</b>
<b>REVENUES</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	3,885	562	-	5,139	2,282	9,654	53
Intergovernmental	-	-	-	-	-	-	-
Fees and Other Revenues	419,246	33,720	2,687,959	4,896	89,065	251,273	-
<b>Total Revenues</b>	<b>423,131</b>	<b>34,282</b>	<b>2,687,959</b>	<b>10,035</b>	<b>91,347</b>	<b>260,927</b>	<b>53</b>
<b>EXPENDITURES</b>							
Current:							
General Government	250,393	-	-	26,041	200	27,300	548
Public Safety	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-
Parks and Recreation	-	13,630	2,404,111	-	-	-	-
Community Services	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Debt Service:							
Principal	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>250,393</b>	<b>13,630</b>	<b>2,404,111</b>	<b>26,041</b>	<b>200</b>	<b>27,300</b>	<b>548</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>172,738</b>	<b>20,652</b>	<b>283,848</b>	<b>(16,006)</b>	<b>91,147</b>	<b>233,627</b>	<b>(495)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	-	-	7,963	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>7,963</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>172,738</b>	<b>20,652</b>	<b>291,811</b>	<b>(16,006)</b>	<b>91,147</b>	<b>233,627</b>	<b>(495)</b>
<b>Fund Balance, Beginning of Year</b>	<b>275,730</b>	<b>45,246</b>	<b>(2,469,709)</b>	<b>514,710</b>	<b>158,218</b>	<b>783,591</b>	<b>5,583</b>
<b>Fund Balance, End of Year</b>	<b>\$ 448,468</b>	<b>\$ 65,898</b>	<b>\$ (2,177,898)</b>	<b>\$ 498,704</b>	<b>\$ 249,365</b>	<b>\$ 1,017,218</b>	<b>\$ 5,088</b>

*Continued*

**City of Brentwood**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds (Continued)**  
 For Year Ended June 30, 2014

	Special Revenue Funds (Continued)				Debt Service	Capital Project Funds		
	Fire Facility Fee	Agriculture Land	Parking In-Lieu	Landscape and Lighting Assessment Districts	Funds General Obligation Bonds Series 2002	Capital Improvement Financing Program 2005-1	Capital Improvement Financing Program 2006-1	Civic Center Capital Improvement Financing Program
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 419,814	\$ -	\$ -	\$ -
Uses of Money and Property	31,735	6,482	280	46,091	2,416	381	219	15,446
Intergovernmental	-	-	-	-	-	-	-	-
Fees and Other Revenues	577,632	19,583	-	5,755,454	-	-	-	1,285,074
<b>Total Revenues</b>	<b>609,367</b>	<b>26,065</b>	<b>280</b>	<b>5,801,545</b>	<b>422,230</b>	<b>381</b>	<b>219</b>	<b>1,300,520</b>
<b>EXPENDITURES</b>								
Current:								
General Government	2,897	29,817	29	-	-	-	-	1,967
Public Safety	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	5,595	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-
Community Services	-	-	-	5,492,758	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	325,000	-	-	-
Interest and Fiscal Charges	-	-	-	-	80,325	-	-	-
<b>Total Expenditures</b>	<b>2,897</b>	<b>29,817</b>	<b>29</b>	<b>5,492,758</b>	<b>410,920</b>	<b>-</b>	<b>-</b>	<b>1,967</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>606,470</b>	<b>(3,752)</b>	<b>251</b>	<b>308,787</b>	<b>11,310</b>	<b>381</b>	<b>219</b>	<b>1,298,553</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers In	36,235	-	-	-	-	-	-	922,690
Transfers Out	(462,000)	-	-	-	-	-	-	(1,901,865)
<b>Total Other Financing Sources (Uses)</b>	<b>(425,765)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(979,175)</b>
<b>Net Change in Fund Balances</b>	<b>180,705</b>	<b>(3,752)</b>	<b>251</b>	<b>308,787</b>	<b>11,310</b>	<b>381</b>	<b>219</b>	<b>319,378</b>
<b>Fund Balance, Beginning of Year</b>	<b>3,235,487</b>	<b>630,790</b>	<b>27,202</b>	<b>3,753,731</b>	<b>49,753</b>	<b>4,489,961</b>	<b>2,580,829</b>	<b>1,070,897</b>
<b>Fund Balance, End of Year</b>	<b>\$ 3,416,192</b>	<b>\$ 627,038</b>	<b>\$ 27,453</b>	<b>\$ 4,062,518</b>	<b>\$ 61,063</b>	<b>\$ 4,490,342</b>	<b>\$ 2,581,048</b>	<b>\$ 1,390,275</b>

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**City of Brentwood**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds (Continued)**  
 For Year Ended June 30, 2014

**Capital Project Funds (Continued)**

	<b>Civic Center Project Lease Revenue Bond Acquisition</b>	<b>Community Facilities Improvements</b>	<b>Parks and Trails Improvements</b>	<b>Drainage Improvements</b>	<b>Roadway Improvements</b>	<b>Economic Infrastructure Projects</b>	<b>Vineyards Projects</b>	<b>Total Non-Major Governmental Funds</b>
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,278,385
Uses of Money and Property	73,292	55,568	122	384	36,478	63,058	20,464	450,667
Intergovernmental	-	-	-	-	35,895	-	-	2,546,215
Fees and Other Revenues	-	-	610	-	786,297	-	182,390	21,062,584
<b>Total Revenues</b>	<b>73,292</b>	<b>55,568</b>	<b>732</b>	<b>384</b>	<b>858,670</b>	<b>63,058</b>	<b>202,854</b>	<b>26,337,851</b>
<b>EXPENDITURES</b>								
Current:								
General Government	6,724	360,483	155,285	-	918,675	131,718	2,043	4,852,914
Public Safety	-	-	-	-	-	-	-	131,365
Community Development	-	13,397	-	-	-	-	-	18,998
Parks and Recreation	-	-	-	-	-	-	-	5,207,090
Community Services	-	-	-	-	-	-	-	5,523,359
Capital Outlay	-	578,899	444,545	37,414	426,773	-	-	1,487,631
Debt Service:								
Principal	-	-	-	-	-	-	-	325,000
Interest and Fiscal Charges	-	-	-	-	-	-	-	80,325
<b>Total Expenditures</b>	<b>6,724</b>	<b>952,779</b>	<b>599,830</b>	<b>37,414</b>	<b>1,345,448</b>	<b>131,718</b>	<b>2,043</b>	<b>17,626,682</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>66,568</b>	<b>(897,211)</b>	<b>(599,098)</b>	<b>(37,030)</b>	<b>(486,778)</b>	<b>(68,660)</b>	<b>200,811</b>	<b>8,711,169</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers In	686,341	1,272,000	366,782	-	1,283,707	247	-	7,656,269
Transfers Out	-	(1,809,553)	(7,831)	(384)	(870,785)	-	-	(14,396,593)
<b>Total Other Financing Sources (Uses)</b>	<b>686,341</b>	<b>(537,553)</b>	<b>358,951</b>	<b>(384)</b>	<b>412,922</b>	<b>247</b>	<b>-</b>	<b>(6,740,324)</b>
<b>Net Change in Fund Balances</b>	<b>752,909</b>	<b>(1,434,764)</b>	<b>(240,147)</b>	<b>(37,414)</b>	<b>(73,856)</b>	<b>(68,413)</b>	<b>200,811</b>	<b>1,970,845</b>
<b>Fund Balance, Beginning of Year</b>	<b>6,982,518</b>	<b>4,896,061</b>	<b>(369,896)</b>	<b>37,415</b>	<b>3,126,087</b>	<b>6,345,860</b>	<b>1,854,365</b>	<b>45,502,904</b>
<b>Fund Balance, End of Year</b>	<b>\$ 7,735,427</b>	<b>\$ 3,461,297</b>	<b>\$ (610,043)</b>	<b>\$ 1</b>	<b>\$ 3,052,231</b>	<b>\$ 6,277,447</b>	<b>\$ 2,055,176</b>	<b>\$ 47,473,749</b>





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**City of Brentwood**

***Combining Statement of Net Position***  
***All Internal Service Funds***  
***June 30, 2014***

	<b>Emergency Preparedness</b>	<b>Information Services</b>	<b>Equipment Replacement</b>	<b>Information Systems Replacement</b>	<b>Facilities Replacement</b>	<b>Tuition</b>
<b>ASSETS</b>						
Current Assets:						
Cash and Investments	\$ 3,128,325	\$ 392,560	\$ 8,108,891	\$ 620,992	\$ 2,713,050	\$ 63,691
Receivables	87	10	222	107	5,948	2
Prepays	-	2,483	-	-	-	-
Due from Other Funds	-	-	-	-	-	-
Total Current Assets	<u>3,128,412</u>	<u>395,053</u>	<u>8,109,113</u>	<u>621,099</u>	<u>2,718,998</u>	<u>63,693</u>
Non-Current Assets:						
Interfund Advance Receivable	-	153,134	-	-	-	-
Capital Assets:						
Machinery and Equipment	-	-	3,394,173	-	-	-
Vehicles	-	-	8,585,244	-	-	-
Less Accumulated Depreciation	-	-	(7,274,336)	-	-	-
Total Capital Assets, Net of Accumulated Depreciation	<u>-</u>	<u>-</u>	<u>4,705,081</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Non-Current Assets	<u>-</u>	<u>153,134</u>	<u>4,705,081</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Assets</b>	<u><u>3,128,412</u></u>	<u><u>548,187</u></u>	<u><u>12,814,194</u></u>	<u><u>621,099</u></u>	<u><u>2,718,998</u></u>	<u><u>63,693</u></u>
<b>LIABILITIES</b>						
Current Liabilities:						
Accounts Payable and Accrued Liabilities	70	14,769	32,121	5,063	6,348	1,607
Unearned Revenue	-	-	-	-	5,875	-
Compensated Absences Payable	-	52,043	-	-	-	-
Total Current Liabilities	<u>70</u>	<u>66,812</u>	<u>32,121</u>	<u>5,063</u>	<u>12,223</u>	<u>1,607</u>
Non-Current Liabilities Due in More Than One Year:						
Interfund Advance Payable	-	-	-	-	-	-
Net OPEB Obligation	-	505,987	-	-	-	-
Compensated Absences Payable	-	34,696	-	-	-	-
Total Non-Current Liabilities	<u>-</u>	<u>540,683</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities</b>	<u><u>70</u></u>	<u><u>607,495</u></u>	<u><u>32,121</u></u>	<u><u>5,063</u></u>	<u><u>12,223</u></u>	<u><u>1,607</u></u>
<b>NET POSITION</b>						
Net Investment in Capital Assets	-	-	4,705,081	-	-	-
Unrestricted	3,128,342	(59,308)	8,076,992	616,036	2,706,775	62,086
<b>Total Net Position</b>	<u><u>\$ 3,128,342</u></u>	<u><u>\$ (59,308)</u></u>	<u><u>\$ 12,782,073</u></u>	<u><u>\$ 616,036</u></u>	<u><u>\$ 2,706,775</u></u>	<u><u>\$ 62,086</u></u>

*Continued*

**City of Brentwood**

***Combining Statement of Net Position***  
***All Internal Service Funds (Continued)***  
***June 30, 2014***

	<b>Fleet Maintenance Services</b>	<b>Facilities Maintenance Services</b>	<b>Parks and LLAD Replacement</b>	<b>Insurance</b>	<b>Pension/Other Post-Employment Benefits Obligation</b>	<b>Totals</b>
<b>ASSETS</b>						
Current Assets:						
Cash and Investments	\$ 241,644	\$ 448,651	\$ 8,483,880	\$ 328,179	\$ 19,041,690	\$ 43,571,553
Receivables	892	12	227	9	442	7,958
Prepays	49,417	1,620	-	-	304,662	358,182
Due from Other Funds	-	-	-	-	784,825	784,825
Total Current Assets	<u>291,953</u>	<u>450,283</u>	<u>8,484,107</u>	<u>328,188</u>	<u>20,131,619</u>	<u>44,722,518</u>
Non-Current Assets:						
Interfund Advance Receivable	63,184	104,710	-	-	-	321,028
Capital Assets:						
Machinery and Equipment	-	-	-	-	-	3,394,173
Vehicles	-	-	-	-	-	8,585,244
Less Accumulated Depreciation	-	-	-	-	-	(7,274,336)
Total Capital Assets, Net of Accumulated Depreciation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,705,081</u>
Total Non-Current Assets	<u>63,184</u>	<u>104,710</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,026,109</u>
<b>Total Assets</b>	<u><u>355,137</u></u>	<u><u>554,993</u></u>	<u><u>8,484,107</u></u>	<u><u>328,188</u></u>	<u><u>20,131,619</u></u>	<u><u>49,748,627</u></u>
<b>LIABILITIES</b>						
Current Liabilities:						
Accounts Payable and Accrued Liabilities	133,697	61,189	28,663	15,711	739	299,977
Unearned Revenue	888	-	-	-	-	6,763
Compensated Absences Payable	21,931	21,934	-	-	-	95,908
Total Current Liabilities	<u>156,516</u>	<u>83,123</u>	<u>28,663</u>	<u>15,711</u>	<u>739</u>	<u>402,648</u>
Non-Current Liabilities Due in More Than One Year:						
Interfund Advance Payable	-	-	-	-	1,294,596	1,294,596
Net OPEB Obligation	222,349	355,378	-	-	-	1,083,714
Compensated Absences Payable	14,620	14,623	-	-	-	63,939
Total Non-Current Liabilities	<u>236,969</u>	<u>370,001</u>	<u>-</u>	<u>-</u>	<u>1,294,596</u>	<u>2,442,249</u>
<b>Total Liabilities</b>	<u><u>393,485</u></u>	<u><u>453,124</u></u>	<u><u>28,663</u></u>	<u><u>15,711</u></u>	<u><u>1,295,335</u></u>	<u><u>2,844,897</u></u>
<b>NET POSITION</b>						
Net Investment in Capital Assets	-	-	-	-	-	4,705,081
Unrestricted	(38,348)	101,869	8,455,444	312,477	18,836,284	42,198,649
<b>Total Net Position</b>	<u><u>\$ (38,348)</u></u>	<u><u>\$ 101,869</u></u>	<u><u>\$ 8,455,444</u></u>	<u><u>\$ 312,477</u></u>	<u><u>\$ 18,836,284</u></u>	<u><u>\$ 46,903,730</u></u>

**City of Brentwood**

***Combining Statement of Revenues, Expenses and Changes in Fund Net Position***  
***All Internal Service Funds***  
***For Year Ended June 30, 2014***

	<b>Emergency Preparedness</b>	<b>Information Services</b>	<b>Equipment Replacement</b>	<b>Information Systems Replacement</b>	<b>Facilities Replacement</b>	<b>Tuition</b>
<b>Operating Revenues:</b>						
Charges for Services	\$ -	\$ 2,010,579	\$ 1,612,994	\$ 642,357	\$ 748,758	\$ 19,903
Other Income	-	-	83,073	3,583	-	-
<b>Total Operating Revenues</b>	<b>-</b>	<b>2,010,579</b>	<b>1,696,067</b>	<b>645,940</b>	<b>748,758</b>	<b>19,903</b>
<b>Operating Expenses:</b>						
Personnel Services	-	1,471,512	-	-	-	-
Repairs and Maintenance	-	31	-	-	5,875	-
Materials, Supplies and Services	1,023	260,660	108,045	494,929	101,303	10,484
Depreciation and Amortization	-	-	1,036,721	-	-	-
<b>Total Operating Expenses</b>	<b>1,023</b>	<b>1,732,203</b>	<b>1,144,766</b>	<b>494,929</b>	<b>107,178</b>	<b>10,484</b>
<b>Operating Income (Loss)</b>	<b>(1,023)</b>	<b>278,376</b>	<b>551,301</b>	<b>151,011</b>	<b>641,580</b>	<b>9,419</b>
<b>Non-Operating Revenue (Expenses):</b>						
Interest Income	32,075	3,585	81,991	3,329	26,157	624
<b>Total Non-Operating Revenues (Expenses)</b>	<b>32,075</b>	<b>3,585</b>	<b>81,991</b>	<b>3,329</b>	<b>26,157</b>	<b>624</b>
<b>Income (Loss) before Contributions and Transfers</b>	<b>31,052</b>	<b>281,961</b>	<b>633,292</b>	<b>154,340</b>	<b>667,737</b>	<b>10,043</b>
Transfers In	25,000	13,106	81,549	332,158	805	-
Transfers Out	(32,075)	-	(712,014)	(585,000)	-	-
<b>Change in Net Position</b>	<b>23,977</b>	<b>295,067</b>	<b>2,827</b>	<b>(98,502)</b>	<b>668,542</b>	<b>10,043</b>
<b>Net Position, Beginning of Year</b>	<b>3,104,365</b>	<b>(354,375)</b>	<b>12,779,246</b>	<b>714,538</b>	<b>2,038,233</b>	<b>52,043</b>
<b>Net Position, End of Year</b>	<b>\$ 3,128,342</b>	<b>\$ (59,308)</b>	<b>\$ 12,782,073</b>	<b>\$ 616,036</b>	<b>\$ 2,706,775</b>	<b>\$ 62,086</b>

*Continued*

**City of Brentwood**

***Combining Statement of Revenues, Expenses and Changes in Fund Net Position  
All Internal Service Funds (Continued)  
For Year Ended June 30, 2014***

	Fleet Maintenance Services	Facilities Maintenance Services	Parks and LLAD Replacement	Insurance	Pension/Other Post-Employment Benefits Obligation	Totals
<b>Operating Revenues:</b>						
Charges for Services	\$ 1,298,959	\$ 1,697,276	\$ 1,171,905	\$ 919,620	\$ 954,947	\$ 11,077,298
Other Income	802	-	-	127,425	23,439	238,322
<b>Total Operating Revenues</b>	<b>1,299,761</b>	<b>1,697,276</b>	<b>1,171,905</b>	<b>1,047,045</b>	<b>978,386</b>	<b>11,315,620</b>
<b>Operating Expenses:</b>						
Personnel Services	620,937	882,105	-	-	-	2,974,554
Repairs and Maintenance	5,901	4,318	101,224	-	-	117,349
Materials, Supplies and Services	602,278	651,514	7,843	987,803	2,104,234	5,330,116
Depreciation and Amortization	-	-	-	-	-	1,036,721
<b>Total Operating Expenses</b>	<b>1,229,116</b>	<b>1,537,937</b>	<b>109,067</b>	<b>987,803</b>	<b>2,104,234</b>	<b>9,458,740</b>
<b>Operating Income (Loss)</b>	<b>70,645</b>	<b>159,339</b>	<b>1,062,838</b>	<b>59,242</b>	<b>(1,125,848)</b>	<b>1,856,880</b>
<b>Non-Operating Revenue (Expenses):</b>						
Interest Income	1,474	4,156	81,499	3,235	163,859	401,984
<b>Total Non-Operating Revenues (Expenses)</b>	<b>1,474</b>	<b>4,156</b>	<b>81,499</b>	<b>3,235</b>	<b>163,859</b>	<b>401,984</b>
<b>Income (Loss) before Contributions and Transfers</b>	<b>72,119</b>	<b>163,495</b>	<b>1,144,337</b>	<b>62,477</b>	<b>(961,989)</b>	<b>2,258,864</b>
Transfers In	7,632	9,348	500,000	-	4,239,303	5,208,901
Transfers Out	-	-	(316,782)	-	(162,391)	(1,808,262)
<b>Change in Net Position</b>	<b>79,751</b>	<b>172,843</b>	<b>1,327,555</b>	<b>62,477</b>	<b>3,114,923</b>	<b>5,659,503</b>
<b>Net Position, Beginning of Year</b>	<b>(118,099)</b>	<b>(70,974)</b>	<b>7,127,889</b>	<b>250,000</b>	<b>15,721,361</b>	<b>41,244,227</b>
<b>Net Position, End of Year</b>	<b>\$ (38,348)</b>	<b>\$ 101,869</b>	<b>\$ 8,455,444</b>	<b>\$ 312,477</b>	<b>\$ 18,836,284</b>	<b>\$ 46,903,730</b>

**City of Brentwood**

**Combining Statement of Cash Flows  
All Internal Service Funds  
For Year Ended June 30, 2014**

	<b>Emergency Preparedness</b>	<b>Information Services</b>	<b>Equipment Replacement</b>	<b>Information Systems Replacement</b>	<b>Facilities Replacement</b>	<b>Tuition</b>
<b>Cash Flows from Operating Activities</b>						
Cash Received from Customers/Other Funds	\$ -	\$ 2,010,665	\$ 1,612,994	\$ 642,260	\$ 748,758	\$ 19,903
Cash Payments to Suppliers of Goods and Services	(3,759)	(256,308)	(488,048)	(515,192)	(113,818)	(8,886)
Cash Payments to Employees for Services	-	(1,442,935)	-	-	-	-
Cash Payments for Interfund Services	-	(164,000)	-	-	-	-
Other Receipts	-	-	83,073	3,583	-	-
Net Cash Provided By (Used for) Operating Activities	<u>(3,759)</u>	<u>147,422</u>	<u>1,208,019</u>	<u>130,651</u>	<u>634,940</u>	<u>11,017</u>
<b>Cash Flows from Non-Capital Financing Activities</b>						
Transfers Received	25,000	13,106	81,549	332,158	805	-
Transfers Paid	(32,075)	-	(712,014)	(585,000)	-	-
Due from Other Funds	-	-	-	-	-	-
Net Cash Provided By (Used for) Non-Capital Financing Activities	<u>(7,075)</u>	<u>13,106</u>	<u>(630,465)</u>	<u>(252,842)</u>	<u>805</u>	<u>-</u>
<b>Cash Flows from Capital and Related Financing Activities</b>						
Principal Paid on Debt	-	-	(277,657)	-	-	-
Acquisition and Construction of Capital Assets	-	-	(980,369)	-	-	-
Net Cash Provided By (Used for) Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>(1,258,026)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash Flows from Investing Activities</b>						
Interest on Investments	32,077	3,580	82,016	3,340	26,141	624
Net Cash Provided By Investing Activities	<u>32,077</u>	<u>3,580</u>	<u>82,016</u>	<u>3,340</u>	<u>26,141</u>	<u>624</u>
Net Increase (Decrease) in Cash and Cash Equivalents	21,243	164,108	(598,456)	(118,851)	661,886	11,641
Cash and Cash Equivalents - Beginning of Year	3,107,082	228,452	8,707,347	739,843	2,051,164	52,050
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 3,128,325</u>	<u>\$ 392,560</u>	<u>\$ 8,108,891</u>	<u>\$ 620,992</u>	<u>\$ 2,713,050</u>	<u>\$ 63,691</u>
<b>Reconciliation of Operating Income to Net Cash Provided By (Used for) Operating Activities:</b>						
Operating Income (Loss)	\$ (1,023)	\$ 278,376	\$ 551,301	\$ 151,011	\$ 641,580	\$ 9,419
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used for) Operating Activities:						
Depreciation	-	-	1,036,721	-	-	-
Change in Assets and Liabilities:						
Receivables, Net	-	(153,048)	-	(97)	(5,875)	-
Prepaid Items	-	(65)	-	-	-	-
Accounts Payable and Other Payables	(2,736)	24,766	(380,003)	(20,263)	(765)	1,598
Compensated Absences Payable	-	(2,607)	-	-	-	-
<b>Net Cash Provided By (Used for) Operating Activities</b>	<u>\$ (3,759)</u>	<u>\$ 147,422</u>	<u>\$ 1,208,019</u>	<u>\$ 130,651</u>	<u>\$ 634,940</u>	<u>\$ 11,017</u>

*Continued*

**City of Brentwood**

**Combining Statement of Cash Flows**  
**All Internal Service Funds (Continued)**  
**For Year Ended June 30, 2014**

	<b>Fleet Maintenance Services</b>	<b>Facilities Maintenance Services</b>	<b>Parks and LLAD Replacement</b>	<b>Insurance</b>	<b>Pension/Other Post-Employment Benefits Obligation</b>	<b>Totals</b>
<b>Cash Flows from Operating Activities</b>						
Cash Received from Customers/Other Funds	\$ 1,298,959	\$ 1,697,276	\$ 1,171,905	\$ 919,620	\$ 2,249,543	\$ 12,371,883
Cash Payments to Suppliers of Goods and Services	(455,998)	(511,126)	(136,111)	(985,296)	(2,346,280)	(5,820,822)
Cash Payments to Employees for Services	(651,874)	(941,471)	-	-	-	(3,036,280)
Cash Payments for Interfund Services	(88,766)	(142,921)	-	-	(33,496)	(429,183)
Other Receipts	802	-	-	127,425	23,439	238,322
Net Cash Provided By (Used for) Operating Activities	<u>103,123</u>	<u>101,758</u>	<u>1,035,794</u>	<u>61,749</u>	<u>(106,794)</u>	<u>3,323,920</u>
<b>Cash Flows from Non-Capital Financing Activities</b>						
Transfers Received	7,632	9,348	500,000	-	4,239,303	5,208,901
Transfers Paid	-	-	(316,782)	-	(162,391)	(1,808,262)
Due from Other Funds	-	-	-	-	(784,825)	(784,825)
Net Cash Provided By (Used for) Non-Capital Financing Activities	<u>7,632</u>	<u>9,348</u>	<u>183,218</u>	<u>-</u>	<u>3,292,087</u>	<u>2,615,814</u>
<b>Cash Flows from Capital and Related Financing Activities</b>						
Principal Paid on Debt	-	-	-	-	-	(277,657)
Acquisition and Construction of Capital Assets	-	-	-	-	-	(980,369)
Net Cash Provided By (Used for) Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,258,026)</u>
<b>Cash Flows from Investing Activities</b>						
Interest on Investments	1,470	4,154	81,468	3,226	163,799	401,895
Net Cash Provided By Investing Activities	<u>1,470</u>	<u>4,154</u>	<u>81,468</u>	<u>3,226</u>	<u>163,799</u>	<u>401,895</u>
Net Increase (Decrease) in Cash and Cash Equivalents	112,225	115,260	1,300,480	64,975	3,349,092	5,083,603
Cash and Cash Equivalents - Beginning of Year	129,419	333,391	7,183,400	263,204	15,692,598	38,487,950
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 241,644</u>	<u>\$ 448,651</u>	<u>\$ 8,483,880</u>	<u>\$ 328,179</u>	<u>\$ 19,041,690</u>	<u>\$ 43,571,553</u>
<b>Reconciliation of Operating Income to Net Cash Provided By (Used for) Operating Activities:</b>						
Operating Income (Loss)	\$ 70,645	\$ 159,339	\$ 1,062,838	\$ 59,242	\$ (1,125,848)	\$ 1,856,880
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used for) Operating Activities:						
Depreciation	-	-	-	-	-	1,036,721
Change in Assets and Liabilities:						
Receivables, Net	(63,184)	(104,710)	-	-	-	(326,914)
Prepaid Items	(2,447)	96	-	-	(28,627)	(31,043)
Accounts Payable and Other Payables	93,317	45,669	(27,044)	2,507	1,047,681	784,727
Compensated Absences Payable	4,792	1,364	-	-	-	3,549
<b>Net Cash Provided By (Used for) Operating Activities</b>	<u>\$ 103,123</u>	<u>\$ 101,758</u>	<u>\$ 1,035,794</u>	<u>\$ 61,749</u>	<u>\$ (106,794)</u>	<u>\$ 3,323,920</u>

**City of Brentwood**

***Combining Statement of Fiduciary Assets and Liabilities***

***Agency Funds***

***June 30, 2014***

	<b>Assessments</b>	<b>Pass-Through Funds</b>	<b>Asset Seizure</b>	<b>Totals</b>
<b>ASSETS</b>				
Current Assets:				
Cash and Investments	\$ 10,460,001	\$ 1,567,700	\$ 35,905	\$ 12,063,606
Restricted Cash and Investments	6,354,728	-	-	6,354,728
Interest Receivable	276	41	1	318
<b>Total Current Assets</b>	<b>\$ 16,815,005</b>	<b>\$ 1,567,741</b>	<b>\$ 35,906</b>	<b>\$ 18,418,652</b>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 14,996	\$ 1,567,741	\$ -	\$ 1,582,737
Due to Others	-	-	35,906	35,906
Total Current Liabilities	14,996	1,567,741	35,906	1,618,643
Non-Current Liabilities Due in More Than One Year:				
Due to Bondholders	16,800,009	-	-	16,800,009
Total Non-Current Liabilities	16,800,009	-	-	16,800,009
<b>Total Liabilities</b>	<b>\$ 16,815,005</b>	<b>\$ 1,567,741</b>	<b>\$ 35,906</b>	<b>\$ 18,418,652</b>



**Combining Statement of Changes in Fiduciary Assets and Liabilities**  
**Agency Funds**  
 For Year Ended June 30, 2014

	<b>Balance July 1, 2013</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2014</b>
<b>Assessments</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 10,215,103	\$ 21,570,834	\$ 21,325,936	\$ 10,460,001
Restricted Cash and Investments	6,409,426	1,660,852	1,715,550	6,354,728
Interest Receivable	366	276	366	276
<b>Total Assets</b>	<b>\$ 16,624,895</b>	<b>\$ 23,231,962</b>	<b>\$ 23,041,852</b>	<b>\$ 16,815,005</b>
<b>LIABILITIES</b>				
Accounts Payable and Accrued Liabilities	\$ 21,793	\$ 214,274	\$ 221,071	\$ 14,996
Due to Bondholders	16,603,102	20,613,354	20,416,447	16,800,009
<b>Total Liabilities</b>	<b>\$ 16,624,895</b>	<b>\$ 20,827,628</b>	<b>\$ 20,637,518</b>	<b>\$ 16,815,005</b>
<b>Pass-Through Funds</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 1,344,192	\$ 4,917,693	\$ 4,694,185	\$ 1,567,700
Interest Receivable	32	41	32	41
<b>Total Assets</b>	<b>\$ 1,344,224</b>	<b>\$ 4,917,734</b>	<b>\$ 4,694,217</b>	<b>\$ 1,567,741</b>
<b>LIABILITIES</b>				
Accounts Payable and Accrued Liabilities	\$ 1,344,224	\$ 8,476,486	\$ 8,252,969	\$ 1,567,741
<b>Total Liabilities</b>	<b>\$ 1,344,224</b>	<b>\$ 8,476,486</b>	<b>\$ 8,252,969</b>	<b>\$ 1,567,741</b>
<b>Asset Seizure</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 35,539	\$ 443	\$ 77	\$ 35,905
Interest Receivable	1	1	1	1
<b>Total Assets</b>	<b>\$ 35,540</b>	<b>\$ 444</b>	<b>\$ 78</b>	<b>\$ 35,906</b>
<b>LIABILITIES</b>				
Due to Others	\$ 35,540	\$ 443	\$ 77	\$ 35,906
<b>Total Liabilities</b>	<b>\$ 35,540</b>	<b>\$ 443</b>	<b>\$ 77</b>	<b>\$ 35,906</b>
<b>Total - All Agency Funds</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 11,594,834	\$ 26,488,970	\$ 26,020,198	\$ 12,063,606
Restricted Cash and Investments	6,409,426	1,660,852	1,715,550	6,354,728
Interest Receivable	399	318	399	318
<b>Total Assets</b>	<b>\$ 18,004,659</b>	<b>\$ 28,150,140</b>	<b>\$ 27,736,147</b>	<b>\$ 18,418,652</b>
<b>LIABILITIES</b>				
Accounts Payable and Accrued Liabilities	\$ 1,366,017	\$ 8,690,760	\$ 8,474,040	\$ 1,582,737
Due to Others	35,540	443	77	35,906
Due to Bondholders	16,603,102	20,613,354	20,416,447	16,800,009
<b>Total Liabilities</b>	<b>\$ 18,004,659</b>	<b>\$ 29,304,557</b>	<b>\$ 28,890,564</b>	<b>\$ 18,418,652</b>

**City of Brentwood**

***Balance Sheet***

***General Fund***

***June 30, 2014***

	<b>General Fund</b>
<b>ASSETS</b>	
Current Assets:	
Cash and Investments	\$ 20,556,372
Receivables	1,467,026
Prepays	63,693
<b>Total Assets</b>	<b>\$ 22,087,091</b>
<b>LIABILITIES</b>	
Liabilities:	
Accounts Payable and Accrued Liabilities	\$ 1,494,384
Unearned Revenue	154,570
Deposits Held	2,622,040
<b>Total Liabilities</b>	<b>4,270,994</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable Revenue - Accounts Receivable	676,604
<b>Total Deferred Inflows of Resources</b>	<b>676,604</b>
<b>FUND BALANCES</b>	
Nonspendable	63,693
Restricted	92,426
Assigned	5,083,574
Unassigned	11,899,800
<b>Total Fund Balances</b>	<b>17,139,493</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 22,087,091</b>

**City of Brentwood**

***Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual***  
***General Fund***  
***For Year Ended June 30, 2014***

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Taxes	\$ 14,745,667	\$ 15,499,584	\$ 753,917
Licenses	528,575	618,161	89,586
Permits and Fines	3,408,419	5,920,923	2,512,504
Uses of Money and Property	399,608	466,987	67,379
Intergovernmental	2,920,571	2,859,541	(61,030)
Franchises	1,290,680	1,321,089	30,409
Charges for Other Services	315,901	381,111	65,210
Charges to Other Funds	7,521,785	6,577,548	(944,237)
Fees and Other Revenues	1,775,385	1,643,099	(132,286)
<b>Total Revenues</b>	<u>32,906,591</u>	<u>35,288,043</u>	<u>2,381,452</u>
<b>EXPENDITURES</b>			
Current:			
General Government	6,306,986	5,411,219	895,767
Public Safety	17,599,663	16,808,923	790,740
Community Development	4,279,971	4,038,207	241,764
Engineering	2,757,014	2,620,029	136,985
Public Works	2,872,351	2,687,875	184,476
Parks and Recreation	5,229,570	4,987,381	242,189
Community Services	571,455	565,327	6,128
<b>Total Expenditures</b>	<u>39,617,010</u>	<u>37,118,961</u>	<u>2,498,049</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(6,710,419)</u>	<u>(1,830,918)</u>	<u>4,879,501</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	6,735,941	6,853,029	117,088
Transfers Out	(5,917,303)	(5,917,303)	-
<b>Total Other Financing Sources (Uses)</b>	<u>818,638</u>	<u>935,726</u>	<u>117,088</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (5,891,781)</u>	<u>(895,192)</u>	<u>\$ 4,996,589</u>
<b>Fund Balance, Beginning of Year</b>		<u>18,034,685</u>	
<b>Fund Balance, End of Year</b>		<u>\$ 17,139,493</u>	

**City of Brentwood**

**Combining Balance Sheet**  
**All Special Revenue Funds**  
**June 30, 2014**

	<b>Roadway Facility Fee</b>	<b>Gas Tax</b>	<b>SB 1186 Disability Access</b>	<b>Police Grants</b>	<b>Other Grants</b>	<b>Citywide Park Assessment District</b>	<b>Community Facilities Districts</b>	<b>Community Facility Fee</b>	<b>Abandoned Vehicle Abatement</b>
<b>ASSETS</b>									
Current Assets:									
Cash and Investments	\$ 4,392,917	\$ 121,859	\$ 6,714	\$ 197,330	\$ -	\$ 445,574	\$ 192,961	\$ 1,502,246	\$ 128,379
Receivables	112	7	-	22,311	11,848	20	23,690	35	3
Prepays	-	-	-	-	-	845	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-	-
Non-Current Assets:									
Interfund Advance Receivable	97,069	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 4,490,098</b>	<b>\$ 121,866</b>	<b>\$ 6,714</b>	<b>\$ 219,641</b>	<b>\$ 11,848</b>	<b>\$ 446,439</b>	<b>\$ 216,651</b>	<b>\$ 1,502,281</b>	<b>\$ 128,382</b>
<b>LIABILITIES</b>									
Liabilities:									
Accounts Payable and Accrued Liabilities	\$ 1,617	\$ -	\$ 414	\$ 31,029	\$ -	\$ 253,194	\$ 29	\$ 1,277	\$ 21
Due to Other Funds	-	-	-	-	4,887	-	-	-	-
Non-Current Liabilities Due in More Than One Year:									
Interfund Advance Payable	-	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>1,617</b>	<b>-</b>	<b>414</b>	<b>31,029</b>	<b>4,887</b>	<b>253,194</b>	<b>29</b>	<b>1,277</b>	<b>21</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Unavailable Revenue - Accounts Receivable	-	-	-	-	11,848	-	-	-	-
Unavailable Revenue - Interfund Advance Receivable	97,069	-	-	-	-	-	-	-	-
Unavailable Revenue - Loans Receivable	-	-	-	-	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>97,069</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,848</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>									
Nonspendable	-	-	-	-	-	845	-	-	-
Restricted	-	121,866	6,300	188,612	-	-	-	-	-
Committed	4,391,412	-	-	-	-	192,400	216,622	1,501,004	128,361
Unassigned	-	-	-	-	(4,887)	-	-	-	-
<b>Total Fund Balances</b>	<b>4,391,412</b>	<b>121,866</b>	<b>6,300</b>	<b>188,612</b>	<b>(4,887)</b>	<b>193,245</b>	<b>216,622</b>	<b>1,501,004</b>	<b>128,361</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 4,490,098</b>	<b>\$ 121,866</b>	<b>\$ 6,714</b>	<b>\$ 219,641</b>	<b>\$ 11,848</b>	<b>\$ 446,439</b>	<b>\$ 216,651</b>	<b>\$ 1,502,281</b>	<b>\$ 128,382</b>

*Continued*

**City of Brentwood**

**Combining Balance Sheet**  
**All Special Revenue Funds (Continued)**  
 June 30, 2014

	<b>Infrastructure Improvements</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 Facility Fee</b>
<b>ASSETS</b>								
Current Assets:								
Cash and Investments	\$ 6,044	\$ 64,028	\$ 817,077	\$ 37,828	\$ 31,820	\$ 448,535	\$ 63,640	\$ -
Receivables	-	4,743,220	23	1	4	11	2,282	-
Prepays	-	-	-	-	-	-	-	-
Land Held for Resale	-	1,040,359	-	-	-	-	-	-
Non-Current Assets:								
Interfund Advance Receivable	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 6,044</b>	<b>\$ 5,847,607</b>	<b>\$ 817,100</b>	<b>\$ 37,829</b>	<b>\$ 31,824</b>	<b>\$ 448,546</b>	<b>\$ 65,922</b>	<b>\$ -</b>
<b>LIABILITIES</b>								
Liabilities:								
Accounts Payable and Accrued Liabilities	\$ 1	\$ 12	\$ 151	\$ 96	\$ 20	\$ 78	\$ 24	\$ 146
Due to Other Funds	-	-	-	-	-	-	-	-
Non-Current Liabilities Due in More Than One Year:								
Interfund Advance Payable	-	-	-	-	-	-	-	2,177,752
<b>Total Liabilities</b>	<b>1</b>	<b>12</b>	<b>151</b>	<b>96</b>	<b>20</b>	<b>78</b>	<b>24</b>	<b>2,177,898</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable Revenue - Accounts Receivable	-	-	-	-	-	-	-	-
Unavailable Revenue - Interfund Advance Receivable	-	-	-	-	-	-	-	-
Unavailable Revenue - Loans Receivable	-	4,743,218	-	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>4,743,218</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	1,104,377	816,949	37,733	31,804	448,468	-	-
Committed	6,043	-	-	-	-	-	65,898	-
Unassigned	-	-	-	-	-	-	-	(2,177,898)
<b>Total Fund Balances</b>	<b>6,043</b>	<b>1,104,377</b>	<b>816,949</b>	<b>37,733</b>	<b>31,804</b>	<b>448,468</b>	<b>65,898</b>	<b>(2,177,898)</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 6,044</b>	<b>\$ 5,847,607</b>	<b>\$ 817,100</b>	<b>\$ 37,829</b>	<b>\$ 31,824</b>	<b>\$ 448,546</b>	<b>\$ 65,922</b>	<b>\$ -</b>

*Continued*

**City of Brentwood**

**Combining Balance Sheet**  
**All Special Revenue Funds (Continued)**  
 June 30, 2014

	<u>Agriculture Administration</u>	<u>Public Art Administration</u>	<u>Public Art Acquisition</u>	<u>Arts Commission</u>	<u>Fire Facility Fee</u>	<u>Agriculture Land</u>	<u>Parking In-Lieu</u>	<u>Landscape and Lighting Assessment Districts</u>	<u>Totals</u>
<b>ASSETS</b>									
Current Assets:									
Cash and Investments	\$ 498,783	\$ 249,400	\$ 1,017,367	\$ 5,089	\$ 3,416,738	\$ 627,524	\$ 27,457	\$ 4,606,579	\$ 18,905,889
Receivables	14	7	27	-	93	17	1	22,884	4,826,610
Prepays	-	-	-	-	-	-	-	-	845
Land Held for Resale	-	-	-	-	-	-	-	-	1,040,359
Non-Current Assets:									
Interfund Advance Receivable	-	-	-	-	-	-	-	-	97,069
<b>Total Assets</b>	<u>\$ 498,797</u>	<u>\$ 249,407</u>	<u>\$ 1,017,394</u>	<u>\$ 5,089</u>	<u>\$ 3,416,831</u>	<u>\$ 627,541</u>	<u>\$ 27,458</u>	<u>\$ 4,629,463</u>	<u>\$ 24,870,772</u>
<b>LIABILITIES</b>									
Liabilities:									
Accounts Payable and Accrued Liabilities	\$ 93	\$ 42	\$ 176	\$ 1	\$ 639	\$ 503	\$ 5	\$ 557,144	\$ 846,712
Due to Other Funds	-	-	-	-	-	-	-	-	4,887
Non-Current Liabilities Due in More Than One Year:									
Interfund Advance Payable	-	-	-	-	-	-	-	-	2,177,752
<b>Total Liabilities</b>	<u>93</u>	<u>42</u>	<u>176</u>	<u>1</u>	<u>639</u>	<u>503</u>	<u>5</u>	<u>557,144</u>	<u>3,029,351</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Unavailable Revenue - Accounts Receivable	-	-	-	-	-	-	-	9,801	21,649
Unavailable Revenue - Interfund Advance Receivable	-	-	-	-	-	-	-	-	97,069
Unavailable Revenue - Loans Receivable	-	-	-	-	-	-	-	-	4,743,218
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,801</u>	<u>4,861,936</u>
<b>FUND BALANCES</b>									
Nonspendable	-	-	-	-	-	-	-	-	845
Restricted	498,704	249,365	1,017,218	5,088	3,416,192	627,038	27,453	4,062,518	12,659,685
Committed	-	-	-	-	-	-	-	-	6,501,740
Unassigned	-	-	-	-	-	-	-	-	(2,182,785)
<b>Total Fund Balances</b>	<u>498,704</u>	<u>249,365</u>	<u>1,017,218</u>	<u>5,088</u>	<u>3,416,192</u>	<u>627,038</u>	<u>27,453</u>	<u>4,062,518</u>	<u>16,979,485</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 498,797</u>	<u>\$ 249,407</u>	<u>\$ 1,017,394</u>	<u>\$ 5,089</u>	<u>\$ 3,416,831</u>	<u>\$ 627,541</u>	<u>\$ 27,458</u>	<u>\$ 4,629,463</u>	<u>\$ 24,870,772</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, 2014**

	<b>Roadway Facility Fee</b>	<b>Gas Tax</b>	<b>SB 1186 Disability Access</b>	<b>Police Grants</b>	<b>Other Grants</b>	<b>Citywide Park Assessment District</b>	<b>Community Facilities Districts</b>	<b>Community Facility Fee</b>	<b>Abandoned Vehicle Abatement</b>
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,858,571	\$ -	\$ -	\$ -
Uses of Money and Property	40,726	2,478	57	2,027	-	5,990	1,250	11,750	1,166
Intergovernmental	-	1,613,703	-	144,407	-	-	-	-	-
Fees and Other Revenues	3,703,673	-	4,128	-	-	50,446	3,588,183	1,503,082	116,413
<b>Total Revenues</b>	<b>3,744,399</b>	<b>1,616,181</b>	<b>4,185</b>	<b>146,434</b>	<b>-</b>	<b>1,915,007</b>	<b>3,589,433</b>	<b>1,514,832</b>	<b>117,579</b>
<b>EXPENDITURES</b>									
Current:									
General Government	2,676,132	-	108	-	6,579	-	-	196,941	-
Public Safety	-	-	-	131,261	-	-	-	-	104
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	2,789,349	-	-	-
Community Services	-	-	-	-	-	-	30,601	-	-
<b>Total Expenditures</b>	<b>2,676,132</b>	<b>-</b>	<b>108</b>	<b>131,261</b>	<b>6,579</b>	<b>2,789,349</b>	<b>30,601</b>	<b>196,941</b>	<b>104</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,068,267</b>	<b>1,616,181</b>	<b>4,077</b>	<b>15,173</b>	<b>(6,579)</b>	<b>(874,342)</b>	<b>3,558,832</b>	<b>1,317,891</b>	<b>117,475</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	643,741	-	-	-	-	750,998	1,681,131	4,434	-
Transfers Out	(968,899)	(1,494,323)	-	-	-	-	(5,152,487)	(918,451)	(90,400)
<b>Total Other Financing Sources (Uses)</b>	<b>(325,158)</b>	<b>(1,494,323)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>750,998</b>	<b>(3,471,356)</b>	<b>(914,017)</b>	<b>(90,400)</b>
<b>Net Change in Fund Balances</b>	<b>743,109</b>	<b>121,858</b>	<b>4,077</b>	<b>15,173</b>	<b>(6,579)</b>	<b>(123,344)</b>	<b>87,476</b>	<b>403,874</b>	<b>27,075</b>
<b>Fund Balance, Beginning of Year</b>	<b>3,648,303</b>	<b>8</b>	<b>2,223</b>	<b>173,439</b>	<b>1,692</b>	<b>316,589</b>	<b>129,146</b>	<b>1,097,130</b>	<b>101,286</b>
<b>Fund Balance, End of Year</b>	<b>\$ 4,391,412</b>	<b>\$ 121,866</b>	<b>\$ 6,300</b>	<b>\$ 188,612</b>	<b>\$ (4,887)</b>	<b>\$ 193,245</b>	<b>\$ 216,622</b>	<b>\$ 1,501,004</b>	<b>\$ 128,361</b>

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**City of Brentwood**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**All Special Revenue Funds (Continued)**  
 For Year Ended June 30, 2014

	<b>Infrastructure Improvements</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 Facility Fee</b>
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	61	703	8,324	489	1,655	3,885	562	-
Intergovernmental	-	-	-	-	752,210	-	-	-
Fees and Other Revenues	-	-	-	3,460	-	419,246	33,720	2,687,959
<b>Total Revenues</b>	<b>61</b>	<b>703</b>	<b>8,324</b>	<b>3,949</b>	<b>753,865</b>	<b>423,131</b>	<b>34,282</b>	<b>2,687,959</b>
<b>EXPENDITURES</b>								
Current:								
General Government	-	34,836	858	19,422	3,918	250,393	-	-
Public Safety	-	-	-	-	-	-	-	-
Community Development	6	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	13,630	2,404,111
Community Services	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>6</b>	<b>34,836</b>	<b>858</b>	<b>19,422</b>	<b>3,918</b>	<b>250,393</b>	<b>13,630</b>	<b>2,404,111</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>55</b>	<b>(34,133)</b>	<b>7,466</b>	<b>(15,473)</b>	<b>749,947</b>	<b>172,738</b>	<b>20,652</b>	<b>283,848</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers In	-	-	-	-	-	-	-	7,963
Transfers Out	-	-	-	-	(719,615)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(719,615)</b>	<b>-</b>	<b>-</b>	<b>7,963</b>
<b>Net Change in Fund Balances</b>	<b>55</b>	<b>(34,133)</b>	<b>7,466</b>	<b>(15,473)</b>	<b>30,332</b>	<b>172,738</b>	<b>20,652</b>	<b>291,811</b>
<b>Fund Balance, Beginning of Year</b>	<b>5,988</b>	<b>1,138,510</b>	<b>809,483</b>	<b>53,206</b>	<b>1,472</b>	<b>275,730</b>	<b>45,246</b>	<b>(2,469,709)</b>
<b>Fund Balance, End of Year</b>	<b>\$ 6,043</b>	<b>\$ 1,104,377</b>	<b>\$ 816,949</b>	<b>\$ 37,733</b>	<b>\$ 31,804</b>	<b>\$ 448,468</b>	<b>\$ 65,898</b>	<b>\$ (2,177,898)</b>

*Continued*

**City of Brentwood**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**All Special Revenue Funds (Continued)**  
**For Year Ended June 30, 2014**

	<b>Agriculture Administration</b>	<b>Public Art Administration</b>	<b>Public Art Acquisition</b>	<b>Arts Commission</b>	<b>Fire Facility Fee</b>	<b>Agriculture Land</b>	<b>Parking In-Lieu</b>	<b>Landscape and Lighting Assessment Districts</b>	<b>Totals</b>
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,858,571
Uses of Money and Property	5,139	2,282	9,654	53	31,735	6,482	280	46,091	182,839
Intergovernmental	-	-	-	-	-	-	-	-	2,510,320
Fees and Other Revenues	4,896	89,065	251,273	-	577,632	19,583	-	5,755,454	18,808,213
<b>Total Revenues</b>	<b>10,035</b>	<b>91,347</b>	<b>260,927</b>	<b>53</b>	<b>609,367</b>	<b>26,065</b>	<b>280</b>	<b>5,801,545</b>	<b>23,359,943</b>
<b>EXPENDITURES</b>									
Current:									
General Government	26,041	200	27,300	548	2,897	29,817	29	-	3,276,019
Public Safety	-	-	-	-	-	-	-	-	131,365
Community Development	-	-	-	-	-	-	-	-	6
Parks and Recreation	-	-	-	-	-	-	-	-	5,207,090
Community Services	-	-	-	-	-	-	-	5,492,758	5,523,359
<b>Total Expenditures</b>	<b>26,041</b>	<b>200</b>	<b>27,300</b>	<b>548</b>	<b>2,897</b>	<b>29,817</b>	<b>29</b>	<b>5,492,758</b>	<b>14,137,839</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(16,006)</b>	<b>91,147</b>	<b>233,627</b>	<b>(495)</b>	<b>606,470</b>	<b>(3,752)</b>	<b>251</b>	<b>308,787</b>	<b>9,222,104</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	-	-	-	-	36,235	-	-	-	3,124,502
Transfers Out	-	-	-	-	(462,000)	-	-	-	(9,806,175)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(425,765)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,681,673)</b>
<b>Net Change in Fund Balances</b>	<b>(16,006)</b>	<b>91,147</b>	<b>233,627</b>	<b>(495)</b>	<b>180,705</b>	<b>(3,752)</b>	<b>251</b>	<b>308,787</b>	<b>2,540,431</b>
<b>Fund Balance, Beginning of Year</b>	<b>514,710</b>	<b>158,218</b>	<b>783,591</b>	<b>5,583</b>	<b>3,235,487</b>	<b>630,790</b>	<b>27,202</b>	<b>3,753,731</b>	<b>14,439,054</b>
<b>Fund Balance, End of Year</b>	<b>\$ 498,704</b>	<b>\$ 249,365</b>	<b>\$ 1,017,218</b>	<b>\$ 5,088</b>	<b>\$ 3,416,192</b>	<b>\$ 627,038</b>	<b>\$ 27,453</b>	<b>\$ 4,062,518</b>	<b>\$ 16,979,485</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, 2014**

	Roadway Facility Fee			Gas Tax			SB 1186 Disability Access			Police Grants		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>REVENUES</b>												
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	15,341	40,726	25,385	4,945	2,478	(2,467)	-	57	57	2,000	2,027	27
Intergovernmental	-	-	-	1,530,537	1,613,703	83,166	-	-	-	141,922	144,407	2,485
Fees and Other Revenues	1,655,034	3,703,673	2,048,639	-	-	-	3,500	4,128	628	-	-	-
<b>Total Revenues</b>	<u>1,670,375</u>	<u>3,744,399</u>	<u>2,074,024</u>	<u>1,535,482</u>	<u>1,616,181</u>	<u>80,699</u>	<u>3,500</u>	<u>4,185</u>	<u>685</u>	<u>143,922</u>	<u>146,434</u>	<u>2,512</u>
<b>EXPENDITURES</b>												
Current:												
General Government	2,717,799	2,676,132	41,667	-	-	-	6,850	108	6,742	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-	167,122	131,261	35,861
Community Development	-	-	-	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<u>2,717,799</u>	<u>2,676,132</u>	<u>41,667</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,850</u>	<u>108</u>	<u>6,742</u>	<u>167,122</u>	<u>131,261</u>	<u>35,861</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,047,424)</u>	<u>1,068,267</u>	<u>2,115,691</u>	<u>1,535,482</u>	<u>1,616,181</u>	<u>80,699</u>	<u>(3,350)</u>	<u>4,077</u>	<u>7,427</u>	<u>(23,200)</u>	<u>15,173</u>	<u>38,373</u>
<b>OTHER FINANCING SOURCES (USES)</b>												
Transfers In	40,000	643,741	603,741	-	-	-	-	-	-	-	-	-
Transfers Out	(1,018,021)	(968,899)	49,122	(1,535,482)	(1,494,323)	41,159	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(978,021)</u>	<u>(325,158)</u>	<u>652,863</u>	<u>(1,535,482)</u>	<u>(1,494,323)</u>	<u>41,159</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>\$ (2,025,445)</u>	<u>743,109</u>	<u>\$ 2,768,554</u>	<u>\$ -</u>	<u>121,858</u>	<u>\$ 121,858</u>	<u>\$ (3,350)</u>	<u>4,077</u>	<u>\$ 7,427</u>	<u>\$ (23,200)</u>	<u>15,173</u>	<u>\$ 38,373</u>
<b>Fund Balance, Beginning of Year</b>		<u>3,648,303</u>			<u>8</u>			<u>2,223</u>			<u>173,439</u>	
<b>Fund Balance, End of Year</b>		<u>\$ 4,391,412</u>			<u>\$ 121,866</u>			<u>\$ 6,300</u>			<u>\$ 188,612</u>	

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**City of Brentwood**

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
Special Revenue Funds (Continued)  
For Year Ended June 30, 2014**

	Other Grants			Citywide Park Assessment District			Community Facilities Districts		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ 1,844,314	\$ 1,858,571	\$ 14,257	\$ -	\$ -	\$ -
Uses of Money and Property	300	-	(300)	4,000	5,990	1,990	600	1,250	650
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	38,000	50,446	12,446	3,530,128	3,588,183	58,055
<b>Total Revenues</b>	<b>300</b>	<b>-</b>	<b>(300)</b>	<b>1,886,314</b>	<b>1,915,007</b>	<b>28,693</b>	<b>3,530,728</b>	<b>3,589,433</b>	<b>58,705</b>
<b>EXPENDITURES</b>									
Current:									
General Government	6,659	6,579	80	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	2,868,838	2,789,349	79,489	-	-	-
Community Services	-	-	-	-	-	-	41,000	30,601	10,399
<b>Total Expenditures</b>	<b>6,659</b>	<b>6,579</b>	<b>80</b>	<b>2,868,838</b>	<b>2,789,349</b>	<b>79,489</b>	<b>41,000</b>	<b>30,601</b>	<b>10,399</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(6,359)</b>	<b>(6,579)</b>	<b>(220)</b>	<b>(982,524)</b>	<b>(874,342)</b>	<b>108,182</b>	<b>3,489,728</b>	<b>3,558,832</b>	<b>69,104</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	-	-	-	750,998	750,998	-	1,631,438	1,681,131	49,693
Transfers Out	-	-	-	-	-	-	(5,159,274)	(5,152,487)	6,787
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>750,998</b>	<b>750,998</b>	<b>-</b>	<b>(3,527,836)</b>	<b>(3,471,356)</b>	<b>56,480</b>
<b>Net Change in Fund Balances</b>	<b>\$ (6,359)</b>	<b>(6,579)</b>	<b>\$ (220)</b>	<b>\$ (231,526)</b>	<b>(123,344)</b>	<b>\$ 108,182</b>	<b>\$ (38,108)</b>	<b>87,476</b>	<b>\$ 125,584</b>
<b>Fund Balance, Beginning of Year</b>		<b>1,692</b>			<b>316,589</b>			<b>129,146</b>	
<b>Fund Balance, End of Year</b>		<b>\$ (4,887)</b>			<b>\$ 193,245</b>			<b>\$ 216,622</b>	

*Continued*

**City of Brentwood**

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
Special Revenue Funds (Continued)  
For Year Ended June 30, 2014**

	Community Facility Fee			Abandoned Vehicle Abatement			Infrastructure Improvements		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	4,839	11,750	6,911	700	1,166	466	150	61	(89)
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	514,873	1,503,082	988,209	68,000	116,413	48,413	-	-	-
<b>Total Revenues</b>	<b>519,712</b>	<b>1,514,832</b>	<b>995,120</b>	<b>68,700</b>	<b>117,579</b>	<b>48,879</b>	<b>150</b>	<b>61</b>	<b>(89)</b>
<b>EXPENDITURES</b>									
Current:									
General Government	203,547	196,941	6,606	-	-	-	-	-	-
Public Safety	-	-	-	200	104	96	-	-	-
Community Development	-	-	-	-	-	-	50	6	44
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>203,547</b>	<b>196,941</b>	<b>6,606</b>	<b>200</b>	<b>104</b>	<b>96</b>	<b>50</b>	<b>6</b>	<b>44</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>316,165</b>	<b>1,317,891</b>	<b>1,001,726</b>	<b>68,500</b>	<b>117,475</b>	<b>48,975</b>	<b>100</b>	<b>55</b>	<b>(45)</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	5,000	4,434	(566)	-	-	-	-	-	-
Transfers Out	(918,451)	(918,451)	-	(90,400)	(90,400)	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(913,451)</b>	<b>(914,017)</b>	<b>(566)</b>	<b>(90,400)</b>	<b>(90,400)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ (597,286)</b>	<b>403,874</b>	<b>\$ 1,001,160</b>	<b>\$ (21,900)</b>	<b>27,075</b>	<b>\$ 48,975</b>	<b>\$ 100</b>	<b>55</b>	<b>\$ (45)</b>
<b>Fund Balance, Beginning of Year</b>		<b>1,097,130</b>			<b>101,286</b>			<b>5,988</b>	
<b>Fund Balance, End of Year</b>		<b>\$ 1,501,004</b>			<b>\$ 128,361</b>			<b>\$ 6,043</b>	

*Continued*

**City of Brentwood**

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
Special Revenue Funds (Continued)  
For Year Ended June 30, 2014**

	City Low Income Housing			PEG Media			Asset Forfeiture		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	-	703	703	21,000	8,324	(12,676)	2,000	489	(1,511)
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	-	-	-	10,000	3,460	(6,540)
<b>Total Revenues</b>	<u>-</u>	<u>703</u>	<u>703</u>	<u>21,000</u>	<u>8,324</u>	<u>(12,676)</u>	<u>12,000</u>	<u>3,949</u>	<u>(8,051)</u>
<b>EXPENDITURES</b>									
Current:									
General Government	73,800	34,836	38,964	1,500	858	642	40,200	19,422	20,778
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<u>73,800</u>	<u>34,836</u>	<u>38,964</u>	<u>1,500</u>	<u>858</u>	<u>642</u>	<u>40,200</u>	<u>19,422</u>	<u>20,778</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(73,800)</u>	<u>(34,133)</u>	<u>39,667</u>	<u>19,500</u>	<u>7,466</u>	<u>(12,034)</u>	<u>(28,200)</u>	<u>(15,473)</u>	<u>12,727</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	(150,000)	-	150,000	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(150,000)</u>	<u>-</u>	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>\$ (73,800)</u>	<u>(34,133)</u>	<u>\$ 39,667</u>	<u>\$ (130,500)</u>	<u>7,466</u>	<u>\$ 137,966</u>	<u>\$ (28,200)</u>	<u>(15,473)</u>	<u>\$ 12,727</u>
<b>Fund Balance, Beginning of Year</b>		<u>1,138,510</u>			<u>809,483</u>			<u>53,206</u>	
<b>Fund Balance, End of Year</b>		<u>\$ 1,104,377</u>			<u>\$ 816,949</u>			<u>\$ 37,733</u>	

*Continued*

**City of Brentwood**

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
Special Revenue Funds (Continued)  
For Year Ended June 30, 2014**

	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	2,000	1,655	(345)	2,000	3,885	1,885	300	562	262
Intergovernmental	709,810	752,210	42,400	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	147,178	419,246	272,068	19,000	33,720	14,720
<b>Total Revenues</b>	<b>711,810</b>	<b>753,865</b>	<b>42,055</b>	<b>149,178</b>	<b>423,131</b>	<b>273,953</b>	<b>19,300</b>	<b>34,282</b>	<b>14,982</b>
<b>EXPENDITURES</b>									
Current:									
General Government	3,918	3,918	-	251,000	250,393	607	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	19,020	13,630	5,390
Community Services	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>3,918</b>	<b>3,918</b>	<b>-</b>	<b>251,000</b>	<b>250,393</b>	<b>607</b>	<b>19,020</b>	<b>13,630</b>	<b>5,390</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>707,892</b>	<b>749,947</b>	<b>42,055</b>	<b>(101,822)</b>	<b>172,738</b>	<b>274,560</b>	<b>280</b>	<b>20,652</b>	<b>20,372</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	(719,615)	(719,615)	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(719,615)</b>	<b>(719,615)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ (11,723)</b>	<b>30,332</b>	<b>\$ 42,055</b>	<b>\$ (101,822)</b>	<b>172,738</b>	<b>\$ 274,560</b>	<b>\$ 280</b>	<b>20,652</b>	<b>\$ 20,372</b>
<b>Fund Balance, Beginning of Year</b>		<b>1,472</b>			<b>275,730</b>			<b>45,246</b>	
<b>Fund Balance, End of Year</b>		<b>\$ 31,804</b>			<b>\$ 448,468</b>			<b>\$ 65,898</b>	

*Continued*



**City of Brentwood**

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
Special Revenue Funds (Continued)  
For Year Ended June 30, 2014**

	Parks and Trails Facility Fee			Agriculture Administration			Public Art Administration		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	-	-	-	5,000	5,139	139	1,300	2,282	982
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	913,025	2,687,959	1,774,934	-	4,896	4,896	15,000	89,065	74,065
<b>Total Revenues</b>	<u>913,025</u>	<u>2,687,959</u>	<u>1,774,934</u>	<u>5,000</u>	<u>10,035</u>	<u>5,035</u>	<u>16,300</u>	<u>91,347</u>	<u>75,047</u>
<b>EXPENDITURES</b>									
Current:									
General Government	-	-	-	62,100	26,041	36,059	1,150	200	950
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	2,408,330	2,404,111	4,219	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<u>2,408,330</u>	<u>2,404,111</u>	<u>4,219</u>	<u>62,100</u>	<u>26,041</u>	<u>36,059</u>	<u>1,150</u>	<u>200</u>	<u>950</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,495,305)</u>	<u>283,848</u>	<u>1,779,153</u>	<u>(57,100)</u>	<u>(16,006)</u>	<u>41,094</u>	<u>15,150</u>	<u>91,147</u>	<u>75,997</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	25,000	7,963	(17,037)	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>25,000</u>	<u>7,963</u>	<u>(17,037)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>\$ (1,470,305)</u>	<u>291,811</u>	<u>\$ 1,762,116</u>	<u>\$ (57,100)</u>	<u>(16,006)</u>	<u>\$ 41,094</u>	<u>\$ 15,150</u>	<u>91,147</u>	<u>\$ 75,997</u>
<b>Fund Balance, Beginning of Year</b>		<u>(2,469,709)</u>			<u>514,710</u>			<u>158,218</u>	
<b>Fund Balance, End of Year</b>		<u>\$ (2,177,898)</u>			<u>\$ 498,704</u>			<u>\$ 249,365</u>	

*Continued*

**City of Brentwood**

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
Special Revenue Funds (Continued)  
For Year Ended June 30, 2014**

	Public Art Acquisition			Arts Commission			Fire Facility Fee		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	15,000	9,654	(5,346)	-	53	53	27,000	31,735	4,735
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	60,000	251,273	191,273	-	-	-	113,973	577,632	463,659
<b>Total Revenues</b>	<u>75,000</u>	<u>260,927</u>	<u>185,927</u>	<u>-</u>	<u>53</u>	<u>53</u>	<u>140,973</u>	<u>609,367</u>	<u>468,394</u>
<b>EXPENDITURES</b>									
Current:									
General Government	36,269	27,300	8,969	550	548	2	3,000	2,897	103
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<u>36,269</u>	<u>27,300</u>	<u>8,969</u>	<u>550</u>	<u>548</u>	<u>2</u>	<u>3,000</u>	<u>2,897</u>	<u>103</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>38,731</u>	<u>233,627</u>	<u>194,896</u>	<u>(550)</u>	<u>(495)</u>	<u>55</u>	<u>137,973</u>	<u>606,470</u>	<u>468,291</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	-	-	-	-	-	-	-	36,235	36,235
Transfers Out	-	-	-	-	-	-	(462,000)	(462,000)	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(462,000)</u>	<u>(425,765)</u>	<u>36,235</u>
<b>Net Change in Fund Balances</b>	<u>\$ 38,731</u>	<u>233,627</u>	<u>\$ 194,896</u>	<u>\$ (550)</u>	<u>(495)</u>	<u>\$ 55</u>	<u>\$ (324,027)</u>	<u>180,705</u>	<u>\$ 504,526</u>
<b>Fund Balance, Beginning of Year</b>		<u>783,591</u>			<u>5,583</u>			<u>3,235,487</u>	
<b>Fund Balance, End of Year</b>		<u>\$ 1,017,218</u>			<u>\$ 5,088</u>			<u>\$ 3,416,192</u>	

*Continued*

**City of Brentwood**

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
Special Revenue Funds (Continued)  
For Year Ended June 30, 2014**

	Agriculture Land			Parking In-Lieu			Landscape and Lighting Assesment Districts			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>REVENUES</b>												
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,844,314	\$ 1,858,571	\$ 14,257
Uses of Money and Property	5,000	6,482	1,482	500	280	(220)	71,550	46,091	(25,459)	185,525	182,839	(2,686)
Intergovernmental	-	-	-	-	-	-	-	-	-	2,382,269	2,510,320	128,051
Fees and Other Revenues	-	19,583	19,583	-	-	-	5,748,165	5,755,454	7,289	12,835,876	18,808,213	5,972,337
<b>Total Revenues</b>	<u>5,000</u>	<u>26,065</u>	<u>21,065</u>	<u>500</u>	<u>280</u>	<u>(220)</u>	<u>5,819,715</u>	<u>5,801,545</u>	<u>(18,170)</u>	<u>17,247,984</u>	<u>23,359,943</u>	<u>6,111,959</u>
<b>EXPENDITURES</b>												
Current:												
General Government	33,000	29,817	3,183	150	29	121	-	-	-	3,441,492	3,276,019	165,473
Public Safety	-	-	-	-	-	-	-	-	-	167,322	131,365	35,957
Community Development	-	-	-	-	-	-	-	-	-	50	6	44
Parks and Recreation	-	-	-	-	-	-	-	-	-	5,296,188	5,207,090	89,098
Community Services	-	-	-	-	-	-	6,345,236	5,492,758	852,478	6,386,236	5,523,359	862,877
<b>Total Expenditures</b>	<u>33,000</u>	<u>29,817</u>	<u>3,183</u>	<u>150</u>	<u>29</u>	<u>121</u>	<u>6,345,236</u>	<u>5,492,758</u>	<u>852,478</u>	<u>15,291,288</u>	<u>14,137,839</u>	<u>1,153,449</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(28,000)</u>	<u>(3,752)</u>	<u>24,248</u>	<u>350</u>	<u>251</u>	<u>(99)</u>	<u>(525,521)</u>	<u>308,787</u>	<u>834,308</u>	<u>1,956,696</u>	<u>9,222,104</u>	<u>7,265,408</u>
<b>OTHER FINANCING SOURCES (USES)</b>												
Transfers In	-	-	-	-	-	-	-	-	-	2,452,436	3,124,502	672,066
Transfers Out	-	-	-	-	-	-	-	-	-	(10,053,243)	(9,806,175)	247,068
<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>(7,600,807)</u>	<u>(6,681,673)</u>	<u>919,134</u>
<b>Net Change in Fund Balances</b>	<u>\$ (28,000)</u>	<u>(3,752)</u>	<u>\$ 24,248</u>	<u>\$ 350</u>	<u>251</u>	<u>\$ (99)</u>	<u>\$ (525,521)</u>	<u>308,787</u>	<u>\$ 834,308</u>	<u>\$ (5,644,111)</u>	<u>2,540,431</u>	<u>\$ 8,184,542</u>
<b>Fund Balance, Beginning of Year</b>		<u>630,790</u>			<u>27,202</u>			<u>3,753,731</u>			<u>14,439,054</u>	
<b>Fund Balance, End of Year</b>		<u>\$ 627,038</u>			<u>\$ 27,453</u>			<u>\$ 4,062,518</u>			<u>\$ 16,979,485</u>	

**City of Brentwood**

***Combining Balance Sheet***

***All Debt Service Funds***

***June 30, 2014***

	<b>Capital Improvement Revenue Refunding Bonds Series 2012</b>	<b>General Obligation Bonds Series 2002</b>	<b>2009 Civic Center Project Lease Revenue Bonds</b>	<b>Totals</b>
<b>ASSETS</b>				
Current Assets:				
Cash and Investments	\$ 157,370	\$ 61,103	\$ 14,595	\$ 233,068
Restricted Cash and Investments	1,421,278	-	3,402,896	4,824,174
Receivables	16,080,004	8	12,297,369	28,377,381
<b>Total Assets</b>	<b>\$ 17,658,652</b>	<b>\$ 61,111</b>	<b>\$ 15,714,860</b>	<b>\$ 33,434,623</b>
<b>LIABILITIES</b>				
Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 24	\$ 48	\$ -	\$ 72
<b>Total Liabilities</b>	<b>24</b>	<b>48</b>	<b>-</b>	<b>72</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Loans Receivable	16,080,000	-	12,297,368	28,377,368
<b>Total Deferred Inflows of Resources</b>	<b>16,080,000</b>	<b>-</b>	<b>12,297,368</b>	<b>28,377,368</b>
<b>FUND BALANCES</b>				
Restricted	1,578,628	61,063	3,417,492	5,057,183
<b>Total Fund Balances</b>	<b>1,578,628</b>	<b>61,063</b>	<b>3,417,492</b>	<b>5,057,183</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 17,658,652</b>	<b>\$ 61,111</b>	<b>\$ 15,714,860</b>	<b>\$ 33,434,623</b>

**City of Brentwood**

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
All Debt Service Funds  
For Year Ended June 30, 2014***

	<b>Capital Improvement Revenue Refunding Bonds Series 2012</b>	<b>General Obligation Bonds Series 2002</b>	<b>2009 Civic Center Project Lease Revenue Bonds</b>	<b>Totals</b>
<b>REVENUES</b>				
Taxes	\$ -	\$ 419,814	\$ -	\$ 419,814
Uses of Money and Property	89,120	2,416	15,459	106,995
Intergovernmental	1,298,073	-	2,089,417	3,387,490
<b>Total Revenues</b>	<b>1,387,193</b>	<b>422,230</b>	<b>2,104,876</b>	<b>3,914,299</b>
<b>EXPENDITURES</b>				
Current:				
Community Development	7,861	5,595	10,250	23,706
Debt Service:				
Principal	865,000	325,000	645,000	1,835,000
Interest and Fiscal Charges	1,063,788	80,325	3,346,279	4,490,392
<b>Total Expenditures</b>	<b>1,936,649</b>	<b>410,920</b>	<b>4,001,529</b>	<b>6,349,098</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(549,456)</b>	<b>11,310</b>	<b>(1,896,653)</b>	<b>(2,434,799)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	713,278	-	2,940,966	3,654,244
Transfers Out	(159,093)	-	(1,039,080)	(1,198,173)
<b>Total Other Financing Sources (Uses)</b>	<b>554,185</b>	<b>-</b>	<b>1,901,886</b>	<b>2,456,071</b>
<b>Net Change in Fund Balances</b>	<b>4,729</b>	<b>11,310</b>	<b>5,233</b>	<b>21,272</b>
<b>Fund Balance, Beginning of Year</b>	<b>1,573,899</b>	<b>49,753</b>	<b>3,412,259</b>	<b>5,035,911</b>
<b>Fund Balance, End of Year</b>	<b>\$ 1,578,628</b>	<b>\$ 61,063</b>	<b>\$ 3,417,492</b>	<b>\$ 5,057,183</b>

**City of Brentwood**

***Combining Balance Sheet***  
***All Capital Project Funds***  
***June 30, 2014***

	<b>Capital Improvement Financing Program 2005-1</b>	<b>Capital Improvement Financing Program 2006-1</b>	<b>Civic Center Capital Improvement Financing Program</b>	<b>Civic Center Project Lease Revenue Bond Acquisition</b>	<b>Community Facilities Improvements</b>
<b>ASSETS</b>					
Current Assets:					
Cash and Investments	\$ -	\$ -	\$ 1,390,565	\$ -	\$ 1,401,545
Restricted Cash and Investments	4,490,342	2,581,048	-	7,736,565	-
Receivables	-	-	38	210	1,499,913
Due from Other Funds	-	-	-	-	4,887
Non-Current Assets:					
Interfund Advance Receivable	-	-	-	-	2,177,752
<b>Total Assets</b>	<b>\$ 4,490,342</b>	<b>\$ 2,581,048</b>	<b>\$ 1,390,603</b>	<b>\$ 7,736,775</b>	<b>\$ 5,084,097</b>
<b>LIABILITIES</b>					
Liabilities:					
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ 328	\$ 1,348	\$ 123,022
Due to Other Funds	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>328</b>	<b>1,348</b>	<b>123,022</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue - Loans Receivable	-	-	-	-	1,499,778
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,499,778</b>
<b>FUND BALANCES</b>					
Restricted	4,490,342	2,581,048	1,390,275	7,735,427	3,461,297
Unassigned	-	-	-	-	-
<b>Total Fund Balances</b>	<b>4,490,342</b>	<b>2,581,048</b>	<b>1,390,275</b>	<b>7,735,427</b>	<b>3,461,297</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 4,490,342</b>	<b>\$ 2,581,048</b>	<b>\$ 1,390,603</b>	<b>\$ 7,736,775</b>	<b>\$ 5,084,097</b>

*Continued*

**City of Brentwood**

***Combining Balance Sheet***  
***All Capital Project Funds (Continued)***  
***June 30, 2014***

	<b>Parks and Trails Improvements</b>	<b>Drainage Improvements</b>	<b>Roadway Improvements</b>	<b>Economic Infrastructure Projects</b>	<b>Vineyards Projects</b>	<b>Totals</b>
<b>ASSETS</b>						
Current Assets:						
Cash and Investments	\$ 264,100	\$ 37,414	\$ 3,988,609	\$ 6,278,475	\$ 2,055,491	\$ 15,416,199
Restricted Cash and Investments	-	-	-	-	-	14,807,955
Receivables	784,825	1	19,564	171	56	2,304,778
Due from Other Funds	-	-	-	-	-	4,887
Non-Current Assets:						
Interfund Advance Receivable	-	-	-	-	-	2,177,752
<b>Total Assets</b>	<b>\$ 1,048,925</b>	<b>\$ 37,415</b>	<b>\$ 4,008,173</b>	<b>\$ 6,278,646</b>	<b>\$ 2,055,547</b>	<b>\$ 34,711,571</b>
<b>LIABILITIES</b>						
Liabilities:						
Accounts Payable and Accrued Liabilities	\$ 89,318	\$ 37,414	\$ 955,942	\$ 1,199	\$ 371	\$ 1,208,942
Due to Other Funds	784,825	-	-	-	-	784,825
<b>Total Liabilities</b>	<b>874,143</b>	<b>37,414</b>	<b>955,942</b>	<b>1,199</b>	<b>371</b>	<b>1,993,767</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue - Loans Receivable	784,825	-	-	-	-	2,284,603
<b>Total Deferred Inflows of Resources</b>	<b>784,825</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,284,603</b>
<b>FUND BALANCES</b>						
Restricted	-	1	3,052,231	6,277,447	2,055,176	31,043,244
Unassigned	(610,043)	-	-	-	-	(610,043)
<b>Total Fund Balances</b>	<b>(610,043)</b>	<b>1</b>	<b>3,052,231</b>	<b>6,277,447</b>	<b>2,055,176</b>	<b>30,433,201</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 1,048,925</b>	<b>\$ 37,415</b>	<b>\$ 4,008,173</b>	<b>\$ 6,278,646</b>	<b>\$ 2,055,547</b>	<b>\$ 34,711,571</b>

**City of Brentwood**

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
All Capital Project Funds  
For Year Ended June 30, 2014***

	<b>Capital Improvement Financing Program 2005-1</b>	<b>Capital Improvement Financing Program 2006-1</b>	<b>Civic Center Capital Improvement Financing Program</b>	<b>Civic Center Project Lease Revenue Bond Acquisition</b>	<b>Community Facilities Improvements</b>
<b>REVENUES</b>					
Uses of Money and Property	\$ 381	\$ 219	\$ 15,446	\$ 73,292	\$ 55,568
Intergovernmental	-	-	-	-	-
Fees and Other Revenues	-	-	1,285,074	-	-
<b>Total Revenues</b>	<b>381</b>	<b>219</b>	<b>1,300,520</b>	<b>73,292</b>	<b>55,568</b>
<b>EXPENDITURES</b>					
Current:					
General Government	-	-	1,967	6,724	360,483
Other	-	-	-	-	13,397
Capital Outlay	-	-	-	-	578,899
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>1,967</b>	<b>6,724</b>	<b>952,779</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>381</b>	<b>219</b>	<b>1,298,553</b>	<b>66,568</b>	<b>(897,211)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	922,690	686,341	1,272,000
Transfers Out	-	-	(1,901,865)	-	(1,809,553)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(979,175)</b>	<b>686,341</b>	<b>(537,553)</b>
<b>Net Change in Fund Balances</b>	<b>381</b>	<b>219</b>	<b>319,378</b>	<b>752,909</b>	<b>(1,434,764)</b>
<b>Fund Balance, Beginning of Year</b>	<b>4,489,961</b>	<b>2,580,829</b>	<b>1,070,897</b>	<b>6,982,518</b>	<b>4,896,061</b>
<b>Fund Balance, End of Year</b>	<b>\$ 4,490,342</b>	<b>\$ 2,581,048</b>	<b>\$ 1,390,275</b>	<b>\$ 7,735,427</b>	<b>\$ 3,461,297</b>

*Continued*



**City of Brentwood**

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
All Capital Project Funds (Continued)  
For Year Ended June 30, 2014***

	<b>Park and Trails Improvements</b>	<b>Drainage Improvements</b>	<b>Roadway Improvements</b>	<b>Economic Infrastructure Projects</b>	<b>Vineyards Projects</b>	<b>Totals</b>
<b>REVENUES</b>						
Uses of Money and Property	\$ 122	\$ 384	\$ 36,478	\$ 63,058	\$ 20,464	\$ 265,412
Intergovernmental	-	-	35,895	-	-	35,895
Fees and Other Revenues	610	-	786,297	-	182,390	2,254,371
<b>Total Revenues</b>	<b>732</b>	<b>384</b>	<b>858,670</b>	<b>63,058</b>	<b>202,854</b>	<b>2,555,678</b>
<b>EXPENDITURES</b>						
Current:						
General Government	155,285	-	918,675	131,718	2,043	1,576,895
Other	-	-	-	-	-	13,397
Capital Outlay	444,545	37,414	426,773	-	-	1,487,631
<b>Total Expenditures</b>	<b>599,830</b>	<b>37,414</b>	<b>1,345,448</b>	<b>131,718</b>	<b>2,043</b>	<b>3,077,923</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(599,098)</b>	<b>(37,030)</b>	<b>(486,778)</b>	<b>(68,660)</b>	<b>200,811</b>	<b>(522,245)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	366,782	-	1,283,707	247	-	4,531,767
Transfers Out	(7,831)	(384)	(870,785)	-	-	(4,590,418)
<b>Total Other Financing Sources (Uses)</b>	<b>358,951</b>	<b>(384)</b>	<b>412,922</b>	<b>247</b>	<b>-</b>	<b>(58,651)</b>
<b>Net Change in Fund Balances</b>	<b>(240,147)</b>	<b>(37,414)</b>	<b>(73,856)</b>	<b>(68,413)</b>	<b>200,811</b>	<b>(580,896)</b>
<b>Fund Balance, Beginning of Year</b>	<b>(369,896)</b>	<b>37,415</b>	<b>3,126,087</b>	<b>6,345,860</b>	<b>1,854,365</b>	<b>31,014,097</b>
<b>Fund Balance, End of Year</b>	<b>\$ (610,043)</b>	<b>\$ 1</b>	<b>\$ 3,052,231</b>	<b>\$ 6,277,447</b>	<b>\$ 2,055,176</b>	<b>\$ 30,433,201</b>

**City of Brentwood**

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Certain Capital Project Funds  
For Year Ended June 30, 2014**

	<b>Civic Center Capital Improvement Financing Program</b>			<b>Civic Center Project Lease Revenue Bond Acquisition</b>			<b>Economic Infrastructure Projects</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>									
Uses of Money and Property	\$ 23,000	\$ 15,446	\$ (7,554)	\$ 50,000	\$ 73,292	\$ 23,292	\$ 100,000	\$ 63,058	\$ (36,942)
Fees and Other Revenues	1,405,212	1,285,074	(120,138)	-	-	-	-	-	-
<b>Total Revenues</b>	<b>1,428,212</b>	<b>1,300,520</b>	<b>(127,692)</b>	<b>50,000</b>	<b>73,292</b>	<b>23,292</b>	<b>100,000</b>	<b>63,058</b>	<b>(36,942)</b>
<b>EXPENDITURES</b>									
Current:									
General Government	5,000	1,967	3,033	6,724	6,724	-	148,974	131,718	17,256
<b>Total Expenditures</b>	<b>5,000</b>	<b>1,967</b>	<b>3,033</b>	<b>6,724</b>	<b>6,724</b>	<b>-</b>	<b>148,974</b>	<b>131,718</b>	<b>17,256</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,423,212</b>	<b>1,298,553</b>	<b>(124,659)</b>	<b>43,276</b>	<b>66,568</b>	<b>23,292</b>	<b>(48,974)</b>	<b>(68,660)</b>	<b>(19,686)</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	918,451	922,690	4,239	-	686,341	686,341	-	247	247
Transfers Out	(1,907,471)	(1,901,865)	5,606	(1,689,874)	-	1,689,874	(91,250)	-	91,250
<b>Total Other Financing Sources (Uses)</b>	<b>(989,020)</b>	<b>(979,175)</b>	<b>9,845</b>	<b>(1,689,874)</b>	<b>686,341</b>	<b>2,376,215</b>	<b>(91,250)</b>	<b>247</b>	<b>91,497</b>
<b>Net Change in Fund Balances</b>	<b>\$ 434,192</b>	<b>319,378</b>	<b>\$ (114,814)</b>	<b>\$ (1,646,598)</b>	<b>752,909</b>	<b>\$ 2,399,507</b>	<b>\$ (140,224)</b>	<b>(68,413)</b>	<b>\$ 71,811</b>
<b>Fund Balance, Beginning of Year</b>		<b>1,070,897</b>			<b>6,982,518</b>			<b>6,345,860</b>	
<b>Fund Balance, End of Year</b>		<b>\$ 1,390,275</b>			<b>\$ 7,735,427</b>			<b>\$ 6,277,447</b>	

*Continued*

**City of Brentwood**

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

***Certain Capital Projects Fund (Continued)***

***For Year Ended June 30, 2014***

	<b>Vineyards Projects</b>			<b>Totals</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>						
Uses of Money and Property	\$ 20,000	\$ 20,464	\$ 464	\$ 193,000	\$ 172,260	\$ (20,740)
Fees and Other Revenues	-	182,390	182,390	1,405,212	1,467,464	62,252
<b>Total Revenues</b>	<u>20,000</u>	<u>202,854</u>	<u>182,854</u>	<u>1,598,212</u>	<u>1,639,724</u>	<u>41,512</u>
<b>EXPENDITURES</b>						
Current:						
General Government	2,500	2,043	457	163,198	142,452	20,746
<b>Total Expenditures</b>	<u>2,500</u>	<u>2,043</u>	<u>457</u>	<u>163,198</u>	<u>142,452</u>	<u>20,746</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>17,500</u>	<u>200,811</u>	<u>183,311</u>	<u>1,435,014</u>	<u>1,497,272</u>	<u>62,258</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	-	-	918,451	1,609,278	690,827
Transfers Out	-	-	-	(3,688,595)	(1,901,865)	1,786,730
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,770,144)</u>	<u>(292,587)</u>	<u>2,477,557</u>
<b>Net Change in Fund Balances</b>	<u>\$ 17,500</u>	<u>200,811</u>	<u>\$ 183,311</u>	<u>\$ (1,335,130)</u>	<u>1,204,685</u>	<u>\$ 2,539,815</u>
<b>Fund Balance, Beginning of Year</b>		<u>1,854,365</u>			<u>16,253,640</u>	
<b>Fund Balance, End of Year</b>		<u>\$ 2,055,176</u>			<u>\$ 17,458,325</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>	

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

## City of Brentwood

## NET POSITION BY COMPONENT

## LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

(Unaudited)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 215,720,615	\$ 294,803,288	\$ 339,857,455	\$ 372,951,683	\$ 396,500,516	\$ 387,736,385	\$ 391,780,662	\$ 396,203,826	\$ 451,053,113	\$ 448,914,876
Restricted	34,678,623	81,395,898	79,233,723	80,452,738	84,103,392	90,938,293	71,281,324	55,501,023	50,993,394	55,657,033
Unrestricted	53,776,481	53,977,292	59,130,425	54,508,073	48,649,648	41,892,809	50,583,234	79,793,101	47,881,478	52,762,415
<b>Total Governmental Activities Net Position</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>\$ 549,927,985</b>	<b>\$ 557,334,324</b>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets	\$ 144,514,270	\$ 104,790,118	\$ 124,783,446	\$ 137,697,679	\$ 151,887,435	\$ 152,324,676	\$ 154,107,936	\$ 155,440,943	\$ 174,173,837	\$ 175,557,744
Restricted	27,021,249	30,182,173	31,204,635	28,721,075	26,202,644	31,503,932	33,796,393	35,030,908	25,789,668	27,579,197
Unrestricted	14,373,836	14,140,500	22,052,908	33,177,282	39,191,354	38,179,045	41,033,910	37,633,231	37,558,177	41,145,016
<b>Total Business-Type Activities Net Position</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>\$ 237,521,682</b>	<b>\$ 244,281,957</b>
<b>Primary Government</b>										
Net Investment in Capital Assets	\$ 360,234,885	\$ 399,593,406	\$ 464,640,901	\$ 510,649,362	\$ 548,387,951	\$ 540,061,061	\$ 545,888,598	\$ 551,644,769	\$ 625,226,950	\$ 624,472,620
Restricted	61,699,872	111,578,071	110,438,358	109,173,813	110,306,036	122,442,225	105,077,717	90,531,931	76,783,062	83,236,230
Unrestricted	68,150,317	68,117,792	81,183,333	87,685,355	87,841,002	80,071,854	91,617,144	117,426,332	85,439,655	93,907,431
<b>Total Primary Government Net Position</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>	<b>\$ 787,449,667</b>	<b>\$ 801,616,281</b>

## City of Brentwood

## CHANGES IN NET POSITION - GOVERNMENTAL ACTIVITIES

## LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

(Unaudited)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Governmental Activities:</b>										
<b>Expenses</b>										
General Government	\$ 22,019,514	\$ 17,927,800	\$ 26,103,080	\$ 26,566,890	\$ 14,258,630	\$ 16,337,699	\$ 21,178,861	\$ 14,136,546	\$ 14,092,802	\$ 12,814,102
Public Safety	9,563,065	10,952,967	12,768,274	13,770,801	15,024,872	18,770,435	16,444,355	17,504,773	16,984,814	16,841,404
Community Development	5,103,462	3,960,793	5,704,796	5,581,469	4,871,191	5,688,738	4,614,882	3,330,613	3,486,844	3,897,722
Engineering	3,821,479	4,063,792	2,332,730	2,420,953	2,500,979	2,195,775	2,287,863	2,426,348	2,425,560	2,536,751
Public Works	1,796,006	1,815,288	4,967,567	5,441,455	6,417,940	6,702,090	7,563,837	7,785,203	7,481,326	6,932,406
Parks and Recreation	2,442,686	6,965,572	8,129,353	9,312,868	8,721,904	9,595,992	9,831,303	9,966,107	11,278,035	11,997,081
Community Services	237,458	2,059,834	3,402,377	3,728,537	4,771,816	5,665,988	5,193,300	5,507,421	5,979,870	6,077,404
Other	1,008,158	2,918,908	-	-	-	-	-	-	-	-
Interest on Long-Term Debt	1,949,670	1,766,038	1,839,058	1,557,776	1,729,621	3,129,383	5,068,172	5,121,265	4,763,277	4,706,190
<b>Total Expenses</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>66,492,528</b>	<b>65,803,060</b>
<b>Program Revenues</b>										
Charges for Services:										
General Government	4,707,870	3,803,913	5,050,422	4,832,281	5,374,316	6,137,929	7,180,354	7,579,622	9,248,908	7,838,278
Public Safety	417,939	463,693	563,191	611,166	512,853	555,434	498,354	512,727	485,363	511,100
Community Development	7,541,354	5,992,652	3,371,910	2,021,118	1,204,973	1,112,381	1,112,381	1,273,788	2,436,201	3,392,009
Engineering	4,842,578	4,088,577	3,499,111	2,218,835	1,549,735	1,760,861	1,191,544	1,457,470	1,780,644	2,298,698
Public Works	20,260	36,618	53,474	87,670	84,910	119,960	75,927	39,302	1,250	-
Parks and Recreation	-	1,804,256	1,687,292	1,128,180	936,023	920,233	962,966	1,061,842	1,173,781	1,256,289
Operating Grants and Contributions	114,791	200,915	6,443,633	9,868,672	9,594,707	10,547,689	12,109,521	11,266,602	15,474,137	13,854,976
Capital Grants and Contributions	166,951	212,611	50,529,249	35,633,756	21,356,537	7,393,607	13,903,165	6,384,355	21,785,963	19,212,723
<b>Total Program Revenues</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>52,386,247</b>	<b>48,364,073</b>
<b>Total Governmental Activities Net Expense</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>(14,106,281)</b>	<b>(17,438,987)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Taxes:										
Property Taxes	9,932,342	14,887,469	19,676,078	20,802,069	19,580,300	16,247,078	15,684,496	12,682,260	10,090,453	10,540,496
Sales Tax	4,442,764	5,411,724	4,661,529	4,827,706	4,803,716	5,038,880	5,258,382	5,691,384	6,060,363	6,447,687
Franchise Fees	851,237	1,021,258	1,230,265	1,362,484	1,057,537	1,168,412	1,183,245	1,216,589	1,254,136	1,321,089
Public Service Taxes	914,426	1,000,573	527,766	342,627	298,911	283,407	251,092	257,426	396,148	389,109
Measure C/J, TOT	480,838	532,035	598,358	635,411	674,000	676,635	775,964	885,565	960,804	1,036,221
Motor Vehicle Taxes	2,198,750	3,502,237	3,597,495	3,942,089	3,570,432	2,955,583	2,925,219	2,593,907	2,540,474	2,748,701
Other Taxes	-	188,636	260,577	-	-	-	-	-	-	-
Investment Earnings	3,185,671	3,639,789	8,960,696	8,191,379	6,821,377	3,456,502	2,256,133	1,626,128	679,229	1,186,001
Contributions - Impact Fees and Credits	29,584,350	31,600,393	-	-	-	-	-	-	-	-
Capital Contributions	3,592,176	33,424,231	-	-	-	-	-	-	-	-
Capital Assets Contributed to/from Other Funds	126,356	-	-	-	-	-	-	-	-	-
Intergovernmental	862,624	1,151,837	42,737	-	-	-	-	-	-	-
Interfund Services	3,570,121	4,627,478	48,484	-	-	-	-	-	-	-
Miscellaneous	4,098,758	3,328,605	2,726,006	1,421,715	906,456	848,732	317,681	1,338,025	1,149,975	1,123,910
Transfers	(1,847,651)	57,512,251	2,111,311	144,482	1,645,610	84,116	(426,118)	99,753	(74,087)	52,112
Extraordinary Items										
Assets Transferred To/Liabilities Assumed by Successor Agency	-	-	-	-	-	-	-	27,664,261	(3,989,500)	-
<b>Total General Revenues and Other Changes in Net Position</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>19,067,995</b>	<b>24,845,326</b>
<b>Total Governmental Activities Change in Net Position</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>	<b>\$ 4,961,714</b>	<b>\$ 7,406,339</b>

## City of Brentwood

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Business-Type Activities:</b>										
<b>Expenses</b>										
Wastewater	\$ 5,713,763	\$ 5,995,237	\$ 6,264,947	\$ 6,734,960	\$ 6,956,281	\$ 7,387,756	\$ 7,706,249	\$ 7,980,916	\$ 8,281,521	\$ 8,356,508
Solid Waste	4,266,665	6,018,649	6,259,740	6,620,638	6,870,616	7,530,880	7,839,662	8,050,319	8,871,904	9,583,321
Water	8,594,319	12,073,423	11,181,295	12,304,859	15,721,076	18,381,997	17,122,586	18,787,680	18,987,430	19,436,134
Parks and Recreation	3,854,606	-	-	-	-	-	-	-	-	-
City Rentals	434,243	728,604	729,754	654,428	248,505	253,241	218,218	182,239	150,179	165,319
Housing	1,022,306	1,215,548	1,481,274	792,055	307,298	419,217	430,024	4,699,623	686,241	831,157
<b>Total Expenses</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>36,977,275</b>	<b>38,372,439</b>
<b>Program Revenues</b>										
Charges for Services:										
Wastewater	4,549,961	5,979,653	6,441,711	6,966,204	7,666,143	7,936,737	8,333,225	9,388,285	10,891,301	10,979,074
Solid Waste	6,236,643	8,025,919	8,826,499	9,284,062	9,119,685	8,856,687	9,045,607	9,139,494	9,246,212	9,648,049
Water	10,231,960	12,264,649	15,348,469	16,279,479	16,201,887	15,760,490	16,114,907	17,254,244	18,657,623	19,050,072
Parks and Recreation	1,443,029	-	-	-	-	-	-	-	-	-
City Rentals	778,437	767,270	717,539	467,271	421,957	425,832	425,607	435,736	428,869	438,420
Housing	1,000	30,290	117,601	174,368	188,137	175,186	193,610	184,524	196,900	221,519
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	6,679,473	4,082,059
<b>Total Program Revenues</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>46,100,378</b>	<b>44,419,193</b>
<b>Total Business-Type Activities Net Expense</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>9,123,103</b>	<b>6,046,754</b>
<b>General Revenues and Other Changes in Net Position</b>										
Taxes:										
Property Taxes	1,073,421	-	-	-	-	-	-	-	-	-
Grants and Contributions Not Restricted to Specific Programs	177,600	-	-	-	-	-	-	-	-	-
Investment Earnings	534,586	1,199,763	2,535,390	3,663,930	3,246,917	1,632,413	1,072,790	935,886	417,783	765,633
Contributions - Impact Fees and Credits	17,844,231	11,381,912	-	-	-	-	-	-	-	-
Capital Contributions	21,325,932	-	-	-	-	-	-	-	-	-
Capital Assets Contributed to/from Other Funds	(126,356)	-	-	-	-	-	-	-	-	-
Transfers	1,847,651	(57,512,251)	(2,111,311)	(144,482)	(1,645,610)	(84,116)	426,118	(99,753)	74,087	(52,112)
<b>Total General Revenues and Other Changes in Net Position</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>491,870</b>	<b>713,521</b>
<b>Total Business-Type Activities Change in Net Position</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>9,614,973</b>	<b>6,760,275</b>
<b>Total Primary Government Change in Net Position</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>	<b>\$ 14,576,687</b>	<b>\$ 14,166,614</b>

**City of Brentwood**

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General Fund</b>										
Reserved	\$ 122,935	\$ 204,076	\$ 124,588	\$ 69,008	\$ 115,603	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	19,377,628	22,310,261	25,274,977	23,942,011	15,469,215	-	-	-	-	-
Nonspendable <sup>(1)</sup>	-	-	-	-	-	69,383	168,127	75,163	302,936	63,693
Restricted <sup>(1)</sup>	-	-	-	-	-	-	-	27,500	74,426	92,426
Committed <sup>(1)</sup>	-	-	-	-	-	600,000	600,000	-	-	-
Assigned <sup>(1)</sup>	-	-	-	-	-	2,200,000	7,667,955	7,676,327	6,522,500	5,083,574
Unassigned <sup>(1)</sup>	-	-	-	-	-	12,464,539	9,835,437	10,760,980	11,134,823	11,899,800
<b>Total General Fund</b>	<u>\$ 19,500,563</u>	<u>\$ 22,514,337</u>	<u>\$ 25,399,565</u>	<u>\$ 24,011,019</u>	<u>\$ 15,584,818</u>	<u>\$ 15,333,922</u>	<u>\$ 18,271,519</u>	<u>\$ 18,539,970</u>	<u>\$ 18,034,685</u>	<u>\$ 17,139,493</u>
<b>All Other Governmental Funds</b>										
Reserved	\$ 46,924,689	\$ 93,318,376	\$ 94,569,236	\$ 81,456,062	\$ 86,822,877	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, Reported In:										
Special Revenue Funds	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 <sup>(1)</sup>	-	-	-	-	-	2,371,064	2,237	1,324	1,310	845
Restricted <sup>(1)</sup>	-	-	-	-	-	119,080,851	78,571,539	56,313,736	47,984,618	48,760,112
Committed <sup>(1)</sup>	-	-	-	-	-	4,477,489	3,027,135	4,210,317	5,342,739	6,501,740
Unassigned <sup>(1)</sup>	-	-	-	-	-	(2,586,983)	(2,550,292)	248,829	(2,839,605)	(2,792,828)
<b>Total All Other Governmental Funds</b>	<u>\$ 52,565,675</u>	<u>\$ 96,975,847</u>	<u>\$ 92,241,115</u>	<u>\$ 87,553,300</u>	<u>\$ 91,298,304</u>	<u>\$ 123,342,421</u>	<u>\$ 79,050,619</u>	<u>\$ 60,774,206</u>	<u>\$ 50,489,062</u>	<u>\$ 52,469,869</u>

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



## City of Brentwood

## CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

## LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

(Unaudited)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>REVENUES</b>										
Taxes	\$ 15,405,971	\$ 21,606,946	\$ 25,842,811	\$ 26,218,592	\$ 24,965,670	\$ 21,892,844	\$ 21,496,574	\$ 18,966,729	\$ 16,925,209	\$ 17,777,969
Licenses	405,246	471,668	509,618	454,678	530,025	494,958	486,963	519,368	550,111	618,161
Permits and Fines	11,361,424	9,647,761	6,130,221	3,311,232	1,699,070	2,419,184	2,695,972	2,866,498	4,460,526	5,920,923
Uses of Money and Property	4,156,725	3,381,068	8,263,044	7,820,815	5,714,526	2,939,018	1,990,331	1,477,010	1,403,814	1,022,233
Intergovernmental	3,727,774	5,537,709	5,022,850	8,072,443	6,559,025	6,491,361	7,696,877	6,626,172	11,827,629	8,793,246
Franchises	672,172	808,389	965,066	1,018,540	1,057,537	1,168,412	1,183,245	1,216,589	1,254,136	1,321,089
Charges for Other Services	546,251	1,580,198	776,584	515,471	407,429	437,338	522,681	409,699	291,411	381,111
Charges to Other Funds	5,161,708	5,506,136	5,590,646	5,293,754	5,507,561	6,101,449	5,887,152	6,362,471	8,063,466	6,577,548
Fees and Other Revenues	27,280,529	52,281,640	21,786,740	16,301,455	12,630,551	12,772,501	13,219,741	15,976,157	18,972,072	22,705,683
<b>Total Revenues</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>63,748,374</b>	<b>65,117,963</b>
<b>EXPENDITURES</b>										
Current:										
General Government	18,411,773	12,505,987	26,029,125	24,471,337	13,876,807	13,903,858	18,213,011	12,289,354	12,098,061	10,264,133
Public Safety	10,697,057	12,774,097	14,129,475	14,343,676	14,277,133	15,029,062	15,806,664	16,627,126	16,474,881	16,940,288
Community Development	5,418,378	4,415,273	6,092,241	5,756,412	4,803,810	6,530,394	4,658,637	3,218,317	3,545,087	4,075,316
Engineering	2,166,280	2,476,437	2,532,147	2,574,651	2,523,897	2,124,818	2,241,604	2,383,174	2,438,310	2,620,029
Public Works	2,208,201	2,292,826	2,486,963	2,676,479	2,385,896	2,342,121	2,687,175	2,723,127	2,601,282	2,687,875
Parks and Recreation	1,838,817	7,634,708	7,924,624	8,191,336	7,039,392	7,387,946	7,782,777	7,673,881	9,161,386	10,194,471
Community Services	237,458	2,073,780	3,414,448	3,739,616	4,777,007	5,668,438	5,199,083	5,510,055	5,987,718	6,088,686
Other	1,008,158	2,918,908	-	-	-	-	-	-	-	-
Capital Outlay	17,688,834	9,166,838	11,367,755	11,795,273	11,417,725	9,534,182	28,347,984	18,649,014	5,791,055	1,487,631
Debt Service:										
Principal	1,655,889	1,817,780	832,754	967,369	1,003,379	2,412,705	1,085,407	1,075,000	1,770,000	1,835,000
Interest and Fiscal Charges	1,684,978	1,671,308	1,647,122	1,354,955	1,515,337	2,902,943	4,795,892	4,849,723	4,541,152	4,490,392
<b>Total Expenditures</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>64,408,932</b>	<b>60,683,821</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</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>(660,558)</b>	<b>4,434,142</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Issuance of Debt	-	-	-	-	-	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)	-	-
Transfer of Land Held to Governmental Activities	-	-	-	-	-	-	(1,327,029)	-	-	-
Transfers In	22,122,072	30,346,807	27,208,242	19,712,817	19,833,305	89,614,732	71,012,558	18,534,332	18,611,255	18,163,542
Transfers Out	(24,161,540)	(23,996,434)	(25,128,377)	(19,053,054)	(19,965,513)	(92,831,281)	(75,401,036)	(16,777,751)	(21,084,678)	(21,512,069)
<b>Total Other Financing Sources (Uses)</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>(2,473,423)</b>	<b>(3,348,527)</b>
<b>Net Change in Fund Balances before Extraordinary Items</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>\$ (3,133,981)</b>	<b>\$ 1,085,615</b>
<b>EXTRAORDINARY ITEMS</b>										
Assets Transferred to Successor Agency	-	-	-	-	-	-	-	(7,438,601)	(3,989,500)	-
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>(2,130,419)</b>	<b>(3,989,500)</b>	<b>-</b>
<b>Net Change in Fund Balances</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>\$ (7,123,481)</b>	<b>\$ 1,085,615</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	7.37%	6.90%	3.81%	3.62%	4.82%	9.12%	9.41%	10.51%	10.77%	10.69%

<b>City of Brentwood</b>
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**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN TAX YEARS**  
(Unaudited)

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2005	\$ 3,935,719,534	\$ 305,863,204	\$ 33,775,436	\$ 304,961,167	\$ 82,710,234	\$ 4,497,609,107	1.0051%
2006	4,876,139,675	394,231,315	41,643,661	381,487,825	93,209,265	5,600,293,211	1.0040%
2007	6,220,671,258	493,496,598	63,090,245	492,275,459	96,882,748	7,172,650,812	1.0038%
2008	6,915,502,276	544,468,293	73,972,732	693,059,797	107,975,826	8,119,027,272	1.0032%
2009	6,028,251,325	653,859,546	117,670,976	718,293,799	112,118,379	7,405,956,667	1.0039%
2010	4,785,876,213	786,006,109	85,597,901	571,134,468	118,631,364	6,109,983,327	1.0054%
2011	4,660,132,845	723,838,787	50,993,755	547,683,892	122,763,045	5,859,886,234	1.0060%
2012	4,496,112,577	674,651,088	46,231,581	521,832,257	140,434,070	5,598,393,433	1.0068%
2013	4,370,940,651	657,806,317	43,444,913	556,183,456	149,219,848	5,479,155,489	1.0072%
2014	4,873,504,577	571,689,994	41,318,437	635,726,379	179,541,808	5,942,697,579	1.0068%

**Source:** Contra Costa County Assessor

**Note:** General property taxes are calculated at 1% of total assessed value less local exemptions.

<b>City of Brentwood</b>
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## 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
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%	0.0688%	0.0256%
2013	1.00%	0.0072%	1.0072%	0.0364%	0.0685%	0.0181%
2014	1.00%	0.0068%	1.0068%	0.0328%	0.0639%	0.0286%

**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 2014			Fiscal Year 2005		
	Taxable Assessed Value	Rank	Percent of City's Total Taxable Value	Taxable Assessed Value	Rank	Percent of City's Total Taxable Value
G and I VII Brentwood LP	\$ 75,878,859	1	1.27%	\$ -	-	-
Sand Creek Crossing LLC	44,397,200	2	0.75%	51,739,545	1	1.15%
John Muir Mt Diablo Health	38,025,501	3	0.64%	12,514,813	7	0.28%
DS Lone Tree Plaza LLC	34,953,986	4	0.59%	-	-	-
Brentwood Arbor Ridge LP	21,985,295	5	0.37%	-	-	-
Trilogy Vineyards LLC	21,949,009	6	0.37%	-	-	-
New Urban Comm Sciortno LLC	19,805,100	7	0.33%	-	-	-
Brentwood Towncentre Apartments	19,625,000	8	0.33%	-	-	-
AFE Brentwood Park LLC	19,005,669	9	0.32%	-	-	-
Brentwood Assisted Living LLC	16,907,000	10	0.28%	-	-	-
Western Pacific Housing Inc.	-	-	-	40,316,894	2	0.89%
California Sun Properties	-	-	-	19,741,376	3	0.44%
Towncentre Professional	-	-	-	16,646,904	4	0.37%
Winco Foods LLC	-	-	-	15,552,955	5	0.34%
American Stores Properties Inc.	-	-	-	12,752,257	6	0.28%
BT Lakes Golf LLC	-	-	-	12,075,888	8	0.27%
Home Depot Development of MD Inc.	-	-	-	11,649,017	9	0.26%
Comcast of California IV Inc.	-	-	-	11,184,480	10	0.25%
<b>Total</b>	<b>\$ 312,532,619</b>		<b>5.25%</b>	<b>\$ 204,174,129</b>		<b>4.53%</b>

Source: HdL Coren & Cone, Contra Costa County Assessor

<b>City of Brentwood</b>
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**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN TAX YEARS**  
(Unaudited)

Fiscal Year Ended June 30	Taxes Levied For The Fiscal Year <sup>(1)</sup>	Collected Within the Fiscal Year of the Levy <sup>(2)</sup>	
		Amount	Percentage of Levy
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%
2013	10,090,453	10,090,453	100.00%
2014	10,540,496	10,540,496	100.00%

**Source:** Contra Costa County Auditor/Controller

*(1) General property taxes are calculated at 1% of total assessed value less local exemptions. The City's portion is determined by the individual tax rate areas in the City.*

*(2) Tax assessments collected are the same as the amount levied, because Contra Costa County follows California's alternate method of apportionment (the Teeter Plan). Under the Teeter Plan, all amounts levied are apportioned to agencies regardless of whether they are collected in the current year or not. A tax loss reserve fund insures losses resulting when a property is sold for taxes and the proceeds are insufficient to pay the outstanding amounts due.*

**City of Brentwood**

**TAXABLE SALES BY CATEGORY  
LAST TEN CALENDAR YEARS**

(In Thousands of Dollars)

(Unaudited)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Apparel Stores	\$ 13,267	\$ 15,101	\$ 17,378	\$ 18,290	\$ 24,627	\$ 38,865	\$ 41,433	\$ 43,872	\$ 47,782	\$ 51,009
Food Stores	33,055	35,792	38,168	38,950	41,689	44,121	42,134	42,881	44,710	46,829
Eating & Drinking Establishments	29,024	38,910	43,813	49,450	50,980	58,853	64,109	70,917	80,693	84,531
Building Materials	57,865	74,435	66,356	60,287	53,169	47,048	51,067	55,213	57,644	64,725
Auto Dealers and Supplies	48,276	57,392	62,402	57,183	33,284	39,949	43,762	41,466	39,996	43,202
Service Stations	51,628	63,121	75,209	85,806	103,954	77,494	86,144	100,906	105,065	104,865
Other Retail Stores	49,076	70,513	73,740	92,255	103,163	111,769	115,702	120,480	126,723	134,417
All Other Outlets	90,038	94,051	96,786	93,659	92,659	88,465	91,820	103,895	111,150	124,413
<b>Total</b>	<b>\$ 372,229</b>	<b>\$ 449,315</b>	<b>\$ 473,852</b>	<b>\$ 495,880</b>	<b>\$ 503,525</b>	<b>\$ 506,564</b>	<b>\$ 536,171</b>	<b>\$ 579,630</b>	<b>\$ 613,763</b>	<b>\$ 653,991</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.

<b>City of Brentwood</b>
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**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</b>	<b>Total</b>
2005	1.00%	1.00%	6.25%	8.25%
2006	1.00%	1.00%	6.25%	8.25%
2007	1.00%	1.00%	6.25%	8.25%
2008	1.00%	1.00%	6.25%	8.25%
2009	1.00%	1.00%	7.25% <sup>(1)</sup>	9.25%
2010	1.00%	1.00%	7.25% <sup>(1)</sup>	9.25%
2011	1.00%	1.00%	6.25% <sup>(1)</sup>	8.25%
2012	1.00%	1.00%	6.25%	8.25%
2013	1.00%	1.00%	6.50% <sup>(2)</sup>	8.50%
2014	1.00%	1.00%	6.50%	8.50%

**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.*

*(2) On January 1, 2013 the State rate was increased by .25%.*

**City of Brentwood**

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

(Unaudited)

2014		2005	
Tax Remitter <sup>(1)</sup>	Business Category	Tax Remitter <sup>(1)</sup>	Business Category
Ace Hardware	Hardware Stores	Ace Hardware	Hardware Stores
Arco AM PM	Service Stations	Albertsons	Grocery Stores - Liquor
AT&T Mobility	Electronics/Appliance Store	Arco AM PM Mini Mart	Service Stations
Best Buy	Electronics/Appliance Store	Big B Lumber	Lumber/Building Materials
Bib B Lumber	Lumber/Building Materials	Bill Brandt Ford	New Motor Vehicle Dealers
Bill Brandt Ford	New Motor Vehicle Dealers	Brentwood Auto Parts	Automotive Supply Stores
BJs Restaurant & Brewhouse	Casual Dining	Brentwood Dodge Chrysler Jeep	New Motor Vehicle Dealers
Brentwood Chevron	Service Stations	Chevron	Service Stations
Brentwood Ready Mix	Contractors	Dallas Shanks Services	Service Stations
Brentwood Service Station	Service Stations	Golden Gate Petroleum	Petroleum Prod/Equipment
Chevron	Service Stations	Home Depot	Lumber/Building Materials
Circle K Gas	Service Stations	Home Goods	Home Furnishings
Dallas Shanks Chevron	Service Stations	Kelly Moore Paint	Paint/Glass/Wallpaper
Home Depot	Lumber/Building Materials	Kohl's	Department Stores
Home Goods	Home Furnishings	Longs	Drug Stores
Kohl's	Department Stores	Precision Cabinets	Contractors
Quick Stop	Service Stations	Quick Stop	Service Stations
Raley's	Grocery Stores - Liquor	Raley's	Grocery Stores - Liquor
Ross	Family Apparel	Ross	Family Apparel
Safeway	Grocery Stores - Liquor	Safeway	Grocery Stores - Liquor
TJ Maxx	Family Apparel	Savers Fuel Mart	Service Stations
Tower Mart	Service Stations	Televents of East County	Business Services
Vintners Shell Stations	Service Stations	TJ Maxx	Family Apparel
Walgreens	Drug Stores	Tower Mart	Service Stations
Winco Foods	Grocery Stores - Liquor	Winco Foods	Grocery Stores - Liquor
<b>Percent of Fiscal Year Total Paid by Top 25 Accounts = 49.50%</b>		<b>Percent of Fiscal Year Total Paid by Top 25 Accounts = 64.56%</b>	

Source: HdL Coren & Cone

(1) Firms listed alphabetically because taxable sales figures for individual businesses are confidential and cannot legally be disclosed.



<b>City of Brentwood</b>
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**WATER USE REVENUE BY CUSTOMER TYPE**  
**LAST NINE FISCAL YEARS**

(Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014
<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	\$ 9,104,775	\$ 9,204,133
Commercial	1,243,223	1,588,280	1,535,388	1,353,079	1,243,055	1,270,571	1,351,106	1,505,393	1,536,426
Industrial	86,581	104,434	308,275	594,218	474,029	502,181	496,542	588,820	544,326
Government	379,228	596,973	828,672	1,062,688	1,129,991	1,000,586	1,001,728	1,278,646	1,371,209
<b>Total</b>	<b>\$ 8,327,596</b>	<b>\$ 10,327,623</b>	<b>\$ 10,639,769</b>	<b>\$ 10,781,499</b>	<b>\$ 10,145,595</b>	<b>\$ 10,332,699</b>	<b>\$ 10,867,596</b>	<b>\$ 12,477,634</b>	<b>\$ 12,656,094</b>

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

**Note:** Information is not available prior to 2006.



**City of Brentwood**

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Monthly Base Rate</b>										
5/8" or 3/4" meter	\$ 14.59	\$ 15.24	\$ 15.98	\$ 16.46	\$ 16.95	\$ 17.46	\$ 17.99	\$ 18.53	\$ 19.08	\$ 19.65
1" meter	21.98	22.96	24.07	24.69	25.43	26.19	26.98	27.79	28.62	29.48
1 1/2" meter	43.68	45.62	47.84	49.38	50.86	52.39	53.96	55.58	57.24	58.96
2" meter	72.85	76.09	79.79	82.30	84.77	87.31	89.93	92.63	95.40	98.26
3" meter	120.60	125.96	132.08	148.13	152.58	157.16	161.87	166.73	171.73	176.88
4" meter	194.30	202.94	212.80	213.97	220.39	227.00	233.81	240.83	248.05	255.49
6" meter	388.70	405.99	425.70	444.40	457.74	471.47	485.61	500.18	515.19	530.65
<b>Consumption Charge (per 1,000 gallons = 1 unit)</b>										
<b>Residential Tiers</b>										
Tier 1: Units 1-10	\$ 2.28	\$ 2.38	\$ 2.50	\$ 2.58	\$ 2.65	\$ 2.73	\$ 2.81	\$ 2.90	\$ 2.99	\$ 3.08
Tier 2: Units 11-20	2.72	2.84	2.98	3.07	3.16	3.26	3.35	3.45	3.56	3.67
Tier 3: Units 21-30	3.26	3.41	3.57	3.68	3.79	3.90	4.02	4.14	4.26	4.39
Tier 4: Units 31+	3.80	3.97	4.16	4.28	4.41	4.55	4.68	4.82	4.97	5.12
<b>Non Residential Tiers</b>										
Tier 1: Units 1-10	\$ 2.28	\$ 2.38	\$ 2.50	\$ 2.58	\$ 2.65	\$ 2.73	\$ 2.81	\$ 2.90	\$ 2.99	\$ 3.08
Tier 2: Units 11+	2.72	2.84	2.98	3.07	3.16	3.26	3.35	3.45	3.56	3.67
<b>Non Potable</b>										
Tier 1: Units 1+	N/A	N/A	N/A	\$ 0.95	\$ 0.98	\$ 1.01	\$ 1.04	\$ 1.07	\$ 1.10	\$ 1.13

Source: City of Brentwood Finance Department, Utility Billing

**City of Brentwood**

**RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(Unaudited)**

<b>Governmental Activities</b>										
Fiscal Year	General Obligation	2001 CIP Revenue	2012 CIP Revenue Refunding	2009 Civic Center Project Lease	Notes Payable	Capital Leases (Internal Service)	Capital Leases (Governmental)			
	Bonds <sup>(1)</sup>	Bonds	Bonds	Revenue Bonds						
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	-	48,266,660	75,407	-	-			
2011	6,544,040	26,110,000	-	48,122,355	-	-	-			
2012	6,536,845	-	25,300,013	48,118,049	-	-	555,313			
2013	6,513,998	-	24,381,693	47,488,554	-	-	277,656			
2014	6,471,288	-	23,454,317	46,839,438	-	-	-			

<b>Business-Type Activities</b>										
Fiscal Year	2008 Water Revenue	Water Revenue	Wastewater Revenue	Capital Leases	State Water Resources Loan (Wastewater)	Notes Payable	Total Primary Government	Percentage of Personal Income <sup>(2)</sup>	Per Capita <sup>(2)</sup>	
	Bonds	Bonds	Bonds							
2005	\$ -	\$ 8,372,637	\$ 2,152,363	\$ 423,675	\$ 34,574,866	\$ 10,711,564	\$ 95,568,105	8.52%	\$ 2,524	
2006	-	8,145,920	2,094,080	190,955	32,931,790	9,799,478	91,171,487	6.93%	2,205	
2007	-	7,911,248	2,033,752	-	31,458,362	9,082,956	87,726,416	5.56%	1,950	
2008	-	7,664,643	1,970,357	-	29,744,923	8,441,719	84,297,192	4.74%	1,762	
2009	52,036,844	-	-	-	28,000,554	7,691,719	123,415,572	6.59%	2,483	
2010	51,782,179	-	-	-	26,224,698	7,432,445	167,206,172	9.06%	3,279	
2011	51,507,514	-	-	-	24,416,786	7,432,445	164,133,140	10.58%	3,190	
2012	50,432,849	-	-	-	22,576,240	7,358,875	160,878,184	10.74%	3,092	
2013	49,313,184	-	-	-	20,702,469	7,382,250	156,059,804	10.03%	2,925	
2014	48,138,519	-	-	-	18,794,875	7,062,578	150,761,015	9.05%	2,754	

**Note:** Details regarding the City's outstanding debt can be found in Note #6, found on pages 65 - 73 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.

<b>City of Brentwood</b>
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## 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
2005	\$ 6,411,571	\$ 6,411,571	0.14%	\$ 155
2006	6,384,302	6,384,302	0.11%	142
2007	6,436,238	6,436,238	0.09%	135
2008	6,479,059	6,479,059	0.08%	130
2009	6,513,343	6,513,343	0.09%	128
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
2013	6,513,998	6,513,998	0.11%	124
2014	6,471,288	6,471,288	0.09%	121

**Note:** Details regarding the City's outstanding debt can be found in Note #6, found on pages 65 - 73 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, 2014  
(Unaudited)

2013-14 Assessed Valuation:	\$ 5,942,697,579
Redevelopment Incremental Valuation:	<u>562,946,777</u>
Adjusted Assessed Valuation:	\$ 5,379,750,802

	Total Debt 6/30/14	Percentage Applicable <sup>(1)</sup>	City's Share of Debt 6/30/14
<b>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</b>			
Bay Area Rapid Transit	\$ 648,275,000	1.131%	\$ 7,331,990
Contra Costa Community College District	343,945,000	4.057%	13,953,849
Liberty Union High School District	51,005,000	50.611%	25,814,141
Brentwood Union School District	46,599,704	92.811%	43,249,651
Oakley Union School District	21,050,000	0.002%	421
<b>City of Brentwood</b>	<b>6,471,288</b> <sup>(2)</sup>	100.000%	<b>6,471,288</b>
City of Brentwood Community Facilities Districts	19,675,790	100.000%	19,675,790
City of Brentwood 1915 Act Bonds	148,832,994	100.000%	148,832,994
California Statewide Communities Development Authority Assessment District No. 04-1& 05-1	8,905,930	100.000%	8,905,930
East Bay Regional Park District	<u>202,210,000</u>	1.745%	<u>3,528,565</u>
<b>TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>	<b>\$ 1,496,970,706</b>		<b>\$ 277,764,619</b>
<b>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:</b>			
Contra Costa County General Fund Obligations	\$ 274,600,304	4.041%	\$ 11,096,598
Contra Costa County Pension Obligations	258,500,000	4.041%	10,445,985
Contra Costa Community College District Certificates of Participation	700,000	4.057%	28,399
Brentwood Union School District Certificates of Participation	2,003,079	92.811%	1,859,078
<b>City of Brentwood General Fund Obligations</b>	<b>40,692,632</b>	100.000%	<b>40,692,632</b>
GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT	<u>\$ 576,496,015</u>		<u>\$ 64,122,692</u>
Less: Contra Costa Obligations Supported From Revenue Funds			4,394,023
NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			<u>\$ 59,728,669</u>
<b>OVERLAPPING TAX INCREMENT DEBT (SUCCESSOR AGENCY)</b>	<b>\$ 28,377,368</b>	100.000%	<b>\$ 28,377,368</b>
<b>TOTAL DIRECT DEBT</b>			<b>\$ 47,163,920</b>
TOTAL GROSS OVERLAPPING DEBT			\$ 323,100,759
TOTAL NET OVERLAPPING DEBT			\$ 318,706,736
GROSS COMBINED TOTAL DEBT			\$ 370,264,679 <sup>(3)</sup>
NET COMBINED TOTAL DEBT			\$ 365,870,656

Ratios to Adjusted Assessed Valuation:

<b>Total Direct Debt (\$47,163,920)</b> .....	<b>0.88%</b>
Gross Combined Total Debt .....	6.88%
Net Combined Total Debt .....	6.80%

Source: California Municipal Statistics, Inc.

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Includes \$2,591,312 accreted value.

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

**City of Brentwood**

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt Limit	\$ 168,660,342	\$ 210,010,995	\$ 268,974,405	\$ 304,463,523	\$ 277,723,375	\$ 229,124,375	\$ 219,745,734	\$ 209,939,754	\$ 205,468,331	\$ 222,851,159
Total Net Debt Applicable to Limit	6,411,571	6,384,302	6,436,238	6,479,059	6,513,343	6,534,783	6,544,040	6,536,845	6,513,998	6,471,288
Legal Debt Margin	<u>\$ 162,248,771</u>	<u>\$ 203,626,693</u>	<u>\$ 262,538,167</u>	<u>\$ 297,984,464</u>	<u>\$ 271,210,032</u>	<u>\$ 222,589,592</u>	<u>\$ 213,201,694</u>	<u>\$ 203,402,909</u>	<u>\$ 198,954,333</u>	<u>\$ 216,379,871</u>
<b>Total Net Debt Applicable to the Limit as a Percentage of Debt Limit</b>	3.80%	3.04%	2.39%	2.13%	2.35%	2.85%	2.98%	3.11%	3.17%	2.90%

**Legal Debt Margin Calculation for Fiscal Year 2014**

Assessed Value <sup>(1)</sup>	\$5,942,697,579
Debt Limit (3.75% of Assessed Value) <sup>(2)</sup>	222,851,159
Debt Applicable to Limit:	
General Obligation Bonds	<u>6,471,288</u>
<b>Total Net Debt Applicable to Limit</b>	<u>6,471,288</u>
<b>Legal Debt Margin</b>	<u>\$ 216,379,871</u>

Source: Contra Costa County Assessor

(1) Contra Costa County Auditor/Controller

(2) State of California Government Code 25 and 43605

<b>City of Brentwood</b>
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**PLEDGED REVENUE COVERAGE**  
**LAST SIX FISCAL YEARS**  
(Unaudited)

**Water Revenue Bonds, Series 2008**

Fiscal Year	Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2009 <sup>(1)</sup>	\$ 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
2013	19,761,476	13,153,649	6,607,827	1,145,000	2,839,763	1.66
2014	20,560,857	13,538,409	7,022,448	1,200,000	2,788,237	1.76

**Source:** City of Brentwood Finance Department

**Note:** Details regarding the City's outstanding debt can be found in Note #6, found on pages 65 - 73 of this report. Operating revenues include developer connection fees. Operating expenses do not include depreciation or amortization expenses.

*(1) 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.*

<b>City of Brentwood</b>
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**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>
2004	37,867	\$ 1,121,457	\$ 29,616	31.1	10,645	4.8%
2005	41,343	1,315,334	31,815	32.7	11,949	4.3%
2006	44,992	1,576,491	35,039	32.8	14,003	3.8%
2007	47,846	1,777,197	37,144	33.0	14,982	4.1%
2008	49,710	1,871,658	37,652	32.8	15,196	5.4%
2009	50,997	1,844,650	36,172	32.0	15,615	9.2%
2010	51,453	1,550,929	30,143	35.1	15,744	10.0%
2011	52,030	1,498,335	28,798	34.8	15,940	9.2%
2012	53,356	1,556,037	29,163	35.1	16,240	6.2%
2013	54,741	1,665,933	30,433	36.3	16,390	5.4%

- 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) CA 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.



<b>City of Brentwood</b>
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**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

(Unaudited)

Employer	2014			2005		
	Employees	Rank	Percent of Total City Employment	Employees	Rank	Percent of Total City Employment
Brentwood Union School District	400-450	1	3.56%	300-400	1	4.01%
Liberty Union High School District	250-300	2	2.30%	200-300	2	2.67%
City of Brentwood	250-300	2	2.30%	200-300	2	2.67%
Safeway Stores, Inc.	200-250	4	1.88%	50-100	7	0.67%
Precision Cabinets	200-250	4	1.73%	150-200	4	2.01%
BJ's Brewhouse	150-200	6	1.51%	-	-	-
Home Depot	150-200	6	1.34%	-	-	-
Winco Foods, Inc.	150-200	6	1.34%	-	-	-
Rodda Electric & Solar	150-200	6	1.27%	-	-	-
Walgreen Co.	100-150	10	1.05%	100-150	5	1.34%
Kohl's	100-150	10	1.05%	-	-	-
John Muir	100-150	10	1.05%	-	-	-
Buffalo Wild Wings	100-150	10	1.00%	-	-	-
Albertsons	-	-	-	100-150	5	1.34%
US Print	-	-	-	50-100	7	0.67%
Lucky Stores, Inc.	-	-	-	50-100	7	0.67%
Brentwood Dodge Chrysler Plymouth	-	-	-	25-50	10	0.33%
<b>Total</b>	<b>2,200-2,950</b>		<b>21.38%</b>	<b>1,225-1,850</b>		<b>16.38%</b>

Source: City of Brentwood Community Development Department

<b>City of Brentwood</b>
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**AUTHORIZED FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES  
BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS  
(Unaudited)**

<b>Function/Program</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>	<b>2013</b>	<b>2014</b>
General Government	33	35	39	39	39	37	37	38	37	35
Public Safety	78	77	77	78	78	79	79	79	79	83
Community Development	37	38	39	29	27	26	26	24	23	21
Engineering	35	32	31	20	12	12	13	12	13	13
Public Works	19	19	19	20	20	20	23	24	23	24
Parks and Recreation	32	32	33	29	27	27	24	24	24	24
Wastewater	15	16	16	16	17	17	17	17	17	18
Solid Waste	20	20	22	23	23	23	24	24	24	25
Water	21	21	22	23	25	25	25	26	26	26
City Rentals	2	2	2	2	-	-	-	-	-	-
Housing	3	3	3	2	1	1	1	2	1	2
<b>Total</b>	<b>295</b>	<b>295</b>	<b>303</b>	<b>281</b>	<b>269</b>	<b>267</b>	<b>269</b>	<b>270</b>	<b>267</b>	<b>271</b>

Source: City of Brentwood Finance Department

<b>City of Brentwood</b>
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**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

(Unaudited)

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General Government</b>										
Building Permits Issued	1,452	978	404	129	31	136	109	175	290	500
Accounts Payable Invoices Processed	15,357	15,686	15,255	15,093	13,695	12,085	10,272	10,885	10,458	10,440
Purchase Orders Issued <sup>(1)</sup>	581	526	414	382	319	238	280	320	355	291
Checks Issued	17,215	18,058	17,628	16,968	15,043	14,328	14,366	14,047	14,064	13,692
<b>Public Works</b>										
Street Miles Swept	22,488	21,715	20,869	20,308	18,031	17,885	17,237	14,547	14,266	14,061
Debris Collected (tons)	2,265	2,215	2,215	2,017	2,047	1,832	2,226	1,995	2,229	2,226
Streetlights Maintenance Requests	576	438	570	834	871	760	806	659	680	713
<b>Police</b>										
Physical Arrests (est.)	1,339	1,314	1,500	1,852	1,603	1,625	1,448	1,745	1,626	1,563
Calls for Service (est.) <sup>(2)</sup>	22,491	23,553	26,000	27,953	32,608	38,922	35,168	37,124	36,781	36,192
Case Files Taken (est.)	5,449	5,571	6,000	6,162	5,941	6,117	5,450	6,044	5,823	5,821
<b>Parks and Recreation</b>										
Total Programs Offered (est.)	1,464	1,975	2,123	2,231	945	832	986	1,053	997	924
Total Participants and Spectators at Events	640,137	980,300	1,071,658	937,187	749,922	642,612	729,046	605,391	762,312	792,656
<b>Refuse Collection</b>										
Refuse Collected (tons per day)	64	71	82	99	96	95	90	88	93	95
Yard Waste (tons per day)	17	18	23	29	29	31	32	34	35	35
Recyclables Collected (tons per day)	18	19	21	25	22	22	22	22	22	22
Residential Services	13,540	14,489	15,183	14,893	15,263	15,469	15,562	15,907	16,337	16,729
Commercial Services	541	546	475	463	453	459	468	451	468	465
<b>Water</b>										
New Connections	961	900	536	225	39	113	117	125	197	338
Average Daily Production (millions of gallons)	8	9	11	11	10	10	9	9	11	11
Peak Daily Production (millions of gallons)	15	15	17	17	16	16	16	15	16	17
Number of Utility Customers	13,995	15,289	16,078	16,324	16,442	16,769	16,827	16,952	17,120	17,505
<b>Wastewater</b>										
New Connections	886	830	1,049	225	39	113	119	125	199	338
Average Daily Sewage Treatment (millions of gallons)	3	3	4	4	4	3	3	3	3	4

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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	-	-	-	-	1	1	1	1	1	1
Patrol Vehicles	36	40	52	52	50	50	51	51	51	52
<b>Parks and Recreation</b>										
Developed Park Acreage <sup>(1)</sup>	171	194	228	256	256	256	256	260	221	223
Play Areas	32	40	40	43	43	45	45	46	48	48
Multi-Use Trails (miles)	15	15	15	16	16	16	16	16	16	17
Multi-Use Ball and Soccer Fields	20	23	23	23	23	23	23	23	23	23
Picnic Areas/Tables <sup>(2)</sup>	25	214	253	276	276	276	276	287	290	292
<b>Refuse Collection</b>										
Collection Trucks	12	13	14	14	14	14	14	14	14	14
<b>Water</b>										
Water Mains (miles)	164	173	173	173	173	184	191	219	256	266
Fire Hydrants	1,521	1,628	1,628	1,869	1,910	1,940	1,945	2,153	2,535	2,588
Number of Wells	9	10	10	9	9	9	9	8	7	7
Number of Reservoirs	5	5	6	6	6	6	6	6	6	6
Storage Capacity (millions of gallons)	15	15	19	19	19	19	19	19	19	19
<b>Wastewater</b>										
Sanitary Sewers (miles)	101	138	150	150	150	150	152	179	202	209
Lift Stations	3	3	2	3	2	2	2	2	2	2
<b>Other Public Works</b>										
Streets (miles)	161	168	168	168	190	190	190	190	192	192
Street Lights	3,873	3,882	4,255	5,299	5,836	5,836	5,836	5,889	5,948	5,957

Source: Various City Departments

(1) Beginning with FY 2013, a new map system was implemented with rescaled acreage.

(2) 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 2014:</b>	54,741

<u>Miles of Streets</u>	
Miles of Streets	192
Miles of Sanitary Sewers	209
Miles of Water Mains	266
Number of Street Lights	5,957

<u>Parks and Recreation</u>	
Neighborhood Parks	223 acres
Aquatic Complex	7.5 acres
Skate Park	.50 acres
Play Areas	48
Sunset Park Athletic Complex	38 acres
Veterans Park	10.5 acres

<u>Number of Full-time Equivalent Positions</u>	<u>Year End</u>
271	2014
267	2013
270	2012
269	2011
267	2010
269	2009
281	2008
303	2007
295	2006
295	2005

<u>Municipal Wastewater System</u>	
Number of Lift Stations	2
Sanitary	2
Number of Connections	17,505
Average Daily Flow	3.6 MGD

<u>Parks Facilities</u>	
Multi-Use Trails	17 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	292
BBQ Areas	26
Restrooms (Permanent)	8

<u>Municipal Water System</u>	
Number of Wells	7
Number of Reservoirs	6
Storage Capacity (gallons)	19 MG
Average Daily Production	11.0 MGD
Peak Daily Production	17.1 MGD
Number of Fire Hydrants	2,588
Number of Connections	17,152

<u>Police Protection</u>	
Sworn Officers	62
Non-Sworn	17
Overstaffing	4
Reserves	0
Vehicles	52
Motorcycles	4

<u>Public Schools</u>	
Elementary	8
Intermediate	3
High School	2
Alternative High Schools	2

<u>Municipal Solid Waste</u>	
Number of Residential Services	16,809
Number of Commercial Services	465

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

Source: Various City Departments