



COMPREHENSIVE Annual Financial Report Fiscal Year Ended June 30, 2015



City of Brentwood
150 City Park Way
Brentwood, CA 94513



Every year the City selects photographs for the covers of its major financial documents that highlight the City of Brentwood - the Capital Improvement Program (CIP), the General Fund Fiscal Model, the Operating Budget, the Cost Allocation Plan, Compensation Plan and Schedule of City Fees, the Comprehensive Annual Financial Report (CAFR), the Combined Community Facilities District (CFD) Annual Report for Special Taxes Levied and the Public Facilities Fee Report.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED
JUNE 30, 2015



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



For Fiscal Year Ended June 30, 2015

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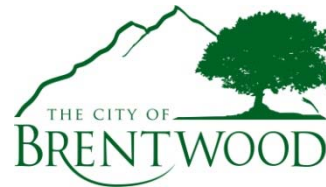
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December 8, 2015

The Honorable Mayor, Members of the City Council and Citizens of the 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, 2015. 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 fifteenth year the City's Administrative Services 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 Administrative Services Department. The department has been delegated the responsibility for maintaining the integrity of the City's recorded financial data and, 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 "Unmodified" Audit opinion issued by the City's independent external auditors for the fiscal year ended June 30, 2015.

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, 2015, the City had a population of approximately 56,493.

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 34, 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 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. All budget proposals and revenue assumptions, as well as all current financial obligations, are reviewed by the City Manager and Administrative Services staff, 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 (CIP) Budget whose budget cycle exceeds one fiscal year. Funds which meet these requirements are the: Capital Improvement Financing Program (CIFP) 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 48, 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 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 an improved economy, 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 451 single family residential permits in the 2014/15 FY. Property taxes, which have historically been the General Fund's top revenue source, increased 18.6% in FY 2014/15, and on July 1, 2015, the City was informed that its FY 2015/16 assessed valuation had increased by 12.3%.

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 was impacted by the recession, however, the improvement in the economy has not had a corresponding effect on this revenue source. Continued low interest rates have resulted in the City's reduced projected investment income over 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 challenges on the expenditure side of the budget. While revenues fell during the recession, operational costs continued to escalate. These expenditure challenges will become more pronounced 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, modifications to labor contracts addressing long-term pension and OPEB costs were 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 2014/15 – 2023/24 General Fund Fiscal Model ("Fiscal Model"), presented to the City Council in May 2015, 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 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 FY. 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 costs 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.

Labor Contracts – The City's current labor agreements with its bargaining units cover FY 2012/13 – FY 2016/17. These labor agreements were designed to strike a balance between achieving the cost savings necessary to ensure a fiscally sustainable future while at the same time maintaining a competitive compensation plan to protect the City's ability to recruit and retain qualified employees. 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 again in 2014, and the City negotiated side letter agreements with each of the bargaining groups following each re-opener. The 2014 side letters of agreement removed all automatic re-opener provisions for the duration of the contracts.

Retirement – The City is a member of the California Public Employees Retirement System (CalPERS). CalPERS retirement benefits generally 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%. FY 2014/15 marked the third year of a three year phase-in where employees incrementally picked up a larger portion of the employee contribution obligation. Employees in this tier were responsible for the full 9% CalPERS employee contribution in FY 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%. FY 2014/15 marked the third year of a three year phase-in where employees incrementally picked up a larger portion of the employee contribution obligation. Employees in this tier were responsible for the full 8% CalPERS employee contribution in FY 2014/15. The second tier, for those employees hired on or after October 1, 2010, will participate in the 2% 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%.

Other Post-Employment Benefits – 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 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 \$1,428.90 for Non-sworn and \$1,491.41 for Sworn. This amount will adjust based on changes 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 \$714.45, for Non-sworn employees. Monthly coverage for Sworn members will be provided at the greater of an indexed medical cost, currently at \$1,491.41 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 with minimal City cost increases for retiree medical coverage for this tier.
- 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 \$122.

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 FY 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 CIP. 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.” 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.

In April 2015, the City Council adopted a comprehensive update of the Development Fee Program with new fees going into effect July 1, 2015.

MAJOR INITIATIVES – BRINGING BRENTWOOD’S VISION TO REALITY*(City Council Goals Listed Alphabetically)*

The accomplishments listed below are in accord with the adopted 2013 – 2015 City Council Goals. Currently, an in-depth Strategic Planning process is in progress by City staff and City Council which will provide the direction needed for the adoption of the next two-year City Council Strategic Plan Initiatives, scheduled for City Council consideration in January 2016.

Deliver Excellent Public Services

- **Water Conservation Services** – In response to the State mandate to reduce citywide potable water consumption by 32% due to the ongoing drought, in May 2015 the City implemented a Water Conservation Program that includes rebates, incentives and penalties. Water customers may be assessed a rebate or penalty based on their water reduction efforts. The City created an online appeal process that provides customers with a simple and convenient way to submit a water penalty appeal. In an effort to help customers conserve water and save money on utility bills, the City implemented the “Convert for Cash” Rebate Program. The program incentivizes water customers to convert lawn to sustainable landscape, and upgrade to high-efficiency irrigation equipment and appliances. Also, to help customers maintain landscaping and reduce potable water during the drought, the City opened a recycled water fill station where residents can obtain free recycled water.
- **Parks and Recreation Services** – Annually, the Park and Recreation Commission holds a meeting at a park within the community, inviting residents to participate and discuss any issues related to Parks and Recreation. There have also been several changes made to improve efficiencies and streamline processes. In FY 2014/15 the Special Event Permit application process was revised and shortened and the City contracted with a new software provider for a brand new recreation registration program. This system will be more efficient for both staff and customers and includes options for social media use. The new software will be implemented in the upcoming fiscal year.
- **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 and two connected the City Data Center to City Hall, Public Works Operations, and the Aquatic Park/Senior Activity 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 2014 and has an approved and funded project for further expansion of the Wi-Fi network to 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 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 will offer a lower speed copper service to those areas of the City which currently do not have conduit available. In addition, Sonic, in conjunction with the City, is developing plans to cost effectively expand the fiber service to the parts of the City that currently do not have the necessary infrastructure. Sonic 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. The build-out of the network is ongoing, and the first series of neighborhoods have already been connected.

- **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 online 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.

In spring 2015, the City implemented an online registration system for Neighborhood Cleanup Events held twice yearly in the spring and fall, making it easier for customers to schedule a date and time that is most convenient for them.

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 FY 2014/15, including the Christmas Tree Lighting, Movies in the Park (increased to 4 this year), and the popular Starry Nights in Brentwood Summer Concert Series, which, once again, brought the community together in City Park. The Annual "Playful City" Play Day was hosted in August 2014 in City Park. Additional special programs included the Scarecrows in the Park and Letters from Santa.
- **Parks and Trails Improvements** – Significant accomplishments in FY 2014/15 include:
 - Several new parks have been constructed throughout the City including: Dakota Park, Egret Park, Pistachio Park, Lexington Park, as well as the expansion of Medallion Park.
 - Improvements were made at Blue Goose Park to expand the parking lot to include an additional 14 parking stalls. In addition, the water play feature was converted from a single-pass system to a recirculating pump system. This has allowed for the water play feature to be operational, even during this time of State mandated water restrictions.
 - As part of the ongoing Playground Replacement program, modern play equipment was installed at Curtis Park to replace the play structure that had exceeded its lifespan.

- In 2014, the Sunset Park Athletic Complex converted irrigation from potable water to recycled water, saving approximately 4.8 million gallons of potable water per year. Also, construction of an overflow parking lot on the north side of Sunset Park was completed providing 215 additional parking spaces.
- In order to maintain “Tree City USA” status, City staff coordinated an annual Arbor Day volunteer planting event with local businesses and non-profit organizations during the month of April.
- **Community Beautification** – Construction has been completed on the Brentwood Boulevard Median Landscaping Improvements CIP project. This project widened certain medians between Homecoming Way and Lone Tree Way, plus added 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** – In fall 2014 the Balfour Road Public Art CIP project was completed by artist Brian Keith. The project features two large bronze sculptures with the theme of “Playful Winds”, which were installed on Balfour Road between Mountain View Drive and Foothill Drive. The Community Center Public Art Walls program continues to exhibit art from local artists with displays updated quarterly. In addition, the Brentwood Union School District displayed 140 plus pieces of art work in the Brentwood Community Center.

Ensure Long-term Financial Stability and Sustainability

- **Cost Allocation Plan, Compensation Plan and Schedule of City Fees** – On an annual basis the City prepares a Cost Allocation Plan, Compensation Plan and Schedule of City Fees (“CAP”) which is designed to help ensure the City is recovering costs in accordance with City Council policy. In preparing the CAP, 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 2014/15 – 2023/24 General Fund Fiscal Model was presented to the City Council in May 2015 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.
- **City Solar System** – This project installed solar panels on City-owned facilities to produce electric power in order to offset energy demand and provide long-term energy cost savings along with reducing greenhouse gas emissions. This project is funded by a 20-year Power Purchase Agreement with SolarCity Corporation with all construction and maintenance costs covered by SolarCity. Solar panels have been installed at the Brentwood Family Aquatic Center, Brentwood Police Department and the City’s Wastewater Treatment Plant. The panels began producing power at the Brentwood Police Department in July of 2015 and will be operational at the other locations in late 2015.

Promote Economic and Community Development

- **Business Attraction and Retention** – The City continued its business attraction and retention efforts, including outreach to key industry groups as well as continual marketing. As part of a long-term strategy to attract large employers to Brentwood, the City continues to strengthen its relationship with regional organizations, such as Team California, East Bay Economic Development Alliance, Contra Costa Economic Partnership and the East Bay Leadership Council. The City continued supporting local brokers, developers, and property owners in efforts to attract new businesses to several office and retail centers. A small-business workshop on protecting business assets was provided with a three-person panel consisting of a local insurance provider, attorney, and tax advisor. Staff provides small-business workshops twice a year. The City provided business retention services to local businesses, assisting them with marketing and other business assistance resulting in jobs either created or retained in the city.

Along with this, the City's Parks and Recreation and Economic Development departments have joined forces reaching out to start-up businesses to offer competitive pricing to increase use of the Community Center Commercial Kitchen and the City has also continued its Shop Brentwood campaign.

- **Agricultural Enterprise Implementation** – The City continued its Agricultural Enterprise Implementation program, which includes conservation easements that, during the past 10 years, have preserved a total of 988 acres of environmentally sensitive farmland in the agricultural core area that surrounds the City. The program also includes marketing for agri-tourism and several other efforts to support the local agriculture industry.
- **City Real Estate Assets** – In June of 2015, the City Council received an informational report regarding the status of vacant and underutilized City-owned properties, including their short-term development potential, and provided feedback to staff. This was followed up by a more in-depth discussion at the City Council's strategic planning workshop in September 2015.
- **Housing Element** – In April 2015, the City Council adopted an updated Housing Element in accordance with state law and in compliance with the Association of Bay Area Government's Regional Housing Need Allocation.

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), completed construction of the Sand Creek Road Interchange Project in the fall of 2014. The Sand Creek Road interchange project widened 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. A feasibility study by CCTA is currently underway.

- **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 six consecutive years (through the latest award date of calendar year 2013) the City has received either the “Best Bay Area Roads” or “Best Pavement Management Program All Around” award from the Metropolitan Transportation Commission, the nine-county San Francisco Bay Area transportation agency.

Provide for the Public’s Safety

- **Police Dispatch Center** – This project provides for the start-up and equipment costs for a new police department dispatch services facility which will be located in the Police Department building. This facility will receive and dispatch emergency calls for police. The City currently contracts out emergency dispatch services and bringing this function in-house will improve service levels for the City’s residents and allow for direct control over the various operations associated with a dispatch center. The project is currently in the planning and design phase with a fully operational center projected in the summer of 2017.

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CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Brentwood for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014. 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 Administrative Services 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 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,



Gustavo “Gus” Vina
City Manager



Pamela Ehler
City Treasurer
Director of Administrative Services



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, 2014

Executive Director/CEO

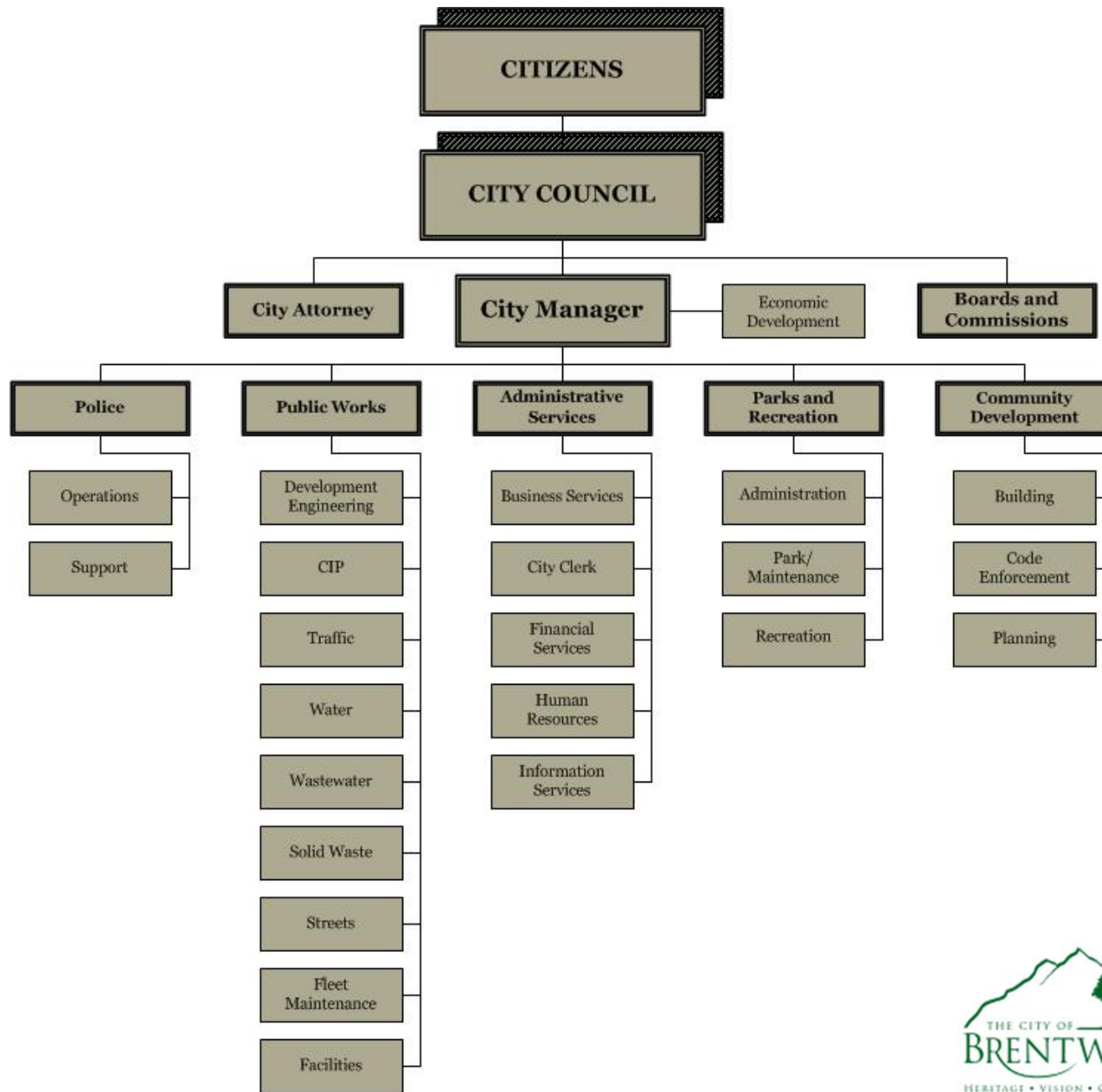
LIST OF PRINCIPAL OFFICIALS

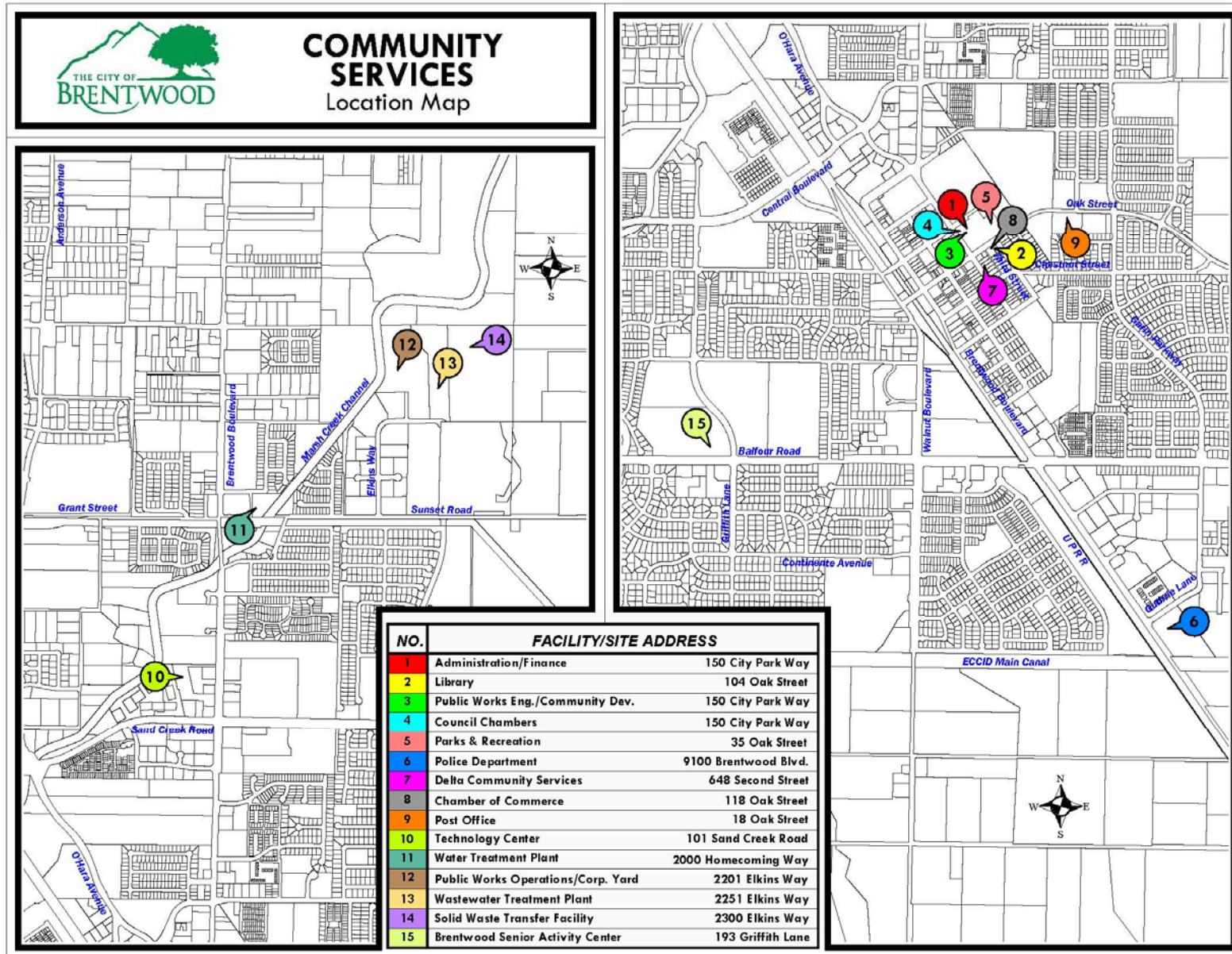
City Officials

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

Executive Team

Gustavo “Gus” Vina City Manager
 Damien Brower City Attorney
 Pamela Ehler City Treasurer/Director of Administrative Services
 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 was named a **“Playful City USA”** community for 2015 by KaBOOM! a national non-profit dedicated to bringing play back into children’s lives.

The City received the **“2014 Platinum International Aquatic Safety Award”** from Jeff Ellis and Associates International Aquatic Safety and Risk Management.

The City was recognized by the Arbor Day Foundation as a **“Tree City USA Community”** for 2014.

The City was recognized by the Metropolitan Transportation Commission as having the **“Best Bay Area Roads”** for 2013.

The City received the Government Finance Officers Association (GFOA) Award for the following:
“Excellence in Financial Reporting for Fiscal Year 2013/14”

The City received the California Society of Municipal Finance Officers (CSMFO) Award for the following:
“Capital Budget Excellence Award for Fiscal Year 2014/15”



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, 2015, 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, 2015, 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

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, 2015.

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 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 appealed the decision and the Court again ruled against the City and Successor Agency in September 2015, as discussed in Note 14. The City is in negotiations with the DOF regarding the final determination of the amount due and payable to the County Auditor-Controller, including the timing of the potential repayment.

In addition, Health and Safety Code Sections 34167.5 and 34178.8 direct the State Controller to review the activities of all redevelopment agencies to determine whether an asset transfer between an agency and any public agency occurred on or after January 1, 2011. If an asset transfer did occur and the public agency that received the asset is not contractually committed to a third party for the expenditure or encumbrance of the asset, the legislation purports to require the State Controller to order the asset returned to the redevelopment agency. The State conducted its review and in its July 2015 report indicated that the former Redevelopment Agency had made unallowable transfers of cash and land to the City totaling \$16,319,919.

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. A provision for liabilities resulting from the outcome of these uncertain matters has been recorded in the accompanying financial statements as discussed in Note 14.

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

Change in Accounting Principles and Policy

Management adopted the provisions of the following Governmental Accounting Standards Board Statements, which became effective during the year ended June 30, 2015 and required the restatement of net position as discussed in Notes 9 and 15 to the financial statements:

Statement No. 68 – *Accounting and Financial Reporting for Pensions*

Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date*

As discussed in Note 15, the City changed its accounting policy related to loans receivable and restated beginning fund balance in the Capital Improvement Revenue Refunding Bonds Series 2012 and 2009 Civic Center Project Lease Revenue Bonds Debt Service Funds.

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, budgetary comparison information for the General Fund and other Required Supplementary Information listed in the Table of Contents 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 November 18, 2015, 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.

Maye & Associates

Pleasant Hill, California
November 18, 2015

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, 2015. 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 and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$768.4 million. Of this amount, \$58.7 million may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position decreased by \$33.2 million, with \$29.6 million attributable to governmental activities and \$3.6 million attributable to business-type activities. This decrease is due pension of liabilities of \$21.8 million recorded for the first time as a result of the implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions (see Note #9) combined with an increase in accrued liabilities recorded for the denial of the transfer of assets to the City from the former Brentwood Redevelopment Agency by the Department of Finance (see Note #14).
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$103 million, an increase of \$33.4 million in comparison to the prior year. This increase was due mainly to a change in accounting policy related to loans receivable which resulted in an increase in restricted fund balance (see Note #15).
- The City's total long-term obligations increased by \$43.1 million mainly due to pension liabilities of \$21.8 million recorded for the first time as a result of the implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions. Deferred Inflows and Deferred Outflows Related to Pensions of \$12.7 million and \$8.5 million, respectively, have also been recorded for the first time due to the implementation of GASB Statement No. 68 (See Note #9). In addition there was an increase in accrued liabilities for the denial of the transfer of assets to the City from the former Redevelopment Agency of \$12.4 million (see Note #14).
- Internal Service Funds have a net position of \$50.5 million at year end, which is an increase of \$6.1 million from the prior year. The increase is attributable to a \$1.4 million increase in the Parks and LLAD Replacement Fund and a net increase of \$2.6 million between the Insurance and Pension/OPEB Obligation Funds. 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 19 – 20 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 21 – 30 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 21 – 24 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 19-20 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 25 – 27 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 29 – 30 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 34 – 103 of this report.

Required Supplementary Information

In addition to the basic financial statements, and accompanying notes, this report also presents certain Required Supplementary Information concerning budgetary comparison schedules for the General Fund and schedules related to the City's net pension liabilities, net OPEB obligation and contributions. Required Supplementary Information can be found on pages 105 – 111 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 113 – 156 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 decreased by \$33.2 million or 4.1%, from \$801.6 million at June 30, 2014 to \$768.4 million at June 30, 2015. The decrease in net position is mainly due to \$21.8 million in pension liabilities recorded for the first time as a result of the implementation of GASB Statement No. 68. Net investment in capital assets decreased \$30.2 million or 6.5% due to a restatement of fund balance of \$28.4 million, see Note #15 on page 102. 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 \$104.4 million as of June 30, 2015. The remaining balance of unrestricted net position, \$58.7 million as of June 30, 2015, may be used to meet the City's ongoing obligations to citizens and creditors.

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014 ⁽¹⁾	2015	2014 ⁽¹⁾	2015	2014 ⁽¹⁾
Current Assets	\$ 133,640,851	\$ 120,680,249	\$ 81,028,591	\$ 81,093,701	\$ 214,669,442	\$ 201,773,950
Capital Assets	501,116,042	504,652,551	240,758,031	242,491,135	741,874,073	747,143,686
Other Non-Current Assets	25,641,746	27,500,869	2,791,483	1,890,190	28,433,229	29,391,059
Total Assets	660,398,639	652,833,669	324,578,105	325,475,026	984,976,744	978,308,695
Deferred Outflows of Resources	3,616,453	-	9,108,669	-	12,725,122	-
Total Deferred Outflows of Resources	3,616,453	-	9,108,669	-	12,725,122	-
Current Liabilities	10,215,672	9,314,281	7,061,594	6,851,359	17,277,266	16,165,640
Long-Term Liabilities Outstanding	119,479,447	86,185,064	84,114,403	74,341,710	203,593,850	160,526,774
Total Liabilities	129,695,119	95,499,345	91,175,997	81,193,069	220,871,116	176,692,414
Deferred Inflows of Resources	6,633,005	-	1,818,149	-	8,451,154	-
Total Deferred Inflows of Resources	6,633,005	-	1,818,149	-	8,451,154	-
Net Position:						
Net Investment in Capital Assets	433,381,298	448,914,876	179,269,329	175,557,744	612,650,627	624,472,620
Restricted	71,876,509	55,657,033	25,172,201	27,579,197	97,048,710	83,236,230
Unrestricted	22,429,161	52,762,415	36,251,098	41,145,016	58,680,259	93,907,431
Total Net Position	\$ 527,686,968	\$ 557,334,324	\$ 240,692,628	\$ 244,281,957	\$ 768,379,596	\$ 801,616,281

(1) Not restated for the effects of GASB Statement No. 68 as discussed in Note #9.



Governmental Activities

The City's net position from governmental activities decreased \$1.1 million or 5.3%, from \$769.5 million to \$768.4 million. This decrease was the combined effect of an increase in net position of \$11.3 million from the effects of increasing development activity as the City issued 451 single family building permits during the fiscal year. Offsetting the positive effect of this development activity is the effect of recording a \$12.4 million accrued liability for the denial of the transfer of assets to the City from the former Brentwood Redevelopment Agency by the California State Department of Finance (see Note #14). Property tax, sales tax and investment income all posted moderate gains, reflective of the improving economic conditions. On the expense side, expenses increased by 2.7% and were mainly attributable to filling of Safety personnel vacancies throughout the year.

Business-Type Activities

The City's net position from Business-Type activities decreased 1.5%, from \$244.3 million to \$240.7 million. Net investment in capital assets increased \$3.7 million as capital assets were acquired and long-term debt continued to be repaid. Expenses increased 6.2% from growth in service due to increasing population, increasing supplies and services costs and additional costs in the current fiscal year for a chloride compliance program and water drought compliance related expenses. Overall, the unrestricted net position ended the year at \$36.3 million.

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	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014 ⁽¹⁾	2015	2014 ⁽¹⁾	2015	2014 ⁽¹⁾
Revenues:						
Program Revenues:						
Charges for Services	\$ 15,845,020	\$ 15,296,374	\$ 40,448,753	\$ 40,337,134	\$ 56,293,773	\$ 55,633,508
Operating Grants and Revenues	16,226,090	13,854,976	-	-	16,226,090	13,854,976
Capital Grants and Contributions	15,319,706	19,212,723	4,382,019	4,082,059	19,701,725	23,294,782
General Revenues:						
Taxes:						
Property Taxes	12,454,027	10,540,496	-	-	12,454,027	10,540,496
Sales Tax	6,836,918	6,447,687	-	-	6,836,918	6,447,687
Franchise Fees	1,400,350	1,321,089	-	-	1,400,350	1,321,089
Public Service Taxes	452,426	389,109	-	-	452,426	389,109
Measure C/J, TOT	349,683	1,036,221	-	-	349,683	1,036,221
Motor Vehicle Taxes	3,256,924	2,748,701	-	-	3,256,924	2,748,701
Investment Earnings	1,095,957	1,186,001	719,108	765,633	1,815,065	1,951,634
Miscellaneous	871,959	1,123,910	-	-	871,959	1,123,910
Total Revenues	74,109,060	73,157,287	45,549,880	45,184,826	119,658,940	118,342,113
Expenses:						
General Government	13,394,675	12,814,102	-	-	13,394,675	12,814,102
Public Safety	18,273,959	16,841,404	-	-	18,273,959	16,841,404
Community Development	3,815,207	3,897,722	-	-	3,815,207	3,897,722
Engineering	2,664,921	2,536,751	-	-	2,664,921	2,536,751
Public Works	6,953,406	6,932,406	-	-	6,953,406	6,932,406
Parks and Recreation	11,667,358	11,997,081	-	-	11,667,358	11,997,081
Community Services	6,180,114	6,077,404	-	-	6,180,114	6,077,404
Interest on Long-Term Debt	4,658,130	4,706,190	-	-	4,658,130	4,706,190
Wastewater	-	-	10,000,905	8,356,508	10,000,905	8,356,508
Solid Waste	-	-	10,373,325	9,583,321	10,373,325	9,583,321
Water	-	-	19,538,589	19,436,134	19,538,589	19,436,134
City Rentals	-	-	174,597	165,319	174,597	165,319
Housing	-	-	656,778	831,157	656,778	831,157
Total Expenses	67,607,770	65,803,060	40,744,194	38,372,439	108,351,964	104,175,499
Change in Net Position Before Transfers and Special Items	6,501,290	7,354,227	4,805,686	6,812,387	11,306,976	14,166,614
Transfers	702,328	52,112	(702,328)	(52,112)	-	-
Special Items	(12,381,097)	-	-	-	(12,381,097)	-
Increase in Net Position	(5,177,479)	7,406,339	4,103,358	6,760,275	(1,074,121)	14,166,614
Net Position 7/1, Restated	532,864,447	549,927,985	236,589,270	237,521,682	769,453,717	787,449,667
Net Position 6/30	\$ 527,686,968	\$ 557,334,324	\$ 240,692,628	\$ 244,281,957	\$ 768,379,596	\$ 801,616,281

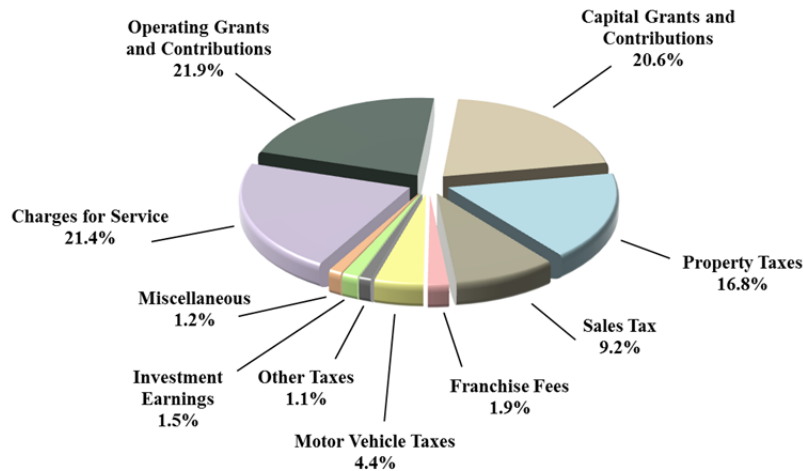
(1) Not restated for the effects of GASB Statement No. 68 as discussed in Note #9.

Governmental Activities

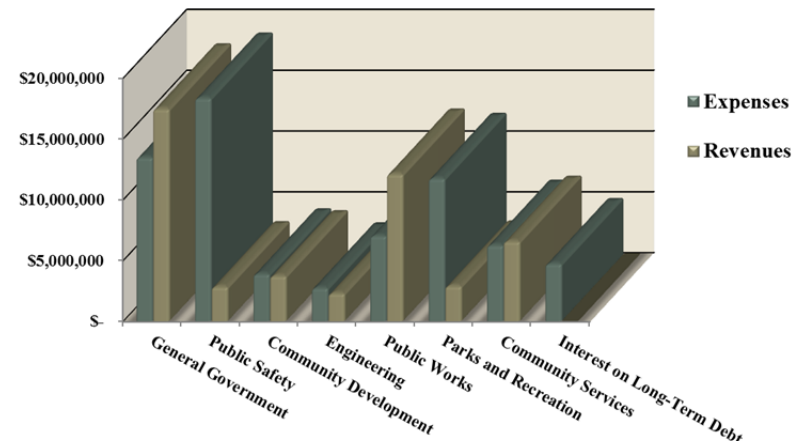
The cost of all Governmental activities this year was \$67.6 million. Net expenses, as shown in the Statement of Activities and Changes in Net Position found on page 20, were \$20.2 million. A portion of the cost for these activities was paid either by those who directly benefited from the programs (\$15.9 million), by other governments and organizations that subsidized certain programs with operating grants and contributions (\$16.2 million), or capital grants and contributions (\$15.3 million). Overall, the City's governmental program revenues were \$47.4 million.

Total resources available during the year to finance governmental operations were \$607.7 million consisting of restated net position at July 1, 2014 of \$532.9 million, program revenues of \$47.4 million and general revenues and transfers of \$27.4 million. Total Governmental activities and Special Items during the year were \$80.0 million, thus net position was decreased by \$5.2 million to \$527.7 million.

Revenues by Source



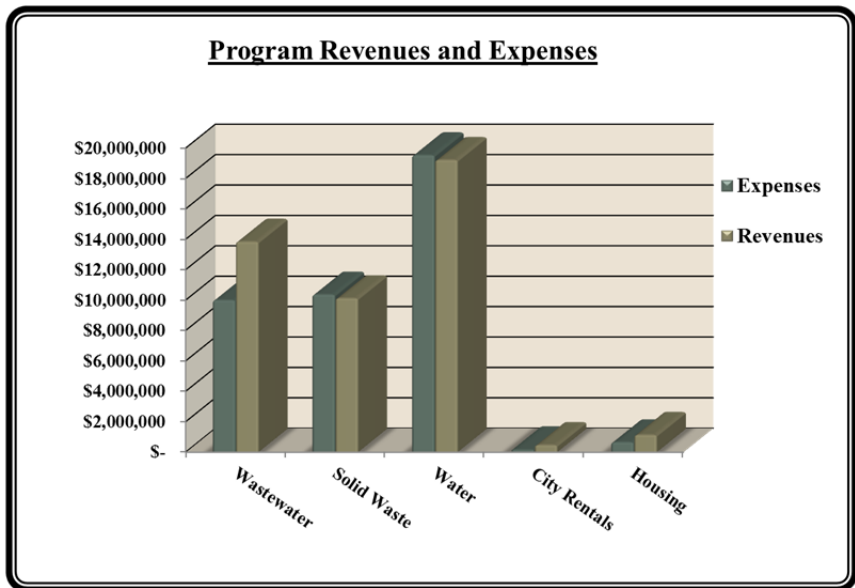
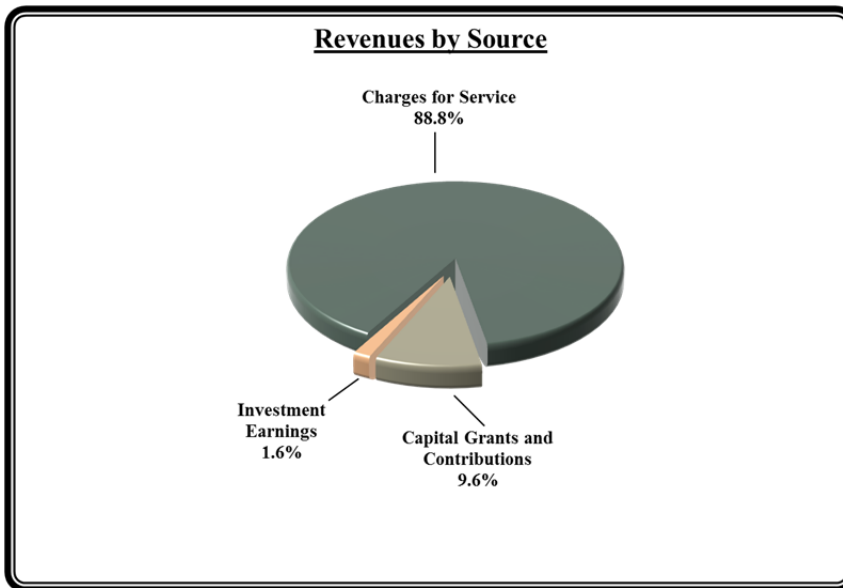
Program Revenues and Expenses



Business-Type Activities

The cost of all Business-Type activities this year was \$40.7 million. As shown in the Statement of Activities and Changes in Net Position found on page 20, the amounts paid by users of the systems were \$40.4 million. Capital grants and contributions totaled \$4.4 million and investment earnings were \$0.7 million.

Total resources available during the year to finance Business-Type activities were \$281.4 million, consisting of restated net position at July 1, 2014 of \$236.6 million, charges for services of \$40.4 million, contributions of \$4.4 million and general revenues and net transfers of \$0.02 million. Total Business-Type activities during the year were \$40.7 million, thus net position increased by \$4.1 million to \$240.7 million.





FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

At year-end the City's General Fund had a fund balance of \$18,907,466. This is an increase of \$1,767,973 compared to last year. The increase in fund balance is after the effect of a transfer to the Pension/OPEB fund of \$ 3,225,164. The General Fund maintained a 30% unassigned reserve after this transfer. The surplus was generated primarily through increased development activity, with 451 single family building permits being issued during the year, resulting in an additional \$1.8 million in permit revenue. In addition, several vacancies, primarily in public safety, took the majority of the fiscal year to fill which resulted in significant personnel cost savings.

Roadway Facility Fee, which is reported as a Special Revenue Fund, had a decrease in fund balance of \$314,499. This decrease was due to funding for capital projects.

Community Facility Fee, which is reported as a Special Revenue Fund, had an increase in fund balance of \$523,773. This increase was the result of increased development activity and will be used to fund future capital projects.

Fire Facility Fee, which is reported as a Special Revenue Fund, had an increase in fund balance of \$392,631. This increase was the result of 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 \$979,765. This increase was due to lower than anticipated expenditures and will ultimately result in lower assessment requirements in future years.

Capital Infrastructure, which is reported as a Capital Projects Fund, had a decrease in fund balance of \$713,944. This decrease was due to development related expenditures.

Vineyard Event Center Projects, which is reported as a Capital Projects Fund, had an increase in fund balance of \$1,856,943. This increase was the result of development fees to finance an event center within the Vineyards development area.

GENERAL FUND BUDGETARY HIGHLIGHTS

Comparing the fiscal year 2014/15 original budget (adopted June 2014) General Fund expenditures and transfers out in the amount of \$43,928,854, to the final budget amount of \$47,356,615, there was an increase in budgeted expenditures and transfers out of \$3,427,761. 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>
\$43,928,854		\$3,427,761		\$47,356,615

During the fiscal year, the total revenues and transfers in for the General Fund were \$45,697,094. This was \$2,590,854 more than budgeted. The total expenditures and transfers out for the General Fund were \$43,929,121. This was \$3,427,494 less than budgeted.

Revenues exceeded budget due primarily to development activity that surpassed estimates, with 451 single family residential building permits being issued while only 275 had been budgeted. This resulted in a \$1.8 million surplus in permit revenue during the year. Additional receipts of property tax also increased the General Fund total revenues. 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, mainly in public safety, took the majority of the fiscal year to be filled.

Supplemental changes to the 2014/15 fiscal year General Fund budget were:

- Increase of \$3,225,164 for a transfer to the Pension/OPEB Obligation Fund.
- Increase of \$46,000 for supplies and services for economic development.
- Decrease of \$40,000 for election costs.
- Net increase of \$97,798 in personnel costs due to negotiated labor cost increases offset in part by a decrease in health benefit costs.
- Increase of \$98,799 for public works repairs and contractual services.



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, 2015, capital assets, net of accumulated amortization and depreciation, of the Governmental activities totaled \$501,116,042. Capital assets, net of accumulated amortization and depreciation, of the Business-Type activities totaled \$240,758,031. Amortization and depreciation on capital assets is recognized in the Government-Wide financial statements. Refer to Note #5, found on pages 66 – 68 of this report, for detailed information regarding capital assets. The City has elected to use the amortization and depreciation method for infrastructure reporting.

	Original Cost	Accumulated Amortization and Depreciation	Book Value
Capital Assets – Governmental:			
Intangible Assets	\$ 6,258,156	\$ 977,529	\$ 5,280,627
Land	36,427,074	-	36,427,074
Buildings	56,356,487	5,962,439	50,394,048
Infrastructure	457,283,910	85,687,465	371,596,445
Machinery and Equipment	7,070,456	3,325,030	3,745,426
Vehicles	9,809,980	5,669,340	4,140,640
Land Improvements	27,740,091	4,299,793	23,440,298
Work in Progress – CIP and Infrastructure	6,091,484	-	6,091,484
Total Capital Assets – Governmental	\$ 607,037,638	\$ 105,921,596	\$ 501,116,042
Capital Assets – Business-Type:			
Intangible Assets	\$ 10,597,532	\$ 2,888,656	\$ 7,708,876
Land	2,429,597	-	2,429,597
Buildings	25,307,041	5,709,425	19,597,616
Infrastructure	239,763,768	39,806,974	199,956,794
Machinery and Equipment	3,212,181	1,131,987	2,080,194
Land Improvements	10,925,186	2,301,556	8,623,630
Work in Progress – CIP and Infrastructure	361,324	-	361,324
Total Capital Assets – Business-Type	\$ 292,596,629	\$ 51,838,598	\$ 240,758,031

Debt Administration

Debt, considered a liability of Governmental Activities, increased in FY 2014/15 by \$5,454,395 as a result of annual debt service and a decrease in the net pension liability, offset by increases in the net OPEB obligation. Per capita debt outstanding increased from \$1,623 to \$1,951 per capita compared to the prior fiscal year. Debt, considered a liability of Business-Type activities, increased by \$1,163,144 in FY 2014/15 as a result of the combination of a water bond refinance and increases in the net OPEB obligation, which was offset by a decrease in net pension liability and debt service payments made in the fiscal year.

Detailed information regarding long-term obligation activity can be found in Note #6 on pages 69 – 76 in this report.

	Balance June 30, 2014	Incurred or Issued	Satisfied or Matured	Balance June 30, 2015
Governmental Activities:				
Bonds Payable	\$ 76,765,043	\$ 298,271 ⁽¹⁾	\$ 1,978,570	\$ 75,084,744
Net OPEB Obligation	10,840,333	1,152,689	-	11,993,022
Net Pension Liability	28,342,142 ⁽²⁾	-	6,486,016	21,856,126
Accrued Liabilities	-	12,381,097	-	12,381,097
Accumulated Compensated Absences	1,224,221	1,476,274	1,389,350	1,311,145
Total Governmental Activities	\$ 117,171,739	\$ 15,308,331	\$ 9,853,936	\$ 122,626,134
Business-Type Activities:				
Bonds Payable	\$ 48,138,519	\$ 48,742,806	\$ 44,108,199	\$ 52,773,126
Notes Payable	25,857,453	-	2,016,074	23,841,379
Net OPEB Obligation	3,393,666	362,312	-	3,755,978
Net Pension Liability	8,729,160 ⁽²⁾	-	1,850,295	6,878,865
Accumulated Compensated Absences	372,751	563,999	531,405	405,345
Total Business-Type Activities	\$ 86,491,549	\$ 49,669,117	\$ 48,505,973	\$ 87,654,693

(1) Accreted Interest

(2) Restated due to the implementation of GASB Statement No. 68, as discussed in Note #9.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The key assumptions in the General Fund revenue forecast for FY 2015/16 are:

- Development activity will continue at a modest pace, with approximately 275 new housing units being constructed. This is down from the 451 units constructed in FY 2014/15, and 500 units in FY 2013/14, yet up from the low of 31 units which occurred in FY 2008/09.
- 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 a 12.3% increase in assessed valuation is to be expected in FY 2015/16.
- Persistently low interest rates will result in continued low levels of investment income.

Although the City felt significant financial impacts from a slow housing market and slowdown in general building activity during the recession, development activity has exceeded expectations in the most recent fiscal years. Due to the increase in development, the City's population is estimated to increase 3% for 2015. However, population increases are expected to be less than 2% per year over the next several years. The following key budgetary expenditure impacts were addressed in the FY 2015/16 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 FY 2017/18.
- The City's plan for the construction and initial operational costs of a Police Dispatch Center.

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 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 did contain re-opener provisions based on assessed valuation thresholds. The threshold for a re-opener was met in 2013 and again in 2014, and the City negotiated side letter agreements with each of the bargaining groups following each re-opener. The 2014 side letters of agreement removed all automatic re-opener provisions for the duration of the contracts.

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 Administrative Services Department, located at 150 City Park Way, Brentwood, California 94513, either by phone (925) 516-5460 or e-mail administrativeservices@brentwoodca.gov.



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Statement of Net Position

June 30, 2015

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Investments	\$ 111,375,088	\$ 74,703,962	\$ 186,079,050
Restricted Cash and Investments	19,571,894	1,558,514	21,130,408
Receivables, Net of Allowance for Doubtful Accounts	1,141,450	4,720,529	5,861,979
Inventories	51,931	-	51,931
Prepays	460,129	45,586	505,715
Land Held for Resale	1,040,359	-	1,040,359
Total Current Assets	133,640,851	81,028,591	214,669,442
Non-Current Assets:			
Long-Term Notes and Loans Receivable	27,627,368	805,861	28,433,229
Internal Balances	(1,985,622)	1,985,622	-
Capital Assets, Net of Accumulated Depreciation and Amortization:			
Intangible Assets	5,280,627	7,708,876	12,989,503
Land	36,427,074	2,429,597	38,856,671
Buildings	50,394,048	19,597,616	69,991,664
Infrastructure	371,596,445	199,956,794	571,553,239
Machinery and Equipment	3,745,426	2,080,194	5,825,620
Vehicles	4,140,640	-	4,140,640
Land Improvements	23,440,298	8,623,630	32,063,928
Work in Progress	6,091,484	361,324	6,452,808
Total Non-Current Assets	526,757,788	243,549,514	770,307,302
Total Assets	660,398,639	324,578,105	984,976,744
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding	-	8,137,270	8,137,270
Related to Pensions	3,616,453	971,399	4,587,852
Total Deferred Outflows of Resources	3,616,453	9,108,669	12,725,122
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	4,066,634	3,408,730	7,475,364
Unearned Revenue	160,061	-	160,061
Deposits Held	2,842,290	112,574	2,954,864
Long-Term Liabilities Due Within One Year	3,146,687	3,540,290	6,686,977
Total Current Liabilities	10,215,672	7,061,594	17,277,266
Non-Current Liabilities Due in More Than One Year:			
Bonds Payable	72,724,744	51,453,126	124,177,870
Accrued Liabilities	12,381,097	-	12,381,097
Notes Payable	-	21,864,295	21,864,295
Net OPEB Obligation	11,993,022	3,755,978	15,749,000
Net Pension Liability	21,856,126	6,878,865	28,734,991
Compensated Absences Payable	524,458	162,139	686,597
Total Non-Current Liabilities	119,479,447	84,114,403	203,593,850
Total Liabilities	129,695,119	91,175,997	220,871,116
DEFERRED INFLOWS OF RESOURCES			
Related to Pensions	6,633,005	1,818,149	8,451,154
Total Deferred Inflows of Resources	6,633,005	1,818,149	8,451,154
NET POSITION			
Net Investment in Capital Assets	433,381,298	179,269,329	612,650,627
Restricted for:			
Capital Projects	24,382,337	7,823,592	32,205,929
Debt Service	32,485,270	1,558,514	34,043,784
Housing	1,054,528	5,176,436	6,230,964
Landscape and Lighting Assessment Districts	5,042,283	-	5,042,283
Agricultural/Farmland Mitigation	1,238,785	-	1,238,785
Public Art	1,648,210	-	1,648,210
Developer Facility Fee Program	4,408,597	10,606,494	15,015,091
Other Programs	1,616,499	7,165	1,623,664
Unrestricted	22,429,161	36,251,098	58,680,259
Total Net Position	\$ 527,686,968	\$ 240,692,628	\$ 768,379,596

Statement of Activities and Changes in Net Position
 For Year Ended June 30, 2015

Functions/Programs	Program Revenues					Net Revenues (Expenses) 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
Primary Government:								
Governmental Activities								
General Government	\$ 13,394,675	\$ 8,365,696	\$ 2,306,640	\$ 6,714,086	\$ 17,386,422	\$ 3,991,747	\$ -	\$ 3,991,747
Public Safety	18,273,959	432,433	2,187,986	140,326	2,760,745	(15,513,214)	-	(15,513,214)
Community Development	3,815,207	3,481,731	-	180,176	3,661,907	(153,300)	-	(153,300)
Engineering	2,664,921	2,226,848	-	-	2,226,848	(438,073)	-	(438,073)
Public Works	6,953,406	-	5,231,201	6,796,710	12,027,911	5,074,505	-	5,074,505
Parks and Recreation	11,667,358	1,338,312	-	1,488,408	2,826,720	(8,840,638)	-	(8,840,638)
Community Services	6,180,114	-	6,500,263	-	6,500,263	320,149	-	320,149
Interest on Long-Term Debt	4,658,130	-	-	-	-	(4,658,130)	-	(4,658,130)
Total Governmental Activities	67,607,770	15,845,020	16,226,090	15,319,706	47,390,816	(20,216,954)	-	(20,216,954)
Business-Type Activities								
Wastewater	10,000,905	12,002,184	-	1,850,909	13,853,093	-	3,852,188	3,852,188
Solid Waste	10,373,325	10,132,236	-	-	10,132,236	-	(241,089)	(241,089)
Water	19,538,589	17,599,064	-	1,627,070	19,226,134	-	(312,455)	(312,455)
City Rentals	174,597	476,212	-	-	476,212	-	301,615	301,615
Housing	656,778	239,057	-	904,040	1,143,097	-	486,319	486,319
Total Business-Type Activities	40,744,194	40,448,753	-	4,382,019	44,830,772	-	4,086,578	4,086,578
Total Primary Government	\$ 108,351,964	\$ 56,293,773	\$ 16,226,090	\$ 19,701,725	\$ 92,221,588	\$ (20,216,954)	\$ 4,086,578	\$ (16,130,376)

General Revenues:			
Taxes:			
Property Taxes	\$ 12,454,027	\$ -	\$ 12,454,027
Sales Tax	6,836,918	-	6,836,918
Franchise Fees	1,400,350	-	1,400,350
Public Service Taxes	452,426	-	452,426
Transient Occupancy Tax	349,683	-	349,683
Motor Vehicle Taxes	3,256,924	-	3,256,924
Investment Earnings	1,095,957	719,108	1,815,065
Miscellaneous	871,959	-	871,959
Transfers	702,328	(702,328)	-
Special Items:			
Denial of Transfer of Assets to the City	(12,381,097)	-	(12,381,097)
Total General Revenues, Transfers and Special Items	15,039,475	16,780	15,056,255
Change in Net Position	(5,177,479)	4,103,358	(1,074,121)
Net Position - Beginning of Year, Restated	532,864,447	236,589,270	769,453,717
Net Position - End of Year	\$ 527,686,968	\$ 240,692,628	\$ 768,379,596

City of Brentwood

Balance Sheet
Governmental Funds
 June 30, 2015

	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	
ASSETS					
Current Assets:					
Cash and Investments	\$ 23,258,898	\$ 62,833	\$ -	\$ 37,703,238	\$ 61,024,969
Restricted Cash and Investments	-	1,454,554	3,275,768	14,841,572	19,571,894
Receivables	1,147,364	15,505,000	12,122,368	413,620	29,188,352
Prepays	108,998	-	-	576	109,574
Due from Other Funds	-	-	-	4,887	4,887
Land Held for Resale	-	-	-	1,040,359	1,040,359
Non-Current Assets:					
Interfund Advance Receivable	-	-	-	1,931,370	1,931,370
Total Assets	\$ 24,515,260	\$ 17,022,387	\$ 15,398,136	\$ 55,935,622	\$ 112,871,405
LIABILITIES					
Liabilities:					
Accounts Payable and Accrued Liabilities	\$ 2,184,762	\$ 4	\$ -	\$ 1,505,747	\$ 3,690,513
Due to Other Funds	-	-	-	789,712	789,712
Unearned Revenue	160,061	-	-	-	160,061
Deposits Held	2,842,290	-	-	-	2,842,290
Interfund Advance Payable	-	-	-	1,931,370	1,931,370
Total Liabilities	5,187,113	4	-	4,226,829	9,413,946
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Accounts Receivable	420,681	-	-	21,835	442,516
Total Deferred Inflows of Resources	420,681	-	-	21,835	442,516
FUND BALANCES					
Nonspendable	108,998	-	-	576	109,574
Restricted	92,426	17,022,383	15,398,136	47,060,980	79,573,925
Committed	1,250,000	-	-	7,047,085	8,297,085
Assigned	5,137,130	-	-	-	5,137,130
Unassigned	12,318,912	-	-	(2,421,683)	9,897,229
Total Fund Balances	18,907,466	17,022,383	15,398,136	51,686,958	103,014,943
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 24,515,260	\$ 17,022,387	\$ 15,398,136	\$ 55,935,622	\$ 112,871,405

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

June 30, 2015

Total Fund Balances - Total Governmental Funds \$ 103,014,943

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. 495,871,921

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. 50,527,576

The long-term assets are not available to pay for current period expenditures; therefore, they are unavailable in the funds. 21,835

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. (1,155,185)

Long-term liabilities and deferred outflows/inflows of resources are not due and payable in the current period; therefore, they are not reported in the Governmental Funds Balance Sheet.

Bonds	(73,929,559)
Net OPEB Obligation	(10,793,895)
Net Pension Liabilities and Deferred Outflows/Inflows of Resources Related to Pensions	(22,315,917)
Compensated Absences	(1,131,131)
Accrued Liabilities	<u>(12,423,620)</u>

Total Net Position of Governmental Activities \$ 527,686,968

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
 For Year Ended June 30, 2015

	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	
REVENUES					
Taxes	\$ 17,709,971	\$ -	\$ -	\$ 2,503,968	\$ 20,213,939
Licenses	633,722	-	-	-	633,722
Permits and Fines	6,264,281	-	-	-	6,264,281
Uses of Money and Property	427,072	76,396	15,570	393,040	912,078
Intergovernmental	3,568,544	703,909	1,859,034	2,808,584	8,940,071
Franchises	1,400,350	-	-	-	1,400,350
Charges for Other Services	306,603	-	-	-	306,603
Charges to Other Funds	6,705,041	-	-	-	6,705,041
Fees and Other Revenues	2,065,406	-	-	23,500,526	25,565,932
Total Revenues	39,080,990	780,305	1,874,604	29,206,118	70,942,017
EXPENDITURES					
Current:					
General Government	5,616,074	-	-	5,130,850	10,746,924
Public Safety	18,088,964	-	-	137,311	18,226,275
Community Development	4,049,004	7,732	21,365	5,621	4,083,722
Engineering	2,741,148	-	-	-	2,741,148
Public Works	2,814,945	-	-	-	2,814,945
Parks and Recreation	5,022,452	-	-	4,835,775	9,858,227
Community Services	587,726	-	-	5,604,745	6,192,471
Capital Outlay	-	-	-	2,353,631	2,353,631
Debt Service:					
Principal	-	885,000	665,000	360,000	1,910,000
Interest and Fiscal Charges	-	1,041,863	3,323,304	63,262	4,428,429
Total Expenditures	38,920,313	1,934,595	4,009,669	18,491,195	63,355,772
REVENUES OVER (UNDER) EXPENDITURES	160,677	(1,154,290)	(2,135,065)	10,714,923	7,586,245
OTHER FINANCING SOURCES (USES)					
Transfers In	6,616,104	679,826	2,865,323	6,901,348	17,062,601
Transfers Out	(5,008,808)	(161,781)	(1,046,982)	(13,403,062)	(19,620,633)
Total Other Financing Sources (Uses)	1,607,296	518,045	1,818,341	(6,501,714)	(2,558,032)
NET CHANGE IN FUND BALANCES	1,767,973	(636,245)	(316,724)	4,213,209	5,028,213
Fund Balance, Beginning of Year Restated	17,139,493	17,658,628	15,714,860	47,473,749	97,986,730
Fund Balance, End of Year	\$ 18,907,466	\$ 17,022,383	\$ 15,398,136	\$ 51,686,958	\$ 103,014,943

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, 2015

Net Change in Fund Balances - Total Governmental Funds	\$ 5,028,213
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.	2,353,631
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.	(8,939,858)
The net effect of various miscellaneous transactions involving Capital Assets (e.g. sales, trade-ins and contributions) is to increase net position.	2,510,678
To record the net change in compensated absences in the Statement of Activities.	(66,757)
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 long-term debt repayments	1,910,000
This amount represents the increase in Net OPEB Obligation	(1,037,276)
This amount represents the increase in Net Pension Liability and Deferred Outflows/Inflows related to Pensions	(391,893)
This amount represents accreted interest	(298,271)
This amount represents amortized bond premiums	68,570
This amount represents the increase in accrued liabilities	(12,387,332)
Revenues in the Governmental Funds which have been previously recognized in the Statement of Activities.	(96,883)
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.	<u>6,169,699</u>
Change in Net Position of Governmental Activities	<u><u>\$ (5,177,479)</u></u>

City of Brentwood

Statement of Net Position
Proprietary Funds
June 30, 2015

	Business-Type Activities - Enterprise Funds					Totals	Governmental Activities - Internal Service Funds
	Wastewater	Solid Waste	Water	City Rentals	Housing		
ASSETS							
Current Assets:							
Cash and Investments	\$ 37,191,314	\$ 5,650,692	\$ 26,862,626	\$ 104,381	\$ 4,894,949	\$ 74,703,962	\$ 50,350,119
Restricted Cash and Investments	-	-	1,558,514	-	-	1,558,514	-
Receivables	1,684,223	1,541,582	1,384,695	79,505	30,524	4,720,529	1,147
Inventories	-	-	-	-	-	-	51,931
Prepays	13,100	14,594	14,875	2,706	311	45,586	350,555
Due from Other Funds	-	-	-	-	-	-	784,825
Total Current Assets	38,888,637	7,206,868	29,820,710	186,592	4,925,784	81,028,591	51,538,577
Non-Current Assets:							
Long-Term Notes Receivable	-	-	-	-	805,861	805,861	-
Interfund Advance Receivable	495,818	709,486	728,933	-	51,385	1,985,622	653,989
Capital Assets:							
Intangible Assets	-	-	10,597,532	-	-	10,597,532	-
Land	409,620	254,420	128,560	-	1,636,996	2,429,596	-
Buildings	2,895,398	-	20,358,966	-	2,052,677	25,307,041	-
Infrastructure	92,950,330	12,106,543	134,706,895	-	-	239,763,768	-
Machinery and Equipment	2,328,510	84,389	799,283	-	-	3,212,182	3,134,610
Vehicles	-	-	-	-	-	-	9,809,980
Land Improvements	58,494	1,000,000	9,866,692	-	-	10,925,186	-
Work in Progress	239,563	-	121,761	-	-	361,324	-
Less Accumulated Depreciation and Amortization	(19,053,413)	(1,136,863)	(31,369,142)	-	(279,180)	(51,838,598)	(7,700,469)
Total Capital Assets, Net of Accumulated Depreciation	79,828,502	12,308,489	145,210,547	-	3,410,493	240,758,031	5,244,121
Total Non-Current Assets	80,324,320	13,017,975	145,939,480	-	4,267,739	243,549,514	5,898,110
Total Assets	119,212,957	20,224,843	175,760,190	186,592	9,193,523	324,578,105	57,436,687
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Amount on Refunding	-	-	8,137,270	-	-	8,137,270	-
Related to Pensions	264,435	328,952	353,741	-	24,271	971,399	321,771
Total Deferred Outflows of Resources	264,435	328,952	353,741	-	24,271	971,399	321,771
LIABILITIES							
Current Liabilities:							
Accounts Payable and Accrued Liabilities	654,287	895,105	1,850,453	6,899	1,986	3,408,730	333,599
Deposits Held	-	7,165	75,000	-	30,409	112,574	-
Long-Term Debt Due Within One Year	1,977,084	-	1,320,000	-	-	3,297,084	-
Compensated Absences Payable	73,115	87,922	76,516	-	5,653	243,206	108,008
Total Current Liabilities	2,704,486	990,192	3,321,969	6,899	38,048	7,061,594	441,607
Non-Current Liabilities Due in More Than One Year:							
Interfund Advance Payable	-	-	-	-	-	-	2,639,611
Bonds Payable	-	-	51,453,126	-	-	51,453,126	-
Notes Payable	14,875,763	-	6,988,532	-	-	21,864,295	-
Net OPEB Obligation	1,887,973	2,342,420	2,488,580	-	159,892	6,878,865	1,199,127
Net Pension Liability	957,325	1,378,007	1,329,646	-	91,000	3,755,978	2,275,960
Compensated Absences Payable	48,744	58,615	51,011	-	3,769	162,139	72,005
Total Non-Current Liabilities	17,769,805	3,779,042	62,310,895	-	254,661	84,114,403	6,186,703
Total Liabilities	20,474,291	4,769,234	65,632,864	6,899	292,709	91,175,997	6,628,310
DEFERRED INFLOWS OF RESOURCES							
Related to Pensions	495,100	615,614	662,046	-	45,389	1,818,149	602,572
Total Deferred Inflows of Resources	495,100	615,614	662,046	-	45,389	1,818,149	602,572
NET POSITION							
Net Investment in Capital Assets	62,975,656	12,308,489	100,574,691	-	3,410,493	179,269,329	5,244,121
Restricted for:							
Capital Projects	5,380,569	48,312	2,394,711	-	-	7,823,592	-
Special Projects and Programs	10,606,494	7,165	1,558,514	-	5,176,436	17,348,609	-
Unrestricted	19,545,282	2,804,981	13,428,375	179,693	292,767	36,251,098	45,283,455
Total Net Position	\$ 98,508,001	\$ 15,168,947	\$ 117,956,291	\$ 179,693	\$ 8,879,696	\$ 240,692,628	\$ 50,527,576

Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For Year Ended June 30, 2015

	Business-Type Activities - Enterprise Funds						Governmental
	Wastewater	Solid Waste	Water	City Rentals	Housing	Totals	Activities - Internal Service Funds
Operating Revenues:							
Charges for Services	\$ 11,845,070	\$ 10,129,250	\$ 17,448,050	\$ 476,212	\$ 238,833	\$ 40,137,415	\$ 12,548,356
Other Income	157,114	2,986	151,014	-	224	311,338	331,057
Total Operating Revenues	12,002,184	10,132,236	17,599,064	476,212	239,057	40,448,753	12,879,413
Operating Expenses:							
Personnel Services	2,500,600	3,353,683	3,383,236	-	206,841	9,444,360	3,057,331
Repairs and Maintenance	213,000	1,477,958	357,927	60,648	45,841	2,155,374	213,969
Materials, Supplies and Services	5,437,797	5,472,684	10,732,563	113,949	367,602	22,124,595	6,038,207
Depreciation and Amortization	1,527,433	69,000	3,114,091	-	36,494	4,747,018	1,071,978
Total Operating Expenses	9,678,830	10,373,325	17,587,817	174,597	656,778	38,471,347	10,381,485
Operating Income (Loss)	2,323,354	(241,089)	11,247	301,615	(417,721)	1,977,406	2,497,928
Non-Operating Revenues (Expenses):							
Interest Income	330,431	51,621	239,904	1,074	96,078	719,108	422,190
Interest Expense	(322,075)	-	(1,342,923)	-	-	(1,664,998)	-
Bond Issuance Costs	-	-	(607,849)	-	-	(607,849)	-
Loss on Disposal of Capital Assets	-	-	-	-	-	-	(10,779)
Total Non-Operating Revenues (Expenses)	8,356	51,621	(1,710,868)	1,074	96,078	(1,553,739)	411,411
Income (Loss) Before Contributions and Transfers	2,331,710	(189,468)	(1,699,621)	302,689	(321,643)	423,667	2,909,339
Contributions - Impact Fees and Credits	1,472,674	-	1,124,574	-	400,646	2,997,894	-
Capital Asset Contributions	378,235	-	502,496	-	503,394	1,384,125	-
Transfers In	1,140	5,445	995	-	-	7,580	3,893,889
Transfers Out	-	(20,914)	(400,000)	(288,994)	-	(709,908)	(633,529)
Change in Net Position	4,183,759	(204,937)	(471,556)	13,695	582,397	4,103,358	6,169,699
Net Position, Beginning of Year, Restated	94,324,242	15,373,884	118,427,847	165,998	8,297,299	236,589,270	44,357,877
Net Position, End of Year	\$ 98,508,001	\$ 15,168,947	\$ 117,956,291	\$ 179,693	\$ 8,879,696	\$ 240,692,628	\$ 50,527,576



Statement of Cash Flows
 Proprietary Funds
 For Year Ended June 30, 2015

	Business-Type Activities - Enterprise Funds						Governmental
	Wastewater	Solid Waste	Water	City Rentals	Housing	Totals	Activities - Internal Service Funds
Cash Flows from Operating Activities							
Cash Received from Customers/Other Funds	\$ 11,974,947	\$ 10,123,462	\$ 18,487,152	\$ 458,612	\$ 443,149	\$ 41,487,322	\$ 12,518,080
Cash Payments to Suppliers of Goods and Services	(5,023,674)	(4,836,661)	(10,165,049)	(164,247)	(503,809)	(20,693,440)	(5,785,227)
Cash Payments to Employees for Services	(2,383,238)	(3,159,674)	(3,259,946)	-	(214,943)	(9,017,801)	(2,920,623)
Cash Payments for Interfund Services	(674,811)	(1,920,151)	(905,775)	(10,972)	(67,257)	(3,578,966)	(477,154)
Other Receipts	26,794	3,355	151,014	18,468	-	199,631	331,057
Net Cash Provided By (Used for) Operating Activities	3,920,018	210,331	4,307,396	301,861	(342,860)	8,396,746	3,666,133
Cash Flows from Non-Capital Financing Activities							
Transfers Received	1,140	5,445	995	-	-	7,580	3,893,889
Transfers Paid	-	(20,914)	(400,000)	(288,994)	-	(709,908)	(633,529)
Interfund Advance Payable	(253,006)	(364,798)	(369,165)	-	(25,086)	(1,012,055)	1,345,016
Interfund Advance Receivable	-	-	-	-	-	-	(332,961)
Net Cash Provided By (Used for) Non-Capital Financing Activities	(251,866)	(380,267)	(768,170)	(288,994)	(25,086)	(1,714,383)	4,272,415
Cash Flows from Capital and Related Financing Activities							
Proceeds from Capital Debt	-	-	42,810,000	-	-	42,810,000	-
Contributions - Impact Fees and Credits	1,472,674	-	1,124,574	-	400,646	2,997,894	-
Interest Paid on Debt	(322,075)	-	(1,342,923)	-	-	(1,664,998)	-
Principal Paid on Debt	(1,942,028)	-	(1,329,046)	-	-	(3,271,074)	-
Bond Premium	-	-	5,932,806	-	-	5,932,806	-
Bond Issuance Costs	-	-	(611,263)	-	-	(611,263)	-
Payment to Bond Escrow Agent	-	-	(51,124,595)	-	-	(51,124,595)	-
Acquisition and Construction of Assets	(793,836)	(740,249)	(29,978)	-	-	(1,564,063)	(1,582,161)
Net Cash Provided By (Used for) Capital and Related Financing Activities	(1,585,265)	(740,249)	(4,570,425)	-	400,646	(6,495,293)	(1,582,161)
Cash Flows from Investing Activities							
Interest on Investments	330,515	51,675	239,955	1,074	96,093	719,312	422,179
Net Cash Provided By Investing Activities	330,515	51,675	239,955	1,074	96,093	719,312	422,179
Net Increase (Decrease) in Cash and Cash Equivalents	2,413,402	(858,510)	(791,244)	13,941	128,793	906,382	6,778,566
Cash and Cash Equivalents - Beginning of Year	34,777,912	6,509,202	29,212,384	90,440	4,766,156	75,356,094	43,571,553
Cash and Cash Equivalents - End of Year	\$ 37,191,314	\$ 5,650,692	\$ 28,421,140	\$ 104,381	\$ 4,894,949	\$ 76,262,476	\$ 50,350,119
Reconciliation of Operating Income to Net Cash Provided By (Used for) Operating Activities:							
Operating Income (Loss)	\$ 2,323,354	\$ (241,089)	\$ 11,247	\$ 301,615	\$ (417,721)	\$ 1,977,406	\$ 2,497,928
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used for) Operating Activities:							
Depreciation and Amortization	1,527,433	69,000	3,114,091	-	36,494	4,747,018	1,071,978
Change in Assets, Liabilities and Deferred Outflows/Inflows of Resources:							
Receivables	2,791	(751)	1,050,216	1,085	204,092	1,257,433	59
Prepaid Items	(4,858)	(5,308)	(5,289)	(218)	175	(15,498)	(6,015)
Deferred Outflows/Inflows Related to Pensions	230,665	286,662	308,305	-	21,118	846,750	-
Accounts Payable and Other Payables	(46,254)	196,765	(9,280)	(621)	(161,361)	(20,751)	-
Net OPEB Obligation	94,537	175,994	98,177	-	(6,396)	362,312	115,413
Net Pension Liability and Deferred Outflows/Inflows of Resources related to Pensions	(221,701)	(275,512)	(296,314)	-	(20,295)	(813,822)	10,907
Compensated Absences Payable	14,051	7,505	13,743	-	(2,704)	32,595	20,165
Deposits	-	(2,935)	22,500	-	3,738	23,303	-
Net Cash Provided By (Used for) Operating Activities	\$ 3,920,018	\$ 210,331	\$ 4,307,396	\$ 301,861	\$ (342,860)	\$ 8,396,746	\$ 3,666,133
Noncash Capital Activities:							
Capital Asset Contributions	\$ 378,235	\$ -	\$ 502,496	\$ -	\$ 503,394	\$ 1,384,125	\$ -



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Statement of Fiduciary Net Position
Agency Funds and Private Purpose Trust Fund
 June 30, 2015

	<u>Agency Funds</u>	<u>Private-Purpose Trust Fund - Successor Agency</u>
ASSETS		
Current Assets:		
Cash and Investments	\$ 12,665,314	\$ 1,924,097
Restricted Cash and Investments	5,214,255	-
Interest Receivable	280	19
Total Current Assets	17,879,849	1,924,116
LIABILITIES		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	1,986,827	5
Due to City of Brentwood	36,235	-
Long-Term Liabilities Due Within One Year	-	878,684
Total Current Liabilities	2,023,062	878,689
Non-Current Liabilities Due in More Than One Year:		
Due to Bondholders	15,856,787	-
Long-Term Liabilities	-	26,748,684
Total Non-Current Liabilities	15,856,787	26,748,684
Total Liabilities	17,879,849	27,627,373
NET POSITION (DEFICIT)		
Held in Trust for Other Governments	-	(25,703,257)
Total Net Position (Deficit)	\$ -	\$ (25,703,257)

Statement of Changes in Fiduciary Net Position
Private-Purpose Trust Fund
For Year Ended June 30, 2015

	Private-Purpose Trust Fund - Successor Agency
	<hr/>
ADDITIONS	
Property Taxes	\$ 2,577,182
Investment Earnings	155,103
Total Additions	<hr/> 2,732,285 <hr/>
DEDUCTIONS	
Administrative Expenses	252,911
Interest and Fiscal Agent Expenses	1,665,379
Total Deductions	<hr/> 1,918,290 <hr/>
Change in Net Position before Special Items	813,995
SPECIAL ITEMS	
Gain on Cancellation of Payable to City of Brentwood	<hr/> 2,284,603 <hr/>
Change in Net Position	3,098,598
NET POSITION HELD IN TRUST	
Net Position - Beginning of Year	(28,801,855)
Net Position - Ending	<hr/> \$ (25,703,257) <hr/>

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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, Compensation 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 the 2009 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:

- *Gas Tax* – These funds account 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.

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

- 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.
- Economic Development Grant – This fund accounts for the set aside of 20% of business license tax collected. The monies are used to award grants to promote economic activity.
- Infrastructure Improvements – This fund accounts for economic development infrastructure projects and any related costs.
- Citywide Park Assessment District – This fund accounts for special benefit assessments levied on property owners for citywide park maintenance.
- Community Facilities Districts – These funds account 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.
- Roadway Facility Fee – This fund accounts for development fees collected for the design and construction of roadways within the City.
- Parks and Trails Facility Fee – This fund accounts for development fees collected for the design and construction of parks within the City.
- Community Facility Fee – This fund accounts for development fees collected for the design and construction of public facilities within the City.
- 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.
- Facility Fee Administration – This fund accounts for development fees collected for the administration of the Developer Facility Fee Program.
- 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.
- Agriculture Land – This fund accounts for 80% of the Agriculture Preservation fees collected from development. The monies are used for farmland mitigation purposes.



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

- 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.
- Parking In-Lieu – This fund accounts for development fees collected for off-street parking facilities located within the Downtown area.
- Arts Commission – This fund accounts for revenues and expenditures associated with the Arts Commission.
- 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.
- 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.
- PEG Media – This fund accounts for Public Access, Educational and Governmental (PEG) television channels provided for the citizens of Brentwood.
- 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.
- 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.
- 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.
- Landscape and Lighting Assessment Districts – These funds account for special benefit assessments levied on property owners for landscape and street lighting maintenance.

Debt Service Funds account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs. There are two Debt Service Funds classified as major Governmental Funds, the Capital Improvement Revenue Refunding Bonds Series 2012 and the 2009 Civic Center Project Lease Revenue Bonds. Specific descriptions of the Debt Service Funds are on the next page as follows:

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

- Capital Improvement Revenue Refunding Bonds Series 2012 – This fund accounts for debt service transactions related to the refinance of the 2001 Capital Improvement Program (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.
- 2009 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:

- 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.
- 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.
- 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.
- 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.
- 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.
- Civic Center Capital Improvement Financing Program – This fund accounts for savings from refinanced City Capital Improvement Financing Program (CIFP) bonds and their use to finance a portion of the Civic Center project.
- City Capital Improvement Financing Program – This fund accounts for savings from refinanced City CIFP bonds and their use to acquire and construct certain capital facilities and infrastructure.
- 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.



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

- Capital Infrastructure (formerly Economic Infrastructure Projects) – Under the oversight of the CIP Executive Team, this fund accounts for funds to be used for non-residential development related infrastructure projects and are not to be used for ongoing operating expenses.
- 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 development area.
- Vineyards Event Center Projects – This fund accounts for development fees collected for the design and construction of a Vineyards Event Center.

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 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 accounts for the operation, maintenance and capital improvement projects of the solid waste system. These activities are funded by user charges.
- Water Enterprise – This 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 accounts for all the City facilities rented and maintained through this fund.
- Housing Enterprise – This accounts for the administrative and operational expenses for the Housing Division and Housing rental units and includes the Affordable Housing and First-Time Homebuyer programs.

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.
- Information Services – To provide a source of funding for the development and coordination of the City’s information system’s needs.

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

- Equipment Replacement – To provide a source of funding for vehicle and equipment replacement.
- Information Systems Replacement – To provide a source of funding for the 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, 2015.

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	4 - 12 years
Infrastructure	65 years
Intangible Assets	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 (FY) 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 deferred compensation 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 deferred compensation plan. In accordance with the Governmental Accounting Standards Board (GASB) Pronouncement 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 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

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

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 requirements of the Statement are effective for fiscal periods beginning after June 15, 2014. The City implemented GASB Statement No. 68 for the presentation of the 2014/15 FY financial statements.

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 implemented GASB Statement No. 71 for the presentation of the 2014/15 FY financial statements.

In February 2015, GASB issued GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement requires a government to use valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. The techniques should be consistent with one or more of the following approaches: the market approach, the cost approach, or the income approach. The requirements of the Statement are effective for fiscal periods beginning after June 15, 2015. The City is in the process of determining the impact GASB Statement No. 72 will have on its financial statements.

In June 2015, GASB issued GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement No. 68. The requirements of the Statement are effective for fiscal years beginning after June 15, 2015. The City does not have any pensions and related assets that are not within the scope of GASB Statement No. 68.

In June 2015, GASB issued GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement replaces Statements No. 43 *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement No. 43, and Statement No. 50, *Pension Disclosures*. This Statement establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain non-employer governments that have a legal obligation to provide financial

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

support for OPEB provided to the employees of other entities. The requirements of the Statement are effective for fiscal years beginning after June 15, 2016. The City is in the process of determining the impact GASB Statement No. 74 will have on its financial statements.

In June 2015, GASB issued GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditures. The requirements of the Statement are effective for fiscal years beginning after June 15, 2017. The City is in the process of determining the impact GASB Statement No. 75 will have on its financial statements.

In June 2015, GASB issued GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles (GAAP) for State and Local Governments*. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The requirements of the Statement are effective for reporting periods beginning after June 15, 2015. The City is in the process of determining the impact GASB Statement No. 76 will have on its financial statements.

In August 2015, GASB issued GASB Statement No. 77, *Tax Abatement Disclosures*. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. The requirements of the Statement are effective for reporting periods beginning after December 15, 2015. The City is in the process of determining the impact GASB Statement No. 77 will have on its financial statements.

xii. New Funds, Closed Funds and Renamed Funds

The Economic Development Grant Fund was created in FY 2014/15 for purposes of accounting for the set aside of 20% of business license tax collected and the award of grants to promote economic activity.

The City Capital Improvement Financing Program Fund was created in FY 2014/15 for purposes of accounting for the savings from refinanced City Capital Improvement Financing Program bonds and their use to acquire and construct certain capital facilities and infrastructure.

The Vineyards Event Center Projects Fund was created in FY 2014/15 to account for development fees collected for the design and construction of a Vineyards Event Center.



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

The Economic Infrastructure Projects Fund was renamed Capital Infrastructure Fund to further clarify the description for the purpose of the fund.

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 has two items which qualify for reporting in this category, Deferred Outflows of Resources Related to Pensions and Deferred Amount on Refunding. Deferred Outflows of Resources Related to Pensions represent contributions made by the City in the current fiscal year to the California Public Employees' Retirement System (CalPERS) for the cost of employer pensions. Under GASB Statement No. 68, these payments are required to be reflected on the financial statements as a deferred outflow of resources. These amounts are deferred and will be recognized as a component of pension expense in the subsequent fiscal year. The deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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, reported on the Government-Wide Statement of Net Position, which qualifies for reporting in this category, deferred inflows of resources Related to Pensions. Deferred Inflows of Resources Related to Pensions represent differences between actual and expected earnings on pension plan investments, the change in the City's proportion of net pension liability and differences between the City's pension contributions and the City's proportionate share of pension contributions. The City has one type of item, Unavailable Revenue - Accounts Receivable that is reported only in the Governmental Funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

xiv. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Brentwood's CalPERS plans (Pension Plans) and additions to/deductions from the Pension Plans' fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The Net Pension Liability and related costs are allocated to each fund based on the proportionate share of the fund's total current year pension contributions.

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 below are not legally required to adopt budgets as their appropriations are either established by: 1) the related bond documentation, 2) other legal agreements or 3) are multi-year projects whose budget cycle exceeds one fiscal year.

Capital Project Funds

Capital Improvement Financing Program 2005-1
 Capital Improvement Financing Program 2006-1
 Community Facilities Improvements

Parks and Trails Improvements
 Drainage 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, 2015. 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.

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

The deficits in the Internal Service funds are related to OPEB liability and Pension 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 implementation of GASB 68 required proprietary funds to record their portion of the Net Pension Liability and Deferred Outflows/Inflows of Resources, resulting in the restatement of their June 30, 2014 net position and an increase in deficit fund equity. The Internal Service funds will continue to maintain a positive cash balance.

Special Revenue Funds:	
Parks and Trails Facility Fee	\$ 1,964,693
Capital Project Funds:	
Parks and Trails Improvements	\$ 456,990
Internal Service Funds:	
Information Services	\$ 1,197,754
Fleet Maintenance Services	\$ 504,718
Facilities Maintenance Services	\$ 424,656

C. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of the “Due To/From Other Funds” balance, as of June 30, 2015, 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 had 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
	Total	\$ 789,712

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

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>
Community Facilities Improvements	Parks and Trails Facility Fee	\$ 1,931,370
Information Services	Pension/OPEB Obligation	311,013
Fleet Maintenance Services	Pension/OPEB Obligation	128,453
Facilities Maintenance Services	Pension/OPEB Obligation	214,523
Wastewater Enterprise	Pension/OPEB Obligation	495,818
Solid Waste Enterprise	Pension/OPEB Obligation	709,486
Water Enterprise	Pension/OPEB Obligation	728,933
Housing Enterprise	Pension/OPEB Obligation	51,385
	Total	\$ 4,570,981

<u>Fund Description</u>	<u>Interfund Transfers</u>								<u>Total Transfers Out</u>
	<u>General Fund</u>	<u>Capital Improvement Revenue Refunding Bonds Series 2012</u>	<u>2009 Civic Center Project Lease Revenue Bonds</u>	<u>Non-Major Governmental Funds</u>	<u>Internal Service Funds</u>	<u>Wastewater Enterprise</u>	<u>Solid Waste Enterprise</u>	<u>Water Enterprise</u>	
General Fund	\$ -	\$ -	\$ -	\$ 1,233,644	\$ 3,775,164	\$ -	\$ -	\$ -	\$ 5,008,808
Capital Improvement Revenue Refunding Bonds Series 2012	161,781	-	-	-	-	-	-	-	161,781
2009 Civic Center Project Lease Revenue Bonds	-	-	-	1,046,982	-	-	-	-	1,046,982
Non-Major Governmental Funds	6,269,165	390,832	2,865,323	3,794,457	75,705	1,140	5,445	995	13,403,062
Internal Service Funds	185,158	-	-	426,265	22,106	-	-	-	633,529
Solid Waste Enterprise	-	-	-	-	20,914	-	-	-	20,914
Water Enterprise	-	-	-	400,000	-	-	-	-	400,000
City Rentals Enterprise	-	288,994	-	-	-	-	-	-	288,994
Total Transfers In	\$ 6,616,104	\$ 679,826	\$ 2,865,323	\$ 6,901,348	\$ 3,893,889	\$ 1,140	\$ 5,445	\$ 995	\$ 20,964,070

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

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:

Transfer To	Amount	Purpose
General Fund	\$ 1,559,704	Gas Tax revenue to subsidize the Street Maintenance Division.
General Fund	\$ 3,718,571	Provide a subsidy to cover a portion of the costs for Police Services.
Internal Service	\$ 3,225,164	Transfer of unassigned General Fund balance in excess of reserve requirement.
Capital Projects	\$ 430,000	Provide a subsidy to cover a portion of the costs for the Blue Goose Park Improvements project.
Capital Projects	\$ 500,000	Provide a subsidy to cover a portion of the costs for the Maintenance Service Center - Phase II project.
Capital Projects	\$ 1,142,149	Provide a subsidy to cover a portion of the costs for the Brentwood Boulevard Median Landscaping Improvements project.

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, 2015. 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 a subsequent 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, 2015, are shown on the following page.

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

	Debt Service				Total
	General Fund	Capital Improvement Revenue Refunding Bond Series 2012	2009 Civic Center Project Lease Revenue Bonds	Other Governmental Funds	
Fund Balances:					
Nonspendable:					
Prepaid Expenses	\$ 108,998	\$ -	\$ -	\$ 576	\$ 109,574
Total Nonspendable Fund Balances	<u>108,998</u>	<u>-</u>	<u>-</u>	<u>576</u>	<u>109,574</u>
Restricted for:					
Debt Service	-	17,022,383	15,398,136	64,751	32,485,270
Community Facilities Projects	-	-	-	3,519,308	3,519,308
Civic Center Projects	-	-	-	7,767,228	7,767,228
Low Income Housing	-	-	-	1,054,528	1,054,528
Vineyards Development Projects	-	-	-	4,168,177	4,168,177
Infrastructure Projects	-	-	-	5,563,503	5,563,503
Streets and Roadways	-	-	-	2,996,902	2,996,902
Drainage Projects	-	-	-	1	1
CIFFP Projects	-	-	-	8,298,802	8,298,802
Landscape and Lighting Assessment Districts	-	-	-	5,042,283	5,042,283
Off Street Parking Facilities in Downtown	-	-	-	27,676	27,676
Agricultural/Farmland Mitigation	-	-	-	1,238,785	1,238,785
Brentwood Redevelopment Escrow	92,426	-	-	-	92,426
Fire Facilities	-	-	-	3,808,823	3,808,823
Arts Commission	-	-	-	4,843	4,843
Public Art	-	-	-	1,643,367	1,643,367
Developer Facility Fee Program	-	-	-	599,774	599,774
Drug Prevention Programs	-	-	-	25,974	25,974
Public Safety	-	-	-	144,864	144,864
Disability Access	-	-	-	10,447	10,447
Other Grants	-	-	-	257,367	257,367
PEG Media	-	-	-	823,577	823,577
Total Restricted Fund Balances	<u>92,426</u>	<u>17,022,383</u>	<u>15,398,136</u>	<u>47,060,980</u>	<u>79,573,925</u>
Committed to:					
Infrastructure Projects	-	-	-	6,092	6,092
Abandoned Vehicle Abatement	-	-	-	139,983	139,983
Community Facilities	-	-	-	2,024,777	2,024,777
Public Safety	1,250,000	-	-	510,115	1,760,115
Parks Maintenance	-	-	-	289,205	289,205
Streets and Roadways	-	-	-	4,076,913	4,076,913
Total Committed Fund Balances	<u>1,250,000</u>	<u>-</u>	<u>-</u>	<u>7,047,085</u>	<u>8,297,085</u>
Assigned to:					
Capital Projects	5,137,130	-	-	-	5,137,130
Total Assigned Fund Balances	<u>5,137,130</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,137,130</u>
Unassigned:	12,318,912	-	-	(2,421,683)	9,897,229
Total Fund Balances	<u>\$ 18,907,466</u>	<u>\$ 17,022,383</u>	<u>\$ 15,398,136</u>	<u>\$ 51,686,958</u>	<u>\$ 103,014,943</u>

NOTE #3 – CASH AND INVESTMENTS

A. CASH AND DEPOSITS

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

The carrying amounts of the City’s cash deposits were \$5,177,603 at June 30, 2015. The bank balance, before reconciling items, was \$7,206,971. 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:

Demand Deposits	\$	5,177,603
Petty Cash		8,940
Investments		221,826,581
Total Cash and Investments	\$	227,013,124

Cash and investments appear on the financial statements as follows:

Cash and Investments:

Governmental Activities	\$	111,375,088
Business-Type Activities		74,703,962
Fiduciary Funds		14,589,411
		<u>200,668,461</u>

Restricted Cash and Investments:

Governmental Activities		19,571,894
Business-Type Activities		1,558,514
Fiduciary Funds		5,214,255
		<u>26,344,663</u>

Total Cash and Investments	\$	227,013,124
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NOTE #3 – CASH AND INVESTMENTS (Continued)
B. INVESTMENTS

The City apportions interest earnings to all funds based on their monthly cash balance. The table below identifies the investment types authorized for the City by the City’s investment policy, which is more restrictive than California Government Code 53601. The table also identifies certain provisions of the City’s investment policy which address interest rate risk, credit risk and concentration of risk. This table includes permitted investments for the management of the City’s cash. In addition, these guidelines are used for the investments of debt proceeds held by bond trustees, which are governed by the provision of the City’s debt agreements.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio⁽¹⁾	Maximum Investment in One Issuer
Banker's Acceptances	180 days	40%	None
California Asset Management Program	N/A	N/A	N/A
California State, Local Agency and Other State Obligations	5 years	30%	None
Commercial Paper	270 days	25%	10%
Insured Savings Account	N/A	N/A	N/A
Local Agency Investment Fund	N/A	\$50M/Account	\$50M/Account
Medium-Term Notes	5 years	30%	None
Money Market Funds	N/A	15%	None
Mortgage Pass-Through Securities	5 years	20%	None
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	90 days	None	None
Reverse Repurchase Agreements	92 days	20%	None
Time Deposits	5 years	25%	None
U.S. Agency Obligations	5 years	None	None
U.S. Treasury Obligations	5 years	None	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 73% 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 exempt or unrated. Investments at June 30, 2015, 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	\$ 10,137,623	A	7%
Medium-Term Corporate Notes	14,536,092	A+	9%
Medium-Term Corporate Notes	8,432,224	AA-	6%
Medium-Term Corporate Notes	7,777,646	AA	5%
Medium-Term Corporate Notes	9,647,563	AA+	6%
Medium-Term Corporate Notes	3,592,017	AAA	2%
U.S. Agency Bonds/Notes	39,564,113	AA+	26%
Municipal Bond/Notes	1,078,492	AA	1%
Municipal Bond/Notes	841,362	AAA	1%
Municipal Bond/Notes	2,203,140	AA-	1%
Certificates of Deposit - Negotiable	12,216,694	A-1	8%
Certificates of Deposit - Negotiable	4,800,536	A+	3%
Certificates of Deposit - Negotiable	17,965,384	AA-	12%
Money Market Funds	20,596,712	AAAm	13%
California Asset Management Program	20,204	AAAm	0%
Total Rated Investments	<u>153,409,802</u>		
U.S. Treasury Notes	53,342,796	Exempt	
Local Agency Investment Fund	13,991,253	Not Rated	
Money Market Funds	1,082,730	Not Rated	
Total Unrated Investments	<u>68,416,779</u>		
Total Investments	<u><u>\$ 221,826,581</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:

Issuers⁽¹⁾	Fair Value	% of Portfolio
Federal Home Loan Mortgage Corporation	\$ 17,581,711	7.93%

(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 total investments by reporting unit (primary government, governmental activities, business-type activities, major fund, non-major funds in the aggregate, etc.), are shown below:

Reporting Unit	Issuers⁽¹⁾	Type of Investment	Fair Value
Capital Improvement Revenue Refunding Bonds Series 2012 (Major Fund)	Federal Home Loan Mortgage Corporation	Federal Agency	\$ 1,417,532

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

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, 54% of the investment portfolio is concentrated in the zero to two year maturity range.

Investment Maturities

	<u>Fair Value⁽¹⁾</u>	<u>0-6 months</u>	<u>6-12 months</u>	<u>1-2 years</u>	<u>2-3 years</u>	<u>3-5 years</u>	<u>% of Portfolio</u>
U.S. Treasury Notes/Bonds/Bills	\$ 53,342,796	\$ -	\$ -	\$ 10,467,156	\$ 5,821,354	\$ 37,054,286	24.05
Medium-Term Corporate Notes	54,123,165	-	-	19,084,422	18,569,901	16,468,842	24.40
U.S. Agency Bonds/Notes ⁽²⁾	39,564,113	5,032,380	-	11,376,444	8,474,819	14,680,470	17.83
Municipal Bonds/Notes	4,122,994	841,362	3,041,571	-	240,061	-	1.86
Certificates of Deposit - Negotiable	34,982,614	4,365,849	8,806,851	21,809,914	-	-	15.77
Local Agency Investment Fund	13,991,253	13,991,253	-	-	-	-	6.31
California Asset Management Program	20,204	20,204	-	-	-	-	0.01
Money Market Funds	21,679,442	21,679,442	-	-	-	-	9.77
Totals	\$ 221,826,581	\$ 45,930,490	\$ 11,848,422	\$ 62,737,936	\$ 33,106,135	\$ 68,203,598	
% of Portfolio		20.71	5.34	28.28	14.92	30.75	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.

NOTE #3 – CASH AND INVESTMENTS (Continued)**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 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, 2015, the amortized cost of the pool was \$69,614,988,609 and the fair value was \$69,641,162,418. 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, 2015, 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.

NOTE #3 – CASH AND INVESTMENTS (Continued)

- 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.

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, 2015, the City had a contractual withdrawal value of \$13,991,253, whose pro-rata share of fair value was estimated by the State Treasurer to be \$13,996,513. 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, 2015 were comprised of the following:

	Taxes	Accounts	Inter-Governmental	Interest	Utilities	Loans	Total Receivables
Governmental Activities:							
General Fund	\$ 324,533	\$ 819,148	\$ 3,107	\$ 576	\$ -	\$ -	\$ 1,147,364
Internal Service	-	38	-	1,109	-	-	1,147
Special Revenue	-	28,496	32,858	504	-	-	61,858
Debt Service	-	-	-	7	-	27,627,368 ⁽¹⁾	27,627,375
Capital Projects	-	19,459	331,850	446	-	-	351,755
Subtotal Governmental Activities	324,533	867,141	367,815	2,642	-	27,627,368	29,189,499
Less: Allowance	-	(420,681) ⁽²⁾	-	-	-	-	(420,681)
Total Governmental Activities	\$ 324,533	\$ 446,460	\$ 367,815	\$ 2,642	\$ -	\$ 27,627,368	\$ 28,768,818
Business-Type Activities:							
Wastewater	\$ -	\$ 23	\$ -	\$ 865	\$ 1,683,335	\$ -	\$ 1,684,223
Solid Waste	-	24,282	-	132	1,517,168	-	1,541,582
Water	-	106,897	-	632	1,277,166	-	1,384,695
City Rentals	-	79,502	-	3	-	-	79,505
Housing	-	30,409	-	115	-	850,861 ⁽³⁾	881,385
Total Business-Type Activities	\$ -	\$ 241,113	\$ -	\$ 1,747	\$ 4,477,669	\$ 850,861	\$ 5,571,390

(1) The City has recorded receivables for the Successor Agency's portion of long-term debt. Note #12 discusses the dissolution of the Redevelopment Agency and the Successor Agency activities.

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

(3) Net of reservation for loans expected to be forgiven. These loans are discussed on the following pages.

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

Notes and Loans Receivable at June 30, 2015 were comprised of the following:

Governmental Activities:	
Amounts Due from Successor Agency	\$ 27,627,368
Loans under City Low Income Housing (including interest)	<u>4,787,978</u>
Subtotal Governmental Funds	32,415,346
Less: Reservation for Loans Expected to be Forgiven	<u>4,787,978</u>
Net Notes and Loans Receivable	<u><u>\$ 27,627,368</u></u>
Business-Type Activities:	
Down Payment Assistance and Gap Assistance Program Loans	\$ 805,861
Loans under Affordable Housing (including interest)	<u>6,228,370</u>
Subtotal Business-Type Activities	7,034,231
Less: Reservation for Loans Expected to be Forgiven	<u>6,228,370</u>
Net Notes and Loans Receivable	<u><u>\$ 805,861</u></u>

- **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 10 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, 2015 the City is owed \$805,861, including interest, under the DAP and GAP loan programs.

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

- **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 Activities. However, the Department of Finance has continued to deny the loan as an enforceable obligation of the Successor Agency and the City had offset the balance with an allowance for doubtful accounts. As of June 30, 2015, management of the City determined that collection of the loan was unlikely and reduced the balances of the loan receivable and allowance to zero. Subsequent to the end of the fiscal year, the Governor signed SB 107 which may allow for redevelopment loans to be reinstated.

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 and the Department of Finance has deemed the pledge an enforceable obligation of the Successor Agency. The City has recorded a receivable for the debt obligations due from the Successor Agency. The balance of the receivables at June 30, 2015 was \$27,627,368. 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 Programs**

The City and the former Brentwood Redevelopment Agency entered into the loan programs 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, a component of the Housing Enterprise Fund, loans were comprised of the following, on the next page, at June 30, 2015:

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

Governmental Activities:	
Brentwood/202 Senior Housing, Inc.	\$ 314,550
Christian Church Homes Sycamore II	1,021,032
Eden Housing	130,125
Mercy Housing	1,757,000
Brentwood Senior Commons	400,000
Brentwood Green Valley	1,165,271
Subtotal Loans under City Low Income Housing	<u>4,787,978</u>
Less: Reservation for Loans Expected to be Forgiven	<u>4,787,978</u>
Net Notes and Loans Receivable	<u><u>\$ -</u></u>
 Business-Type Activities:	
Eden Housing	\$ 1,165,000
Mercy Housing	753,000
Meta Housing	4,310,370
Subtotal Loans under Affordable Housing	<u>6,228,370</u>
Less: Reservation for Loans Expected to be Forgiven	<u>6,228,370</u>
Net Notes and Loans Receivable	<u><u>\$ -</u></u>

- **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, 2015 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-

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

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 bears 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, 2015, principal and accrued interest total \$1,021,032. 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, 2015, principal and accrued interest for both notes total \$1,295,125. 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 bear interest at 3% per annum from the date of disbursement. As of June 30, 2015, the principal and accrued interest due for both notes total \$2,510,000. There is a reasonable expectation these notes will be forgiven upon successful completion of the terms and conditions of the notes and, as such, a reservation for forgiveness of the notes has been included in these financial statements.

- **Brentwood Senior Commons**

In November 2010, the Brentwood Redevelopment Agency entered into a Loan Agreement with Brentwood Senior Commons, L.P., in the amount of \$400,000, to provide funding for a portion of elevator improvements within the Brentwood Senior Commons project.



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

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, 2015, 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, 2015, the principal due for both notes, before the forgiveness, totaled \$1,188,183. Per the terms of the note, \$22,912 of the principal and \$35,645 of the interest were forgiven at June 30, 2015. The remaining balance at June 30, 2015 totaled \$1,165,271. 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



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

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 Affordable Housing component of the Housing Enterprise Fund. 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, 2015, principal and accrued interest total \$4,310,370. 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, 2015, are as follows:

	Balance July 1, 2014	Increases	Decreases	Transfers	Balance June 30, 2015
Governmental Activities:					
Capital Assets, Not Being Depreciated or Amortized:					
Land	\$ 36,427,074	\$ -	\$ -	\$ -	\$ 36,427,074
Work in Progress - CIP	6,998,325	2,353,631	-	(3,260,472)	6,091,484
Total Capital Assets, Not Being Depreciated or Amortized	43,425,399	2,353,631	-	(3,260,472)	42,518,558
Capital Assets, Being Depreciated and Amortized:					
Intangible Assets	6,258,156	-	-	-	6,258,156
Buildings	56,356,487	-	-	-	56,356,487
Infrastructure	452,777,013	2,510,678	-	1,996,219	457,283,910
Machinery and Equipment	6,550,884	22,106	(281,669)	779,135	7,070,456
Vehicles	8,585,244	1,599,691	(374,955)	-	9,809,980
Land Improvements	27,254,973	-	-	485,118	27,740,091
Total Capital Assets Being Depreciated and Amortized	557,782,757	4,132,475	(656,624)	3,260,472	564,519,080
Less Accumulated Depreciation and Amortization for:					
Intangible Assets	881,250	96,279	-	-	977,529
Buildings	4,837,350	1,125,089	-	-	5,962,439
Infrastructure	78,719,481	6,967,984	-	-	85,687,465
Machinery and Equipment	3,041,914	560,723	(277,607)	-	3,325,030
Vehicles	5,293,790	743,788	(368,238)	-	5,669,340
Land Improvements	3,781,820	517,973	-	-	4,299,793
Total Accumulated Depreciation and Amortization	96,555,605	10,011,836	(645,845)	-	105,921,596
Total Capital Assets, Being Depreciated and Amortized, Net	461,227,152	(5,879,361)	(10,779)	3,260,472	458,597,484
Governmental Activities Capital Assets, Net	\$ 504,652,551	\$ (3,525,730)	\$ (10,779)	\$ -	\$ 501,116,042
Business-Type Activities:					
Capital Assets, Not Being Depreciated or Amortized:					
Land	\$ 2,154,202	\$ 275,395	\$ -	\$ -	\$ 2,429,597
Work in Progress - CIP	11,405,855	1,495,659	-	(12,540,190)	361,324
Total Capital Assets, Not Being Depreciated or Amortized	13,560,057	1,771,054	-	(12,540,190)	2,790,921
Capital Assets, Being Depreciated and Amortized:					
Intangible Assets	10,597,532	-	-	-	10,597,532
Buildings	25,079,041	228,000	-	-	25,307,041
Infrastructure	227,335,219	880,733	-	11,547,816	239,763,768
Machinery and Equipment	2,243,807	-	(24,000)	992,374	3,212,181
Land Improvements	10,925,186	-	-	-	10,925,186
Total Capital Assets Being Depreciated and Amortized	276,180,785	1,108,733	(24,000)	12,540,190	289,805,708
Less Accumulated Depreciation and Amortization for:					
Intangible Assets	2,629,463	259,193	-	-	2,888,656
Buildings	5,206,749	502,676	-	-	5,709,425
Infrastructure	36,284,624	3,522,350	-	-	39,806,974
Machinery and Equipment	1,076,511	79,476	(24,000)	-	1,131,987
Land Improvements	2,052,360	249,196	-	-	2,301,556
Total Accumulated Depreciation and Amortization	47,249,707	4,612,891	(24,000)	-	51,838,598
Total Capital Assets, Being Depreciated and Amortized, Net	228,931,078	(3,504,158)	-	12,540,190	237,967,110
Business-Type Activities Capital Assets, Net	\$ 242,491,135	\$ (1,733,104)	\$ -	\$ -	\$ 240,758,031

NOTE #5 – CAPITAL ASSETS (Continued)

For the year ended June 30, 2015, depreciation and amortization expense on capital assets was charged as follows:

Governmental Activities:	
General Government	\$ 2,961,688
Public Safety	243,472
Community Development	1,953
Public Works	4,391,014
Parks and Recreation	1,341,731
Internal Service	1,071,978
Total Depreciation and Amortization Expense - Governmental Activities	\$ 10,011,836
Business-Type Activities:	
Wastewater	\$ 1,527,433
Solid Waste	69,000
Water	2,979,964
Housing	36,494
Total Depreciation and Amortization Expense - Business-Type Activities	\$ 4,612,891

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)

The City entered into a Third Amendatory Agreement with CCWD, dated February 4, 2015, to establish the City’s buy-in to Capacity Rights in the Rock Slough conveyance facilities. The initial buy-in amount totals \$8,353,100 to be paid in five equal, interest-free annual payments. Per a side letter from the CCWD approved by City Council on April 28, 2015, the first payment will be due in the beginning of FY 2015/16.

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.

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NOTE #6 – LONG-TERM OBLIGATIONS

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

A. GOVERNMENTAL ACTIVITIES

	<u>Balance June 30, 2014</u>	<u>Additions</u>	<u>Payments Adjustments</u>	<u>Balance June 30, 2015</u>	<u>Amounts Due Within One Year</u>
Bonds					
Capital Improvement Revenue Refunding Bonds Series 2012	\$ 22,340,000	\$ -	\$ (885,000)	\$ 21,455,000	\$ 920,000
General Obligation Bonds Series 2002	6,471,288	298,271 ⁽¹⁾	(360,000)	6,409,559	400,000
2009 Civic Center Project Lease Revenue Bonds	46,730,000	-	(665,000)	46,065,000	1,040,000
Bond Premium	1,223,755	-	(68,570)	1,155,185	-
Total Bonds	<u>76,765,043</u>	<u>298,271</u>	<u>(1,978,570)</u>	<u>75,084,744</u>	<u>2,360,000</u>
Other					
Net OPEB Obligation	10,840,333	1,152,689	-	11,993,022	-
Net Pension Liability	28,342,142 ⁽²⁾	-	(6,486,016)	21,856,126	-
Accrued Liabilities	-	12,381,097	-	12,381,097	-
Accumulated Compensated Absences	1,224,221	1,476,274	(1,389,350)	1,311,145	786,687
Total Other	<u>40,406,696</u>	<u>15,010,060</u>	<u>(7,875,366)</u>	<u>47,541,390</u>	<u>786,687</u>
Total General Long-Term Obligations	<u>\$ 117,171,739</u>	<u>\$ 15,308,331</u>	<u>\$ (9,853,936)</u>	<u>\$ 122,626,134</u>	<u>\$ 3,146,687</u>

(1) *Accreted Interest*

(2) *Beginning balance has been restated in accordance with the implementation of GASB 68.*

i. Bonds

- **Capital Improvement Revenue Refunding Bonds Series 2012**

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.

NOTE #6 – LONG-TERM OBLIGATIONS (Continued)

The Successor Agency to the Brentwood Redevelopment Agency has pledged future tax revenues for the repayment of a portion of the bonds. Following the dissolution of the 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, 2015, 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, 2015. 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 \$23,032,281 remaining share of debt service on the bonds, which is scheduled to occur in 2032. For FY 2014/15, gross tax revenue available to be distributed to the Successor Agency totaled \$6,088,992, which represented coverage of 4.46 times \$1,365,238 of the Successor Agency’s debt service. The remaining portion of the bonds is repayable from any source of the City’s available funds.

Year Ending				
June 30	Principal	Interest	Total	
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	1,070,000	843,300		1,913,300
2021-2025	6,255,000	3,302,106		9,557,106
2026-2030	7,160,000	1,599,013		8,759,013
2031-2032	3,140,000	150,813		3,290,813
Total	\$ 21,455,000	\$ 9,753,534	\$	31,208,534

- **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 and July 1.

NOTE #6 – LONG-TERM OBLIGATIONS (Continued)

Year Ending June 30	Principal	Interest	Total
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	201,884	338,116	540,000
2021-2025	961,214	2,173,786	3,135,000
2026-2030	918,813	3,086,187	4,005,000
2031	179,265	745,735	925,000
Subtotal	3,519,976	<u>\$ 7,002,750</u>	<u>\$ 10,522,726</u>
Accretion to date	2,889,583		
Total	<u>\$ 6,409,559</u>		

- **2009 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 obligations and pledged payments from the 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, 2015, 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, 2015. The City has recorded a receivable for the debt obligations of the Successor Agency, as

NOTE #6 – LONG-TERM OBLIGATIONS (Continued)

detailed in Note #4, and the Successor Agency has recorded a liability for these obligations, as discussed in Note #12. However, should these revenue sources not be sufficient to cover the principal and interest payments due in any year, the City is obligated, under the facilities lease, to pay such shortfall from the General Fund.

The taxable portion of the 2009B bonds 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 FY 2014/15 was \$1,046,982.

Year Ending June 30	Principal	Interest	Total
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	1,215,000	3,046,410	4,261,410
2021-2025	6,895,000	13,954,679	20,849,679
2026-2030	8,625,000	11,189,754	19,814,754
2031-2035	10,955,000	7,511,880	18,466,880
2036-2040	13,960,000	2,772,800	16,732,800
Total	\$ 46,065,000	\$ 51,321,953	\$ 97,386,953

ii. Net OPEB Obligation and Net Pension Liability

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 and Net Pension Liability. Details regarding the City’s Net OPEB Obligation and Net Pension Liability can be found in Note #11, Post-Retirement Health Care Benefits and Note #9, Defined Benefit Pension Plans.

NOTE #6 – LONG-TERM OBLIGATIONS (Continued)

iii. Accrued Liabilities

The accrued liability is a result of the denial of assets transferred to the City by the Successor Agency by the Department of Finance. Please see Note #14, Subsequent Events, on page 102.

iv. Accumulated Compensated Absences

The long-term compensated absences balances as of June 30, 2015 were:

Governmental	\$ 524,458
Business-Type	\$ 162,139

B. BUSINESS-TYPE ACTIVITIES

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Payments</u> <u>Adjustments</u>	<u>Balance</u> <u>June 30, 2015</u>	<u>Amounts Due</u> <u>Within One Year</u>
Bonds					
Water Revenue Bonds Series 2008	\$ 48,755,000	\$ -	\$ (44,590,000)	\$ 4,165,000	\$ 1,320,000
Water Revenue Refunding Bonds Series 2014	-	42,810,000	-	42,810,000	-
Net Bond Discount	(616,481)	-	616,481	-	-
Net Bond Premium	-	5,932,806	(134,680)	5,798,126	-
Total Bonds	<u>48,138,519</u>	<u>48,742,806</u>	<u>(44,108,199)</u>	<u>52,773,126</u>	<u>1,320,000</u>
Notes Payable					
CCWD Water Connection Fee	7,062,578	-	(74,046)	6,988,532	-
State Water Resources Loan (Wastewater)	18,794,875	-	(1,942,028)	16,852,847	1,977,084
Total Notes Payable	<u>25,857,453</u>	<u>-</u>	<u>(2,016,074)</u>	<u>23,841,379</u>	<u>1,977,084</u>
Other					
Net OPEB Obligation	3,393,666	362,312	-	3,755,978	-
Net Pension Liability	8,729,160 ⁽¹⁾	-	(1,850,295)	6,878,865	-
Accumulated Compensated Absences	372,751	563,999	(531,405)	405,345	243,206
Total Other	<u>12,495,577</u>	<u>926,311</u>	<u>(2,381,700)</u>	<u>11,040,188</u>	<u>243,206</u>
Total All Business-Type Funds	<u>\$ 86,491,549</u>	<u>\$ 49,669,117</u>	<u>\$ (48,505,973)</u>	<u>\$ 87,654,693</u>	<u>\$ 3,540,290</u>

(1) Beginning balance has been restated in accordance with the implementation of GASB 68.

NOTE #6 – LONG-TERM OBLIGATIONS (Continued)

i. Bonds

- **Water Revenue Bonds Series 2008**

On November 13, 2008, the Authority issued \$53,200,000 in Water Revenue Bonds Series 2008 (“2008 Water Bonds”), with interest rates ranging from 4.5% to 5.75%, due July 1, 2038. On December 4, 2014, the Authority issued Water Revenue Refunding Bonds Series 2014 (see below) which refunded and defeased the outstanding 2008 Water Bonds maturing after July 1, 2018 in the aggregate principal amount of \$43,335,000.

The resulting principal balance of the 2008 Water Bonds at June 30, 2015 is \$4,165,000, with future payments for these bonds as follows:

Year Ending June 30	Principal	Interest	Total
2016	\$ 1,320,000	\$ 226,125	\$ 1,546,125
2017	1,385,000	160,125	1,545,125
2018	1,460,000	83,950	1,543,950
Total	\$ 4,165,000	\$ 470,200	\$ 4,635,200

- **Water Revenue Refunding Bonds Series 2014**

On December 4, 2014, the Authority issued \$42,810,000 in Water Revenue Refunding Bonds Series 2014 (“2014 Water Bonds”) to 1) refund a portion of the Authority’s Water Revenue Bonds Series 2008 and 2) pay costs of issuance incurred in connection with the issuance, sale and delivery of the 2014 Water Bonds. The refunding reduced the total debt service payments over 24 years by \$9,249,078 and resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$7,404,766. The outstanding balance of the defeased 2008 Water Bonds was \$43,335,000 as of June 30, 2015. Total annual debt service payments, including interest at rates from 3.0 to 5.0%, range from \$1,054,048 to \$3,517,350. The principal balance at June 30, 2015 is \$42,810,000. Future payments for these bonds are on the next page as follows:

NOTE #6 – LONG-TERM OBLIGATIONS (Continued)

Year Ending				
June 30	Principal	Interest	Total	
2016	\$ -	\$ 1,966,100	\$	1,966,100
2017	-	1,966,100		1,966,100
2018	1,550,000	1,966,100		3,516,100
2019	1,610,000	1,904,100		3,514,100
2020	1,690,000	1,823,600		3,513,600
2021-2025	9,795,000	7,764,000		17,559,000
2026-2030	9,560,000	5,355,300		14,915,300
2031-2035	10,850,000	3,391,800		14,241,800
2036-2038	7,755,000	788,000		8,543,000
Total	\$ 42,810,000	\$ 26,925,100	\$	69,735,100

The Authority has pledged future water customer revenues, net of specified operating expenses, through 2038 to repay the 2008 Water Revenue Bonds and 2014 Water Revenue Refunding 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 principal and interest paid for the current year was \$2,597,923 and the total customer net revenues received in FY 2014/15 were \$4,489,816.

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, 2015, was \$3,526 per connection, with an interest rate of 0% per annum. This agreement was entered into in anticipation of the expansion of the Urban Limit Line (ULL), and thus the City limits, into the Los Vaqueros Service Area and the resulting development of this area.

Since the 2000 agreement was approved, two major events occurred – the ULL expansion wasn’t approved by voters and an unexpected downturn in the housing market – which resulted in uncertainty regarding when the Los Vaqueros Service Area would 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

NOTE #6 – LONG-TERM OBLIGATIONS (Continued)

units as they are constructed. The City and CCWD trued up the difference between the number of existing residential units and the number of residential units paid for to date over the two year period ending FY 2009/10. The amended agreement required the City to pay \$750,000 in FY 2008/09 and \$842,912 in FY 2009/10. From FY 2010/11 through FY 2013/14, \$563,960 in connection fees were paid and \$74,046 was paid in FY 2014/15. As of June 30, 2015, there were 1,982 remaining connections. Forecasting the annual payments beyond 2014/15 is uncertain as any new connection fees related to the Los Vaqueros Service area will be paid as homes are built.

- **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 5 Million Gallons per Day (MGD) 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, 2015, the City’s gross repayment obligation totaled \$18,250,360 and is being reported in the accompanying financial statement net of the unamortized discount of \$1,397,513. During FY 2014/15, the City repaid \$1,942,028 on the obligation and amortized \$339,267 of the discount which was reported as interest expense.

Year Ending				
June 30	Principal	Interest	Total	
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	2,123,749	157,546	2,281,295	
2021-2023	6,604,044	239,841	6,843,885	
Total	\$ 16,852,847	\$ 1,397,513	\$ 18,250,360	



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.

Special Assessment District Bonds	Assessment District Debt
Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2005 A&B (Refinancing of CIPF 2002-1) • Dated June 16, 2005 • Annual debt service payments, including interest at 2.50 % to 5.15 %, range from \$1,046,784 to \$1,057,496 • Final payment due September 2032	\$ 12,452,000
Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2006 A&B (Refinancing of CIPF 2003-1 & 2004-1) • Dated January 11, 2007 • Annual debt service payments, including interest at 3.63 % to 5.00 %, range from \$825,608 to \$1,905,000 • Final payment due September 2034	29,770,000
City of Brentwood - Limited Obligation Improvement Bonds, Randy Way Sewer Line • Dated August 7, 2007 • Annual debt service payments, including interest at 3.95 % to 5.20 %, range from \$53,123 to \$58,060 • Final payment due September 2037	740,000
Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2012 A (Refinancing of CIPF's 96-1, 98-1 and 99-1) • Dated June 7, 2012 • Annual debt service payments, including interest at 2.00 % to 4.23 %, range from \$572,000 to \$2,530,569. • Final payment due September 2029	17,210,000
Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2014 A&B (Refinancing of CIPF's 94-1, 2000-1, 2005-1 and 2006-1) • Dated September 24, 2014 • Annual debt service payments, including interest at 2.00 % to 5.00 %, range from \$1,081,500 to \$6,417,040 • Final payment due September 2036	74,400,000
Total Assessment District Debt	\$ 134,572,000



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 PLANS

A. PLAN DESCRIPTIONS

The City has two defined benefit pension plans, a Miscellaneous Plan and a Safety Plan. The Miscellaneous Plan is an Agent-Multiple Employer Plan and the Safety Plan is a Cost-Sharing Employer Plan. All qualified permanent and probationary employees are eligible to participate in either the City’s Safety (Sworn) or Miscellaneous (Non-sworn) Plans, administered by the CalPERS, which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

B. MISCELLANEOUS PLAN

i. General Information About the Miscellaneous Plan

a. Benefits Provided

CalPERS provides service retirement and disability benefits, annual Cost of Living Adjustments (COLA) and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits.

NOTE #9 – DEFINED BENEFIT PENSION PLANS (Continued)

All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The COLA for each plan are applied as specified by the California Public Employees’ Retirement Law (PERL).

The Miscellaneous Plan’s provisions and benefits in effect at June 30, 2015 are summarized as follows:

	Miscellaneous Plan		
	Tier 1	Tier 2	Tier 3
	Prior to October 1, 2010	After September 30, 2010	After December 31, 2012
Hire Date			
Benefit Formula	2.7% @ 55	2% @ 60	2% @ 62
Benefit Vesting Schedule	5 years service	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life	monthly for life
Retirement Age	50 - 55	50 - 60	52 - 62
Monthly Benefits, as a % of Eligible Compensation	2.000-2.700%	1.092-2.418%	1.000-2.500%
Required Employee Contribution Rates	8%	7%	6.25%
Required Employer Contribution Rates	16.582%	16.582%	16.582%
COLA	5.00%	2.00%	2.00%

b. Employees Covered

At the June 30, 2013 actuarial valuation date, the following inactive employees were covered by the benefit terms:

	Miscellaneous Plan			
	Tier 1	Tier 2	Tier 3	Total
Inactive Employees or Beneficiaries Currently Receiving Benefits	110	-	-	110
Inactive Employees Entitled to but not yet Receiving Benefits	127	-	-	127
Total	237	-	-	237

NOTE #9 – DEFINED BENEFIT PENSION PLANS (Continued)

At June 30, 2015, the following active employees were covered by the benefit terms:

	Miscellaneous Plan			Total
	Tier 1	Tier 2	Tier 3	
Active Employees	158	30	15	203

c. Contributions

Section 20814(c) of California PERL requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Miscellaneous Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

ii. Net Pension Liability

The City’s Net Pension Liability for the Miscellaneous Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The Net Pension Liability of the Miscellaneous Plan is measured as of June 30, 2014, using an annual actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. A summary of principal assumptions and methods used to determine the Net Pension Liability is shown in Note #9D on page 88.

iii. Changes in Net Pension Liability

The table on the next page shows the changes in Net Pension Liability recognized over the measurement period.

NOTE #9 – DEFINED BENEFIT PENSION PLANS (Continued)

	Miscellaneous Plan		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2013 ⁽¹⁾	\$ 89,694,331	\$ 64,646,526	\$ 25,047,805
Changes in the year:			
Service Cost	3,353,880	-	3,353,880
Interest on the Total Pension Liability	6,770,097	-	6,770,097
Differences Between Actual and Expected Experience	-	-	-
Changes in Assumptions	-	-	-
Changes in Benefit Terms	-	-	-
Contribution - Employer	-	2,769,050	(2,769,050)
Contribution - Employee (Paid by Employer)	-	-	-
Contribution - Employee	-	1,312,284	(1,312,284)
Net Investment Income ⁽²⁾	-	11,435,505	(11,435,505)
Benefit Payments, Including Refunds of Employee Contributions	(2,206,639)	(2,206,639)	-
Net Changes	7,917,338	13,310,200	(5,392,862)
Balance at June 30, 2014	\$ 97,611,669	\$ 77,956,726	\$ 19,654,943

(1) The fiduciary net position includes receivables for employee service buybacks, deficiency reserves, fiduciary self-insurance and OPEB expense.

(2) Net of administrative expenses.

a. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The table on the next page presents the Net Pension Liability, calculated using the discount rate of 7.50 percent, as well as what the Net Pension Liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.50 percent) or 1 percentage-point higher (8.50 percent) than the current rate.

NOTE #9 – DEFINED BENEFIT PENSION PLANS (Continued)

	<u>Miscellaneous Plan</u>	
1% Decrease		6.50%
Net Pension Liability	\$	34,935,923
Current Discount Rate		7.50%
Net Pension Liability	\$	19,654,943
1% Increase		8.50%
Net Pension Liability	\$	7,120,743

b. Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

iv. Pension Expenses and Deferred Outflow/Inflows of Resources Related to Pensions

For the year ended June 30, 2015, the City recognized pension expense for the Miscellaneous Plan of \$2,881,271. At June 30, 2015 the Miscellaneous Plan has Deferred Outflows and Deferred Inflows of Resources related to the pension plan as follows:

	<u>Miscellaneous Plan</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension Contributions Subsequent to Measurement Date	\$ 2,786,805	\$ -
Differences Between Actual and Expected Experience	-	-
Changes in Assumptions	-	-
Net Differences Between Projected and Actual Earnings on Plan Investments	-	(5,217,069)
Total	\$ 2,786,805	\$ (5,217,069)

NOTE #9 – DEFINED BENEFIT PENSION PLANS (Continued)

Deferred Outflows of Resources related to contributions subsequent to the measurement date in the amount of \$2,786,805 will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2016. Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized as pension expense as follows:

<u>Miscellaneous Plan</u>	
<u>Measurement Period Ended June 30</u>	<u>Annual Amortization</u>
2015	\$ (1,304,267)
2016	(1,304,267)
2017	(1,304,267)
2018	(1,304,268)
2019	-
Thereafter	-

v. Payable to the Miscellaneous Plan

At June 30, 2015, the City reported a payable of \$176,078 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2015.

C. SAFETY PLAN

i. General Information About the Safety Plan

a. Benefits Provided

CalPERS provides service retirement and disability benefits, annual COLA and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits.

NOTE #9 – DEFINED BENEFIT PENSION PLANS (Continued)

All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The COLA for each plan are applied as specified by the California PERL.

The Safety Plan’s provisions and benefits in effect at June 30, 2015, are summarized as follows:

	Safety Plan		
	Tier 1	Tier 2	Tier 3
	Prior to September 1, 2012	After August 31, 2012	After December 31, 2012
Hire Date			
Benefit Formula	3% @ 50	3% @ 55	2.7% @ 57
Benefit Vesting Schedule	5 years service	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life	monthly for life
Retirement Age	50	50 - 55	50 - 57
Monthly Benefits, as a % of Eligible Compensation	3%	2.4-3.0%	2.0-2.7%
Required Employee Contribution Rates	9%	9%	11.5%
Required Employer Contribution Rates	30.014%	21.367%	11.5%
COLA	5.00%	2.00%	2.00%

b. Contributions

Section 20814(c) of the California PERL requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Safety Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2015, the contributions recognized as part of pension expense for the Safety Plan were as follows:

	Safety Plan
Contribution - Employer	\$ 1,797,520
Contribution - Employee (Paid by Employer)	3,527

NOTE #9 – DEFINED BENEFIT PENSION PLANS (Continued)

ii. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2015, the City reported Net Pension Liabilities for its proportionate shares of the Net Pension Liability of the Safety Plan as follows:

	Safety Plan Proportionate Share of Net Pension Liability	
Tier 1	\$	9,078,325
Tier 2		1,626
Tier 3		97
Total Net Pension Liability	\$	9,080,048

The City’s Net Pension Liability for the Safety Plan is measured as the proportionate share of the Net Pension liability. The Net Pension Liability of the Safety Plan is measured as of June 30, 2014, and the total pension liability for the Safety Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard updated procedures. The City’s proportion of the Net Pension Liability was based on a projection of the City’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City’s proportionate share of the Net Pension Liability for the Safety Plan as of June 30, 2013 and 2014 was as follows:

Proportionate Share of Net Pension Liability	Safety Plan		
	Tier 1	Tier 2	Tier 3
Proportion - June 30, 2013	0.28540%	0.00005%	0.00000%
Proportion - June 30, 2014	0.24203%	0.00004%	0.00000%
Change - Increase (Decrease)	-0.04337%	-0.00001%	0.00000%

NOTE #9 – DEFINED BENEFIT PENSION PLANS (Continued)

For the year ended June 30, 2015 the City recognized pension expense of \$1,591,626 for the Safety Plan. At June 30, 2015 the Safety Plan reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Safety Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 1,801,047	\$ -
Differences Between Actual and Expected Experience	-	-
Changes in Assumptions	-	-
Change in the Employer's Proportion and Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	-	(492,519)
Net Differences Between Projected and Actual Earnings on Plan Investments	-	(2,741,566)
Total	\$ 1,801,047	\$ (3,234,085)

Deferred Outflows of Resources related to contributions subsequent to the measurement date in the amount of \$1,801,047 will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2016. Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized as pension expense as follows:

Safety Plan	
Measurement Period Ended June 30	Annual Amortization
2015	\$ (861,291)
2016	(861,291)
2017	(826,110)
2018	(685,393)
2019	-
Thereafter	-

NOTE #9 – DEFINED BENEFIT PENSION PLANS (Continued)

a. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following table presents the City’s proportionate share of the Net Pension Liability for the Safety Plan, calculated using the discount rate of 7.50 percent, as well as what the City’s proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.50 percent) or 1 percentage-point higher (8.50 percent) than the current rate.

	Safety Plan		
	Tier 1	Tier 2	Tier 3
1% Decrease	6.50%	6.50%	6.50%
Net Pension Liability	\$ 15,622,621	\$ 2,798	\$ 167
Current Discount Rate	7.50%	7.50%	7.50%
Net Pension Liability	\$ 9,078,325	\$ 1,626	\$ 97
1% Increase	8.50%	8.50%	8.50%
Net Pension Liability	\$ 3,686,107	\$ 660	\$ 39

b. Pension Plan Fiduciary Net Position

The plan fiduciary net position disclosed in the GASB 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and OPEB expense included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In addition, differences may result from early Comprehensive Annual Financial Report (CAFR) closing and final reconciled reserves.

iii. Payable to the Safety Plan

At June 30, 2015, the City reported a payable of \$99,918 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2015.

NOTE #9 – DEFINED BENEFIT PENSION PLANS (Continued)

D. INFORMATION COMMON TO BOTH THE MISCELLANEOUS AND SAFETY PLANS

The following information applies to both the Miscellaneous and Safety Plans:

i. Actuarial Assumptions

The June 30, 2013 and June 30, 2014 total pension liabilities were based on the following actuarial methods and assumptions:

	<u>Safety and Miscellaneous Plans</u>
Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.5%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return ⁽¹⁾	7.5%
Mortality Rate Table ⁽²⁾	Derived using CalPERS Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

(1) Net of pension plan investment expenses, including inflation.

(2) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report available on CalPERS' website.

All other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011 including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found on the CalPERS website under Forms and Publications.

NOTE #9 – DEFINED BENEFIT PENSION PLANS (Continued)**ii. Safety and Miscellaneous Plans Discount Rate**

The discount rate used to measure the total pension liability was 7.50 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.50 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained at CalPERS’ website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS deemed the difference immaterial to the Agent Multiple-Employer and the Public Agency Cost-Sharing Multiple-Employer defined benefit pension plans.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least FY 2017/18. CalPERS will continue to check the materiality of the difference in calculation until such time as they have changed their methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

NOTE #9 – DEFINED BENEFIT PENSION PLANS (Continued)

The table below reflects long-term expected real rate of return by asset class for both the Miscellaneous and Safety Plans. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10⁽¹⁾</u>	<u>Real Return Years 11+⁽²⁾</u>
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%
Total	100%		

(1) An expected inflation of 2.5% used for this period.

(2) An expected inflation of 3.0% used for this period.

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 (\$100 million coverage, \$5,000 deductible) and Workers Compensation (coverage to the statutory

NOTE #10 – RISK MANAGEMENT (Continued)

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, 2015 were the cities of Antioch; Brentwood; Clayton; El Cerrito; Gilroy; 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, Public Employees’ Medical and Hospital Care Act (PEMHCA). The City covers premiums, subject to caps dependent on hire date for eligible retirees, with service or disability retirement directly from the City under CalPERS. Coverage extends to dependents and surviving spouses. No dental, vision or life insurance benefits are provided. The City has three benefit tier levels. All tiers provide for certain post-retirement health care benefits for employees who retire from the City and who meet the following criteria: 1) they retire on or after reaching age 50 and 2) they have at least five years of cumulative service credits with organizations participating in a CalPERS Defined Benefit Pension Plan. The tiers are differentiated by maximum amount of health insurance coverage paid by the City.

The first tier, for employees who retire prior to July 1, 2012, provides for a maximum monthly coverage amount of \$1,428.90 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 \$1,491.41 for safety retirees. There will be no future increases in the maximum

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

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 \$122 per month. This amount is set annually by PEMHCA.

Currently 106 retirees, 81 of whom are in Tier 1 and 25 of whom are in Tier 2, are receiving these benefits. During FY 2014/15, expenditures of \$1,287,583, and pre-funding contributions of \$1,232,417, were recognized for post-retirement health care.

At this time there is not a separate, audited 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, and P.O. Box 942703, Sacramento, CA 94229-2703.

B. FUNDING POLICY

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

The City chose to pay Plan benefits on a pay-as-you-go basis through FY 2009/10 and since that time has made pre-funding contributions totaling \$3,931,096. 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 FY 2014/15, the City paid \$1,287,583 for pay-as-you-go retiree healthcare Plan benefits and \$1,232,417 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 \$4,452,505 as of June 30, 2015, which partially reduced the Unfunded Actuarial Accrued Liability (UAAL).

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

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	\$ 4,465,000
Interest on Net OPEB Obligation	815,000
Adjustment to Annual Required Contribution	(1,244,999)
Annual OPEB Cost (Expense)	<u>4,035,001</u>
Contributions (Benefit Payments)	1,287,583
Contributions (Trust Pre-Funding)	<u>1,232,417</u>
Increase in Net OPEB Obligation	1,515,001
Net OPEB Obligation – July 1, 2014	<u>14,233,999</u>
Net OPEB Obligation – June 30, 2015	<u><u>\$ 15,749,000</u></u>

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:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2013	\$ 3,652,500	45.7%	\$ 12,497,143
6/30/2014	\$ 3,806,877	54.4%	\$ 14,233,999
6/30/2015	\$ 4,035,001	25.6%	\$ 15,749,000

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

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	1,892,000
Unfunded Actuarial Accrued Liability	<u>\$ 32,602,000</u>
Funded Ratio	
(Actuarial Value of Plan Assets/Actuarial Accrued Liability)	5%
Covered Payroll (Active Plan Members)	\$ 23,258,000
Unfunded Actuarial Accrued Liability	
as a Percentage of Covered Payroll	148%

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 above and in the Required Supplementary Information immediately following the Notes to the Financial Statements, 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 5.73% for FY 2014/15 and increasing annually to 6.76% over three 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

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

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.

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. On July 10, 2015 the State Controller's Office determined that \$16,319,919 of transferred assets were unallowable and ordered these assets to be returned to the Successor Agency. The transfers disallowed by the State Controller's Office were comprised of \$14,978,790 of cash assets; \$1,327,129 of land/building assets; and \$14,000 of lease revenue accrued between January 1, 2011 and January 31, 2012. As of June 30, 2015 the City was engaged in litigation with the DOF regarding the legality of the cash transfers, as discussed in Note #14.

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.

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

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, 2015, 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 represents other assets and liabilities of the Successor Agency as of June 30, 2015.

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, 2015.

	Balance June 30, 2014	Additions	Payments Adjustments	Balance June 30, 2015	Amounts Due Within One Year
CIP 2012 Revenue Refunding Bonds	\$ 16,080,000	\$ -	\$ (575,000)	\$ 15,505,000	\$ 605,000
2009 Civic Center Project Lease Revenue Bonds	12,297,368	-	(175,000)	12,122,368	273,684
Total	\$ 28,377,368	\$ -	\$ (750,000)	\$ 27,627,368	\$ 878,684

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

i. Bonds

• **CIP 2012 Revenue Refunding Bonds**

The Brentwood Redevelopment Agency issued 2001 CIP Tax Allocation Bonds, dated October 1, 2001, to finance certain Redevelopment projects. The 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 \$23,032,281 remaining share of debt service on the bonds, which is scheduled to occur in 2032.

• **2009 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



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

future tax revenues end upon repayment of the Successor Agency’s \$25,628,148 remaining share of debt service on the bonds. The repayment of the debt service is scheduled to occur in 2040.

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

Year Ending June 30	Principal	Interest	Total
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	1,044,737	1,434,540	2,479,277
2021-2025	6,049,474	6,217,593	12,267,067
2026-2030	7,684,737	4,287,797	11,972,534
2031-2035	5,442,895	2,106,311	7,549,206
2036-2040	3,673,682	729,686	4,403,368
Total Payments Due	\$ 27,627,368	\$ 21,033,061	\$ 48,660,429

C. PLEDGED REVENUES

As discussed above, the Successor Agency has pledged all future tax increment revenues for the repayment of its share of the Capital Improvement Revenue Refunding Bonds Series 2012 and the 2009 Civic Center Project Lease Revenue Bonds. The pledge of all future tax increment revenues ends upon repayment of \$48,660,429 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 FY 2014/15, gross tax increment available to be distributed to the Successor Agency was \$6,088,992, which represents coverage of 252% of the FY 2014/15 debt service requirements.

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

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. As of June 30, 2015 the City was engaged in litigation with the DOF regarding items on the ROPS; although litigation concluded in September 2015. 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 conducted 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. On July 10, 2015 the State Controller's Office determined that \$16,319,919 of transferred assets were unallowable and ordered these assets to be returned to the Successor Agency. The transfers disallowed by the State Controller's Office were comprised of \$14,978,790 of cash assets; \$1,327,129 of land/building assets; and \$14,000 of lease revenue accrued between January 1, 2011 and January 31, 2012. As of June 30, 2015 the City was engaged in litigation with the DOF regarding the legality of the cash transfers, as discussed below.

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 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 disagreed with the findings of the DOF. As of June 30, 2015 the City was in litigation with the DOF regarding these disputed transfers, although litigation concluded in September 2015. Refer to Note #14 for additional information.

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

iii. Reversal of Construction Funding Commitments

As of June 30, 2014 the Successor Agency had committed funding totaling \$2,284,603 to the City of Brentwood for the completion of several projects. This amount was previously 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 included on the Successor Agency's ROPS. However, during FY 2014/15, the DOF denied this transaction and it has been removed from the subsequent ROPS. Therefore, the Successor Agency reversed the payable and recorded a Special Item in the amount of \$2,284,603. Subsequent to the end of the fiscal year, the Governor signed SB 107 which may allow for redevelopment loans to be reinstated.

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, 2015 which is likely to have a material adverse effect on the financial position of the City with the exception of litigation against the DOF which concluded in September 2015. Refer to Note #14 - Subsequent Events, for additional information.

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, 2015, was \$9,613,742, after a total of \$3,830,877 was used as credits during FY 2014/15. 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.

NOTE #13 – CONTINGENT LIABILITIES (Continued)

D. CONSTRUCTION COMMITMENTS

As of June 30, 2015, the City had several commitments with respect to unfinished capital projects. The Successor Agency had committed funding totaling \$3,462,355 to the City of Brentwood for the completion of those projects and, as of June 30, 2015, 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 had thus far been incurred. Payment for these commitments began in FY 2012/13. The commitment of these funds was approved by the Brentwood Oversight Board and the funds were included on the Successor Agency’s ROPS, however, during FY 2014/15, the DOF denied payment on the ROPS and it has been removed from the subsequent ROPS. Therefore, the City reversed the receivable and associated unavailable revenue in the amount of \$2,284,603, with no effect on the fund balance of the associated funds.

As of June 30, 2015, the City had the following additional commitments with respect to unfinished major capital projects:

<u>Project Name</u>	<u>Outstanding Commitments</u>
John Muir Parkway Extension/Foothill Drive - Phase I	\$ 79,824
Library Relocation - Phase II	137,094
Total	\$ 216,918

E. SOLAR POWER PURCHASE AGREEMENTS

On December 9, 2014, the City executed three Solar Power Purchase agreements with SolarCity Corporation. The terms of the agreements required SolarCity to construct solar power systems, to be owned and maintained by SolarCity, at three City sites, the Police Department, Waste Water Treatment Plant and the Brentwood Aquatic Center. These systems are expected to generate approximately 2.14 million kilowatt hours (kWh) of power per year. Once the systems are operational, the terms of the agreements require the City to purchase all of the electric power generated by the system for a term of 20 years, and up to two additional optional terms of five years each, at a contract price of \$0.0100 to \$0.2718 per kWh, depending on the site. The systems did not become operational until after June 30, 2015. The agreements include options for the City to purchase the systems at the end of the 6th, 10th and 20th year, as well as at the end of the additional optional five year terms at a price equal to the fair market value of the systems. Early termination of any of the contracts by the City would result in termination payments ranging from \$6.4 million in year one to \$.3 million in the twentieth year of the contracts. Early termination by SolarCity would result in payments to the City for the net present value of the excess energy costs that would be incurred over the remaining contract term.

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 in the first place.

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 believed in the merits of the case and appealed the decision. On May 29, 2015, the appellate court issued a decision affirming the trial court's ruling. The Court held that the State's demand was not unconstitutional and was permitted by the law governing the dissolution of redevelopment agencies. On June 9, 2015, the Brentwood City Council and Successor Agency Board unanimously voted to appeal the decision to the California Supreme Court and file a Petition for Review.

On September 16, 2015, the California Supreme Court denied the City/Successor Agency Petition for Review, thereby ending the litigation in this matter. The City is evaluating how next to proceed. The DOF has indicated that the City may be able to repay any amounts due over a negotiated repayment plan. An accrued liability of \$12,381,097 representing management's estimate of the balance due to the County Auditor-Controller has been recorded as an accrued liability in the Statement of Net Position, although the actual amount of loss has not yet been settled with the DOF.



NOTE #15 – NET POSITION AND FUND BALANCE RESTATEMENTS

GASB 68 requires the restatement of the financial statements for the effect of recording the City’s Net Pension Liability and Deferred Outflows/Inflows of Resources Related to Pensions. The effects of the restatement on the beginning balance decreased Governmental Activities net position by \$24,469,877 and decreased Business-Type Activities net position by \$7,692,687 as follows:

Fund	Restatement
Housing Enterprise	\$ 180,187
Solid Waste Enterprise	2,617,932
Water Enterprise	2,784,894
Wastewater Enterprise	2,109,674
Total	\$ 7,692,687

The City changed its accounting policy related to loans receivable in FY 2014/15. Rather than offsetting long-term loans receivable with unavailable revenue (Deferred Inflows of Resources), loans receivable are now a component of fund balance. As a result, beginning fund balance in the following funds have been restated and increased in the following amounts:

Debt Service Funds	Restatement
Capital Improvement Revenue Refunding Bonds Series 2012	\$ 16,080,000
2009 Civic Center Project Lease Revenue Bonds	12,297,368





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Budgetary Comparison Schedule, General Fund
For Year Ended June 30, 2015

	Budget Amounts		Actual	Variance
	Original	Final		
REVENUES				
Taxes	\$ 15,533,345	\$ 16,639,011	\$ 17,709,971	\$ 1,070,960
Licenses	581,433	581,433	633,722	52,289
Permits and Fines	4,226,252	4,464,852	6,264,281	1,799,429
Uses of Money and Property	439,488	439,488	427,072	(12,416)
Intergovernmental	2,932,328	3,277,662	3,568,544	290,882
Franchises	1,355,214	1,355,214	1,400,350	45,136
Charges for Other Services	269,723	269,723	306,603	36,880
Charges to Other Funds	7,126,543	6,887,943	6,705,041	(182,902)
Fees and Other Revenues	2,068,414	2,068,414	2,065,406	(3,008)
Total Revenues	34,532,740	35,983,740	39,080,990	3,097,250
EXPENDITURES				
Current:				
General Government	6,484,212	6,336,857	5,616,074	720,783
Public Safety	19,380,754	19,399,296	18,088,964	1,310,332
Community Development	4,272,450	4,456,922	4,049,004	407,918
Engineering	3,137,400	3,170,798	2,741,148	429,650
Public Works	2,946,287	3,044,933	2,814,945	229,988
Parks and Recreation	5,314,084	5,328,978	5,022,452	306,526
Community Services	589,111	589,111	587,726	1,385
Total Expenditures	42,124,298	42,326,895	38,920,313	3,406,582
REVENUES OVER (UNDER) EXPENDITURES	(7,591,558)	(6,343,155)	160,677	6,503,832
OTHER FINANCING SOURCES (USES)				
Transfers In	10,209,778	7,122,500	6,616,104	(506,396)
Transfers Out	(1,804,556)	(5,029,720)	(5,008,808)	20,912
Total Other Financing Sources (Uses)	8,405,222	2,092,780	1,607,296	(485,484)
Net Change in Fund Balances	\$ 813,664	\$ (4,250,375)	1,767,973	\$ 6,018,348
Fund Balance, Beginning of Year			17,139,493	
Fund Balance, End of Year			\$ 18,907,466	



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*



Miscellaneous Plan
Schedule of Changes in the Net Pension Liability and Related Ratios
During the Measurement Period
As of June 30, 2015
Last 10 Years*

Measurement Period	2013/14
Total Pension Liability	
Service Cost	\$ 3,353,880
Interest on Total Pension Liability	6,770,097
Differences Between Expected and Actual Experience	-
Changes in Assumptions	-
Changes in Benefits	-
Benefit Payments, Including Refunds of Employee Contributions	(2,206,639)
Net Change in Total Pension Liability	7,917,338
Total Pension Liability - Beginning	89,694,331
Total Pension Liability - Ending (a)	\$ 97,611,669
Plan Fiduciary Net Position	
Contributions - Employer ⁽¹⁾	\$ 3,057,063
Contributions - Employee	1,024,271
Net Investment Income ⁽²⁾	11,435,505
Benefit Payments	(2,206,639)
Net Change in Plan Fiduciary Net Position	13,310,200
Plan Fiduciary Net Position - Beginning	64,646,526
Plan Fiduciary Net Position - Ending (b)	\$ 77,956,726
 Net Pension Liability - Ending (a)-(b)	 \$ 19,654,943
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 79.86%
Covered - Employee Payroll	\$ 16,955,915
Net Pension Liability as Percentage of Covered - Employee Payroll	115.92%

(1) Includes \$288,013 of employee contributions paid by the employer.

(2) Net of administrative expenses.

Notes to Schedule:

Benefit Changes: There were no changes in benefits.

Changes in Assumptions: There were no changes in assumptions.

* Fiscal Year 2014-15 was the first year of implementation, therefore only one year is shown.



**Miscellaneous Plan
Schedule of Contributions ⁽¹⁾
As of June 30, 2015
Last 10 Years***

	2014/15
Actuarially Determined Contribution ⁽²⁾	\$ 2,786,805
Contributions in Relation to the Actuarially Determined Contributions	(2,786,805)
Contribution Deficiency (Excess)	\$ -
Covered - Employee Payroll ⁽³⁾	\$ 16,773,838
Contributions as a Percentage of Covered - Employee Payroll	16.61%

(1) Historical information is required only for measurement periods for which GASB 68 is applicable.

(2) Employers are assumed to make contributions equal to the actuarial determined contributions.

However, some employers may choose to make additional contributions towards their unfunded liability. Employers contributions for such plans exceed the actuarially determined contributions.

(3) Covered - Employer Payroll represented above is based on pensionable earnings provided by the employer.

Notes to Schedule:

Valuation Date (determined fiscal year 2014/15 contributions):	6/30/2012
Methods and assumptions used to determine contribution rates:	
Single and Agent Employers Example	Entry age normal
Amortization Method	Level percent of payroll
Average Remaining Period	26 years as of the valuation date
Asset Valuation Method	15-Year Smoothed Market
Inflation	2.75%
Salary Increases	3.30% to 14.2% depending on age, service and type of employment
Investment Rate of Return	7.50%, net of administrative expenses
Retirement Age	A classic CalPERS member becomes eligible for Service Retirement upon attainment of age 50 with at least 5 years of credited service (total service across all CalPERS employers, and with certain other Retirement Systems with which CalPERS has reciprocity agreements). For employees hired into a plan with the 1.5% at 65 formula, eligibility for service retirement is age 55 with at least 5 years of service.
Mortality	The mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board, first used in the June 30, 2009 valuation. For purposes of the post-retirement mortality rates, those revised rates include 5 years of projected ongoing mortality improvement using Scale AA published by the Society of Actuaries until June 30, 2010.

* Fiscal Year 2014-15 was the first year of implementation, therefore only one year is shown.



Safety Plans
Schedule of Proportionate Share of the Net Pension Liability
As of June 30, 2015
Last 10 Years*

Measurement Period	2013/14
Safety Plan (Tier 1)	
Proportion of the Net Pension Liability	0.1459%
Proportionate Share of the Net Pension Liability	\$ 9,078,325
Covered - Employee Payroll	\$ 6,154,349
Proportionate Share of the Net Pension Liability as a Percentage of Covered Employee Payroll	147.51%
Plan's Fiduciary Net Position	\$ 39,778,844
Plan's Fiduciary Net Position as a percentage of the Total Pension Liability	81.42%
Safety Police Second Tier Plan (Tier 2)	
Proportion of the Net Pension Liability	0.00003%
Proportionate Share of the Net Pension Liability	\$ 1,626
Covered - Employee Payroll	\$ 173,169
Proportionate Share of the Net Pension Liability as a Percentage of Covered - Employee Payroll	0.94%
Plan's Fiduciary Net Position	\$ 7,126
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	81.42%
PEPRA Safety Police Plan (Tier 3)	
Proportion of the Net Pension Liability	0.0000%
Proportionate Share of the Net Pension Liability	\$ 97
Covered - Employee Payroll	\$ 78,497
Proportionate Share of the Net Pension Liability as a Percentage of Covered - Employee Payroll	12.00%
Plan's Fiduciary Net Position	\$ 426
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	81.45%

* Fiscal Year 2014-15 was the first year of implementation , therefore only one year is shown.





Safety Plans
Schedule of Contributions
As of June 30, 2015
Last 10 Years*

Table with 2 columns: Description and 2014/15. Rows include Safety Plan (Tier 1), Safety Police Second Tier Plan (Tier 2), and PEPRSA Safety Police Plan (Tier 3) with sub-rows for Actuarially Determined Contribution, Contributions in Relation to the Actuarially Determined Contributions, Contribution Deficiency (Excess), Covered - Employee Payroll, and Contributions as a Percentage of Covered - Employee Payroll.

* Fiscal Year 2014-15 was the first year of implementation , therefore only one year is shown.

OPEB Schedule of Funding Progress

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%

OPEB Schedule of Contributions

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:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2013	\$ 3,652,500	45.7%	\$ 12,497,143
6/30/2014	\$ 3,806,877	54.4%	\$ 14,233,999
6/30/2015	\$ 4,035,001	25.6%	\$ 15,749,000



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Combining Balance Sheet
Non-Major Governmental Funds
 June 30, 2015

Special Revenue Funds

	Gas Tax	SB 1186 Disability Access	Police Grants	Other Grants	Economic Development Grant	Infrastructure Improvements	Citywide Park Assessment District	Community Facilities Districts
ASSETS								
Current Assets:								
Cash and Investments	\$ 113,176	\$ 10,854	\$ 137,364	\$ -	\$ 268,881	\$ 6,094	\$ 407,474	\$ 510,595
Restricted Cash and Investments	-	-	-	-	-	-	-	-
Receivables	7	-	21,071	11,848	6	-	20	11
Prepays	-	-	-	-	-	-	576	-
Due from Other Funds	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-
Non-Current Assets:								
Interfund Advance Receivable	-	-	-	-	-	-	-	-
Total Assets	\$ 113,183	\$ 10,854	\$ 158,435	\$ 11,848	\$ 268,887	\$ 6,094	\$ 408,070	\$ 510,606
LIABILITIES								
Liabilities:								
Accounts Payable and Accrued Liabilities	\$ -	\$ 407	\$ 13,571	\$ -	\$ 18,481	\$ 2	\$ 168,274	\$ 491
Due to Other Funds	-	-	-	4,887	-	-	-	-
Interfund Advance Payable	-	-	-	-	-	-	-	-
Total Liabilities	-	407	13,571	4,887	18,481	2	168,274	491
DEFERRED INFLOWS OF RESOURCES								
Unavailable Revenue - Accounts Receivable	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	576	-
Restricted	113,183	10,447	144,864	6,961	250,406	-	-	-
Committed	-	-	-	-	-	6,092	239,220	510,115
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balances	113,183	10,447	144,864	6,961	250,406	6,092	239,796	510,115
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 113,183	\$ 10,854	\$ 158,435	\$ 11,848	\$ 268,887	\$ 6,094	\$ 408,070	\$ 510,606

Continued

Combining Balance Sheet
Non-Major Governmental Funds (Continued)
 June 30, 2015

Special Revenue Funds (Continued)

	Roadway Facility Fee	Parks and Trails Facility Fee	Community Facility Fee	Fire Facility Fee	Facility Fee Administration	Agriculture Administration	Agriculture Land	Public Art Administration
ASSETS								
Current Assets:								
Cash and Investments	\$ 4,073,036	\$ -	\$ 2,026,300	\$ 3,809,777	\$ 599,908	\$ 498,390	\$ 742,099	\$ 343,007
Restricted Cash and Investments	-	-	-	-	-	-	-	-
Receivables	5,880	-	38	88	13	12	17	8
Prepays	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-
Non-Current Assets:								
Interfund Advance Receivable	-	-	-	-	-	-	-	-
Total Assets	\$ 4,078,916	\$ -	\$ 2,026,338	\$ 3,809,865	\$ 599,921	\$ 498,402	\$ 742,116	\$ 343,015
LIABILITIES								
Liabilities:								
Accounts Payable and Accrued Liabilities	\$ 2,003	\$ 33,323	\$ 1,561	\$ 1,042	\$ 147	\$ 138	\$ 1,595	\$ 85
Due to Other Funds	-	-	-	-	-	-	-	-
Interfund Advance Payable	-	1,931,370	-	-	-	-	-	-
Total Liabilities	2,003	1,964,693	1,561	1,042	147	138	1,595	85
DEFERRED INFLOWS OF RESOURCES								
Unavailable Revenue - Accounts Receivable	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	3,808,823	599,774	498,264	740,521	342,930
Committed	4,076,913	-	2,024,777	-	-	-	-	-
Unassigned	-	(1,964,693)	-	-	-	-	-	-
Total Fund Balances	4,076,913	(1,964,693)	2,024,777	3,808,823	599,774	498,264	740,521	342,930
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 4,078,916	\$ -	\$ 2,026,338	\$ 3,809,865	\$ 599,921	\$ 498,402	\$ 742,116	\$ 343,015

Continued

Combining Balance Sheet
Non-Major Governmental Funds (Continued)
 June 30, 2015

Special Revenue Funds (Continued)

	Public Art Acquisition	Parking In-Lieu	Arts Commission	Asset Forfeiture	Abandoned Vehicle Abatement	PEG Media	Parks Advertising	Measure C/J
ASSETS								
Current Assets:								
Cash and Investments	\$ 1,300,842	\$ 27,683	\$ 4,844	\$ 25,978	\$ 140,015	\$ 823,791	\$ 50,000	\$ 11,417
Restricted Cash and Investments	-	-	-	-	-	-	-	-
Receivables	839	1	-	-	3	19	1	2
Prepays	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-
Non-Current Assets:								
Interfund Advance Receivable	-	-	-	-	-	-	-	-
Total Assets	\$ 1,301,681	\$ 27,684	\$ 4,844	\$ 25,978	\$ 140,018	\$ 823,810	\$ 50,001	\$ 11,419
LIABILITIES								
Liabilities:								
Accounts Payable and Accrued Liabilities	\$ 1,244	\$ 8	\$ 1	\$ 4	\$ 35	\$ 233	\$ 16	\$ 8
Due to Other Funds	-	-	-	-	-	-	-	-
Interfund Advance Payable	-	-	-	-	-	-	-	-
Total Liabilities	1,244	8	1	4	35	233	16	8
DEFERRED INFLOWS OF RESOURCES								
Unavailable Revenue - Accounts Receivable	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	1,300,437	27,676	4,843	25,974	-	823,577	-	11,411
Committed	-	-	-	-	139,983	-	49,985	-
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balances	1,300,437	27,676	4,843	25,974	139,983	823,577	49,985	11,411
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,301,681	\$ 27,684	\$ 4,844	\$ 25,978	\$ 140,018	\$ 823,810	\$ 50,001	\$ 11,419

Continued

Combining Balance Sheet
Non-Major Governmental Funds (Continued)
 June 30, 2015

	Special Revenue Funds (Continued)		Debt Service Funds	Capital Project Funds				
	City Low Income Housing	Landscape and Lighting Assessment Districts	General Obligation Bonds Series 2002	Roadway Improvements	Community Facilities Improvements	Parks and Trails Improvements	Civic Center Project Lease Revenue Bond Acquisition	Capital Improvement Financing Program 2006-1
ASSETS								
Current Assets:								
Cash and Investments	\$ 14,185	\$ 5,365,830	\$ 64,823	\$ 3,409,287	\$ 1,689,999	\$ 264,900	\$ -	\$ -
Restricted Cash and Investments	-	-	-	-	-	-	7,768,655	2,581,605
Receivables	2	21,972	7	19,539	86	331,860	2	-
Prepays	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	4,887	-	-	-
Land Held for Resale	1,040,359	-	-	-	-	-	-	-
Non-Current Assets:								
Interfund Advance Receivable	-	-	-	-	1,931,370	-	-	-
Total Assets	\$ 1,054,546	\$ 5,387,802	\$ 64,830	\$ 3,428,826	\$ 3,626,342	\$ 596,760	\$ 7,768,657	\$ 2,581,605
LIABILITIES								
Liabilities:								
Accounts Payable and Accrued Liabilities	\$ 18	\$ 323,684	\$ 79	\$ 556,518	\$ 107,034	\$ 268,925	\$ 1,429	\$ -
Due to Other Funds	-	-	-	-	-	784,825	-	-
Interfund Advance Payable	-	-	-	-	-	-	-	-
Total Liabilities	18	323,684	79	556,518	107,034	1,053,750	1,429	-
DEFERRED INFLOWS OF RESOURCES								
Unavailable Revenue - Accounts Receivable	-	21,835	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	21,835	79	-	-	-	-	-
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	1,054,528	5,042,283	64,751	2,872,308	3,519,308	-	7,767,228	2,581,605
Committed	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(456,990)	-	-
Total Fund Balances	1,054,528	5,042,283	64,751	2,872,308	3,519,308	(456,990)	7,767,228	2,581,605
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,054,546	\$ 5,387,802	\$ 64,830	\$ 3,428,826	\$ 3,626,342	\$ 596,760	\$ 7,768,657	\$ 2,581,605

Continued

Combining Balance Sheet
Non-Major Governmental Funds (Continued)
 June 30, 2015

Capital Project Funds (Continued)

	Capital Improvement Financing Program 2005-1	Civic Center Capital Improvement Financing Program	City Capital Improvement Financing Program	Drainage Improvements	Capital Infrastructure	Vineyards Projects	Vineyards Event Center Projects	Total Non-Major Governmental Funds
ASSETS								
Current Assets:								
Cash and Investments	\$ -	\$ 1,226,204	\$ -	\$ 1	\$ 5,567,243	\$ 2,311,806	\$ 1,857,435	\$ 37,703,238
Restricted Cash and Investments	4,491,312	-	-	-	-	-	-	14,841,572
Receivables	-	31	-	-	140	53	44	413,620
Prepays	-	-	-	-	-	-	-	576
Due from Other Funds	-	-	-	-	-	-	-	4,887
Land Held for Resale	-	-	-	-	-	-	-	1,040,359
Non-Current Assets:								
Interfund Advance Receivable	-	-	-	-	-	-	-	1,931,370
Total Assets	\$ 4,491,312	\$ 1,226,235	\$ -	\$ 1	\$ 5,567,383	\$ 2,311,859	\$ 1,857,479	\$ 55,935,622
LIABILITIES								
Liabilities:								
Accounts Payable and Accrued Liabilities	\$ -	\$ 350	\$ -	\$ -	\$ 3,880	\$ 625	\$ 536	\$ 1,505,747
Due to Other Funds	-	-	-	-	-	-	-	789,712
Interfund Advance Payable	-	-	-	-	-	-	-	1,931,370
Total Liabilities	-	350	-	-	3,880	625	536	4,226,829
DEFERRED INFLOWS OF RESOURCES								
Unavailable Revenue - Accounts Receivable	-	-	-	-	-	-	-	21,835
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	21,835
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	576
Restricted	4,491,312	1,225,885	-	1	5,563,503	2,311,234	1,856,943	47,060,980
Committed	-	-	-	-	-	-	-	7,047,085
Unassigned	-	-	-	-	-	-	-	(2,421,683)
Total Fund Balances	4,491,312	1,225,885	-	1	5,563,503	2,311,234	1,856,943	51,686,958
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 4,491,312	\$ 1,226,235	\$ -	\$ 1	\$ 5,567,383	\$ 2,311,859	\$ 1,857,479	\$ 55,935,622



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Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For Year Ended June 30, 2015

Special Revenue Funds

	Gas Tax	SB 1186 Disability Access	Police Grants	Other Grants	Economic Development Grant	Infrastructure Improvements	Citywide Park Assessment District	Community Facilities Districts
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 158,431	\$ -	\$ 1,915,100	\$ -
Uses of Money and Property	2,155	85	1,404	-	2,353	55	4,501	3,658
Intergovernmental	1,548,866	-	128,478	11,848	-	-	-	-
Fees and Other Revenues	-	4,070	-	-	-	-	62,695	4,051,588
Total Revenues	1,551,021	4,155	129,882	11,848	160,784	55	1,982,296	4,055,246
EXPENDITURES								
Current:								
General Government	-	8	-	-	139,466	-	-	-
Public Safety	-	-	137,185	-	-	-	-	-
Community Development	-	-	-	-	-	6	-	-
Parks and Recreation	-	-	-	-	-	-	2,735,745	-
Community Services	-	-	-	-	-	-	-	41,594
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Total Expenditures	-	8	137,185	-	139,466	6	2,735,745	41,594
REVENUES OVER (UNDER) EXPENDITURES	1,551,021	4,147	(7,303)	11,848	21,318	49	(753,449)	4,013,652
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	229,088	-	800,000	1,679,286
Transfers Out	(1,559,704)	-	(36,445)	-	-	-	-	(5,399,445)
Total Other Financing Sources (Uses)	(1,559,704)	-	(36,445)	-	229,088	-	800,000	(3,720,159)
Net Change in Fund Balances	(8,683)	4,147	(43,748)	11,848	250,406	49	46,551	293,493
Fund Balance, Beginning of Year	121,866	6,300	188,612	(4,887)	-	6,043	193,245	216,622
Fund Balance, End of Year	\$ 113,183	\$ 10,447	\$ 144,864	\$ 6,961	\$ 250,406	\$ 6,092	\$ 239,796	\$ 510,115

Continued

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
 For Year Ended June 30, 2015

Special Revenue Funds (Continued)

	Roadway Facility Fee	Parks and Trails Facility Fee	Community Facility Fee	Fire Facility Fee	Facility Fee Administration	Agriculture Administration	Agriculture Land	Public Art Administration
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	31,351	-	15,432	33,290	4,726	4,453	6,124	2,692
Intergovernmental	-	-	-	-	-	-	-	-
Fees and Other Revenues	3,388,342	2,290,309	1,203,898	359,276	397,537	36,035	144,141	91,464
Total Revenues	3,419,693	2,290,309	1,219,330	392,566	402,263	40,488	150,265	94,156
EXPENDITURES								
Current:								
General Government	2,242,225	-	202,139	4,186	250,957	40,928	36,782	591
Public Safety	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-
Parks and Recreation	-	2,080,986	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Total Expenditures	2,242,225	2,080,986	202,139	4,186	250,957	40,928	36,782	591
REVENUES OVER (UNDER) EXPENDITURES	1,177,468	209,323	1,017,191	388,380	151,306	(440)	113,483	93,565
OTHER FINANCING SOURCES (USES)								
Transfers In	41,014	3,882	6,582	4,251	-	-	-	-
Transfers Out	(1,532,981)	-	(500,000)	-	-	-	-	-
Total Other Financing Sources (Uses)	(1,491,967)	3,882	(493,418)	4,251	-	-	-	-
Net Change in Fund Balances	(314,499)	213,205	523,773	392,631	151,306	(440)	113,483	93,565
Fund Balance, Beginning of Year	4,391,412	(2,177,898)	1,501,004	3,416,192	448,468	498,704	627,038	249,365
Fund Balance, End of Year	\$ 4,076,913	\$ (1,964,693)	\$ 2,024,777	\$ 3,808,823	\$ 599,774	\$ 498,264	\$ 740,521	\$ 342,930

Continued

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
 For Year Ended June 30, 2015

Special Revenue Funds (Continued)

	Public Art Acquisition	Parking In-Lieu	Arts Commission	Asset Forfeiture	Abandoned Vehicle Abatement	PEG Media	Parks Advertising	Measure C/J
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	10,432	252	45	196	1,124	7,483	531	1,786
Intergovernmental	-	-	-	-	-	-	-	768,457
Fees and Other Revenues	274,318	-	-	19,065	105,544	-	2,600	-
Total Revenues	284,750	252	45	19,261	106,668	7,483	3,131	770,243
EXPENDITURES								
Current:								
General Government	10,991	29	290	14,964	-	855	-	3,845
Public Safety	-	-	-	-	126	-	-	-
Community Development	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	19,044	-
Community Services	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Total Expenditures	10,991	29	290	14,964	126	855	19,044	3,845
REVENUES OVER (UNDER) EXPENDITURES	273,759	223	(245)	4,297	106,542	6,628	(15,913)	766,398
OTHER FINANCING SOURCES (USES)								
Transfers In	9,460	-	-	-	-	-	-	439,841
Transfers Out	-	-	-	(16,056)	(94,920)	-	-	(1,226,632)
Total Other Financing Sources (Uses)	9,460	-	-	(16,056)	(94,920)	-	-	(786,791)
Net Change in Fund Balances	283,219	223	(245)	(11,759)	11,622	6,628	(15,913)	(20,393)
Fund Balance, Beginning of Year	1,017,218	27,453	5,088	37,733	128,361	816,949	65,898	31,804
Fund Balance, End of Year	\$ 1,300,437	\$ 27,676	\$ 4,843	\$ 25,974	\$ 139,983	\$ 823,577	\$ 49,985	\$ 11,411

Continued

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
 For Year Ended June 30, 2015

	Special Revenue Funds <i>(Continued)</i>		Debt Service	Capital Project Funds				
	City Low Income Housing	Landscape and Lighting Assessment Districts	General Obligation Bonds Series 2002	Roadway Improvements	Community Facilities Improvements	Parks and Trails Improvements	Civic Center Project Lease Revenue Bond Acquisition	Capital Improvement Financing Program 2006-1
REVENUES								
Taxes	\$ -	\$ -	\$ 430,437	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	585	42,839	2,128	32,427	33,807	3,795	37,395	557
Intergovernmental	-	-	-	19,085	-	331,850	-	-
Fees and Other Revenues	-	6,500,077	-	922,155	-	-	-	-
Total Revenues	585	6,542,916	432,565	973,667	33,807	335,645	37,395	557
EXPENDITURES								
Current:								
General Government	50,434	-	-	990,610	374,730	132,484	7,290	-
Public Safety	-	-	-	-	-	-	-	-
Community Development	-	-	5,615	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-
Community Services	-	5,563,151	-	-	-	-	-	-
Capital Outlay	-	-	-	1,348,324	377,356	627,951	-	-
Debt Service:								
Principal	-	-	360,000	-	-	-	-	-
Interest and Fiscal Charges	-	-	63,262	-	-	-	-	-
Total Expenditures	50,434	5,563,151	428,877	2,338,934	752,086	760,435	7,290	-
REVENUES OVER (UNDER) EXPENDITURES	(49,849)	979,765	3,688	(1,365,267)	(718,279)	(424,790)	30,105	557
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	1,962,517	825,987	591,098	1,696	-
Transfers Out	-	-	-	(777,173)	(49,697)	(13,255)	-	-
Total Other Financing Sources (Uses)	-	-	-	1,185,344	776,290	577,843	1,696	-
Net Change in Fund Balances	(49,849)	979,765	3,688	(179,923)	58,011	153,053	31,801	557
Fund Balance, Beginning of Year	1,104,377	4,062,518	61,063	3,052,231	3,461,297	(610,043)	7,735,427	2,581,048
Fund Balance, End of Year	\$ 1,054,528	\$ 5,042,283	\$ 64,751	\$ 2,872,308	\$ 3,519,308	\$ (456,990)	\$ 7,767,228	\$ 2,581,605

Continued

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
 For Year Ended June 30, 2015

Capital Project Funds (Continued)

	Capital Improvement Financing Program 2005-1	Civic Center Capital Improvement Financing Program	City Capital Improvement Financing Program	Drainage Improvements	Capital Infrastructure	Vineyards Projects	Vineyards Event Center Projects	Total Non-Major Governmental Funds
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,503,968
Uses of Money and Property	970	12,637	-	1	55,000	20,016	16,755	393,040
Intergovernmental	-	-	-	-	-	-	-	2,808,584
Fees and Other Revenues	-	1,337,766	180,000	-	-	238,256	1,891,390	23,500,526
Total Revenues	970	1,350,403	180,000	1	55,000	258,272	1,908,145	29,206,118
EXPENDITURES								
Current:								
General Government	-	1,482	-	-	621,987	2,214	1,363	5,130,850
Public Safety	-	-	-	-	-	-	-	137,311
Community Development	-	-	-	-	-	-	-	5,621
Parks and Recreation	-	-	-	-	-	-	-	4,835,775
Community Services	-	-	-	-	-	-	-	5,604,745
Capital Outlay	-	-	-	-	-	-	-	2,353,631
Debt Service:								
Principal	-	-	-	-	-	-	-	360,000
Interest and Fiscal Charges	-	-	-	-	-	-	-	63,262
Total Expenditures	-	1,482	-	-	621,987	2,214	1,363	18,491,195
REVENUES OVER (UNDER) EXPENDITURES	970	1,348,921	180,000	1	(566,987)	256,058	1,906,782	10,714,923
OTHER FINANCING SOURCES (USES)								
Transfers In	-	303,442	-	-	3,043	-	161	6,901,348
Transfers Out	-	(1,816,753)	(180,000)	(1)	(150,000)	-	(50,000)	(13,403,062)
Total Other Financing Sources (Uses)	-	(1,513,311)	(180,000)	(1)	(146,957)	-	(49,839)	(6,501,714)
Net Change in Fund Balances	970	(164,390)	-	-	(713,944)	256,058	1,856,943	4,213,209
Fund Balance, Beginning of Year	4,490,342	1,390,275	-	1	6,277,447	2,055,176	-	47,473,749
Fund Balance, End of Year	\$ 4,491,312	\$ 1,225,885	\$ -	\$ 1	\$ 5,563,503	\$ 2,311,234	\$ 1,856,943	\$ 51,686,958



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Combining Statement of Net Position
All Internal Service Funds
 June 30, 2015

	Emergency Preparedness	Information Services	Equipment Replacement	Information Systems Replacement	Facilities Replacement	Tuition
ASSETS						
Current Assets:						
Cash and Investments	\$ 3,178,722	\$ 483,575	\$ 8,408,716	\$ 842,529	\$ 3,314,882	\$ 72,171
Receivables	75	11	195	19	76	2
Inventories	-	-	-	-	-	-
Prepays	-	2,198	-	-	-	-
Due from Other Funds	-	-	-	-	-	-
Total Current Assets	3,178,797	485,784	8,408,911	842,548	3,314,958	72,173
Non-Current Assets:						
Interfund Advance Receivable	-	311,013	-	-	-	-
Capital Assets:						
Machinery and Equipment	-	-	3,134,610	-	-	-
Vehicles	-	-	9,809,980	-	-	-
Less Accumulated Depreciation and Amortization	-	-	(7,700,469)	-	-	-
Total Capital Assets, Net of Accumulated Depreciation	-	-	5,244,121	-	-	-
Total Non-Current Assets	-	311,013	5,244,121	-	-	-
Total Assets	3,178,797	796,797	13,653,032	842,548	3,314,958	72,173
DEFERRED OUTFLOWS OF RESOURCES						
Related to Pensions	-	166,809	-	-	-	-
Total Deferred Outflows of Resources	-	166,809	-	-	-	-
LIABILITIES						
Current Liabilities:						
Accounts Payable and Accrued Liabilities	285	10,294	44,946	52,505	898	2,520
Compensated Absences Payable	-	61,504	-	-	-	-
Total Current Liabilities	285	71,798	44,946	52,505	898	2,520
Non-Current Liabilities Due in More Than One Year:						
Interfund Advance Payable	-	-	-	-	-	-
Net OPEB Obligation	-	553,804	-	-	-	-
Net Pension Liability	-	1,182,252	-	-	-	-
Compensated Absences Payable	-	41,003	-	-	-	-
Total Non-Current Liabilities	-	1,777,059	-	-	-	-
Total Liabilities	285	1,848,857	44,946	52,505	898	2,520
DEFERRED INFLOWS OF RESOURCES						
Related to Pensions	-	312,503	-	-	-	-
Total Deferred Inflows of Resources	-	312,503	-	-	-	-
NET POSITION						
Net Investment in Capital Assets	-	-	5,244,121	-	-	-
Unrestricted	3,178,512	(1,197,754)	8,363,965	790,043	3,314,060	69,653
Total Net Position	\$ 3,178,512	\$ (1,197,754)	\$ 13,608,086	\$ 790,043	\$ 3,314,060	\$ 69,653

Continued

Combining Statement of Net Position
All Internal Service Funds (Continued)
 June 30, 2015

	Fleet Maintenance Services	Facilities Maintenance Services	Parks and LLAD Replacement	Insurance	Pension/Other Post-Employment Benefits Obligation	Totals
ASSETS						
Current Assets:						
Cash and Investments	\$ 197,470	\$ 601,780	\$ 9,839,825	\$ 489,109	\$ 22,921,340	\$ 50,350,119
Receivables	4	13	220	48	484	1,147
Inventories	51,931	-	-	-	-	51,931
Prepays	2,521	1,670	-	-	344,166	350,555
Due from Other Funds	-	-	-	-	784,825	784,825
Total Current Assets	251,926	603,463	9,840,045	489,157	24,050,815	51,538,577
Non-Current Assets:						
Interfund Advance Receivable	128,453	214,523	-	-	-	653,989
Capital Assets:						
Machinery and Equipment	-	-	-	-	-	3,134,610
Vehicles	-	-	-	-	-	9,809,980
Less Accumulated Depreciation and Amortization	-	-	-	-	-	(7,700,469)
Total Capital Assets, Net of Accumulated Depreciation	-	-	-	-	-	5,244,121
Total Non-Current Assets	128,453	214,523	-	-	-	5,898,110
Total Assets	380,379	817,986	9,840,045	489,157	24,050,815	57,436,687
DEFERRED OUTFLOWS OF RESOURCES						
Related to Pensions	63,753	91,209	-	-	-	321,771
Total Deferred Outflows of Resources	63,753	91,209	-	-	-	321,771
LIABILITIES						
Current Liabilities:						
Accounts Payable and Accrued Liabilities	96,871	79,224	25,501	5,062	15,493	333,599
Compensated Absences Payable	24,517	21,987	-	-	-	108,008
Total Current Liabilities	121,388	101,211	25,501	5,062	15,493	441,607
Non-Current Liabilities Due in More Than One Year:						
Interfund Advance Payable	-	-	-	-	2,639,611	2,639,611
Net OPEB Obligation	243,361	401,962	-	-	-	1,199,127
Net Pension Liability	448,286	645,422	-	-	-	2,275,960
Compensated Absences Payable	16,344	14,658	-	-	-	72,005
Total Non-Current Liabilities	707,991	1,062,042	-	-	2,639,611	6,186,703
Total Liabilities	829,379	1,163,253	25,501	5,062	2,655,104	6,628,310
DEFERRED INFLOWS OF RESOURCES						
Related to Pensions	119,471	170,598	-	-	-	602,572
Total Deferred Inflows of Resources	119,471	170,598	-	-	-	602,572
NET POSITION						
Net Investment in Capital Assets	-	-	-	-	-	5,244,121
Unrestricted	(504,718)	(424,656)	9,814,544	484,095	21,395,711	45,283,455
Total Net Position	\$ (504,718)	\$ (424,656)	\$ 9,814,544	\$ 484,095	\$ 21,395,711	\$ 50,527,576

Combining Statement of Revenues, Expenses and Changes in Fund Net Position
All Internal Service Funds
For Year Ended June 30, 2015

	Emergency Preparedness	Information Services	Equipment Replacement	Information Systems Replacement	Facilities Replacement	Tuition
Operating Revenues:						
Charges for Services	\$ -	\$ 2,027,124	\$ 1,707,461	\$ 661,500	\$ 752,473	\$ 18,000
Other Income	-	2,387	143,314	49	14,350	-
Total Operating Revenues	-	2,029,511	1,850,775	661,549	766,823	18,000
Operating Expenses:						
Personnel Services	-	1,529,993	-	-	-	-
Repairs and Maintenance	-	45	-	-	8,475	-
Materials, Supplies and Services	3,632	319,549	111,985	506,436	111,830	11,063
Depreciation and Amortization	-	-	1,071,978	-	-	-
Total Operating Expenses	3,632	1,849,587	1,183,963	506,436	120,305	11,063
Operating Income (Loss)	(3,632)	179,924	666,812	155,113	646,518	6,937
Non-Operating Revenues (Expenses):						
Interest Income	28,802	3,921	74,459	6,843	28,513	630
Loss on Disposal of Capital Assets	-	-	(10,779)	-	-	-
Total Non-Operating Revenues (Expenses)	28,802	3,921	63,680	6,843	28,513	630
Income (Loss) Before Contributions and Transfers	25,170	183,845	730,492	161,956	675,031	7,567
Transfers In	25,000	-	95,521	12,051	8,241	-
Transfers Out	-	-	-	-	(75,987)	-
Change in Net Position	50,170	183,845	826,013	174,007	607,285	7,567
Net Position, Beginning of Year, Restated	3,128,342	(1,381,599)	12,782,073	616,036	2,706,775	62,086
Net Position, End of Year	\$ 3,178,512	\$ (1,197,754)	\$ 13,608,086	\$ 790,043	\$ 3,314,060	\$ 69,653

Continued

Combining Statement of Revenues, Expenses and Changes in Fund Net Position
All Internal Service Funds (Continued)
For Year Ended June 30, 2015

	Fleet Maintenance Services	Facilities Maintenance Services	Parks and LLAD Replacement	Insurance	Pension/Other Post-Employment Benefits Obligation	Totals
Operating Revenues:						
Charges for Services	\$ 1,300,115	\$ 1,787,150	\$ 1,436,348	\$ 958,104	\$ 1,900,081	\$ 12,548,356
Other Income	10,898	2,754	-	146,017	11,288	331,057
Total Operating Revenues	1,311,013	1,789,904	1,436,348	1,104,121	1,911,369	12,879,413
Operating Expenses:						
Personnel Services	625,848	901,490	-	-	-	3,057,331
Repairs and Maintenance	6,137	43,502	155,810	-	-	213,969
Materials, Supplies and Services	644,538	635,261	179,215	934,728	2,579,970	6,038,207
Depreciation and Amortization	-	-	-	-	-	1,071,978
Total Operating Expenses	1,276,523	1,580,253	335,025	934,728	2,579,970	10,381,485
Operating Income (Loss)	34,490	209,651	1,101,323	169,393	(668,601)	2,497,928
Non-Operating Revenues (Expenses):						
Interest Income	982	4,738	83,055	2,225	188,022	422,190
Loss on Disposal of Capital Assets	-	-	-	-	-	(10,779)
Total Non-Operating Revenues (Expenses)	982	4,738	83,055	2,225	188,022	411,411
Income (Loss) Before Contributions and Transfers	35,472	214,389	1,184,378	171,618	(480,579)	2,909,339
Transfers In	-	2,912	525,000	-	3,225,164	3,893,889
Transfers Out	-	(22,106)	(350,278)	-	(185,158)	(633,529)
Change in Net Position	35,472	195,195	1,359,100	171,618	2,559,427	6,169,699
Net Position, Beginning of Year, Restated	(540,190)	(619,851)	8,455,444	312,477	18,836,284	44,357,877
Net Position, End of Year	\$ (504,718)	\$ (424,656)	\$ 9,814,544	\$ 484,095	\$ 21,395,711	\$ 50,527,576

Combining Statement of Cash Flows
All Internal Service Funds
For Year Ended June 30, 2015

	Emergency Preparedness	Information Services	Equipment Replacement	Information Systems Replacement	Facilities Replacement	Tuition
Cash Flows from Operating Activities						
Cash Received from Customers/Other Funds	\$ -	\$ 2,027,124	\$ 1,707,461	\$ 661,597	\$ 758,348	\$ 18,000
Cash Payments to Suppliers of Goods and Services	(3,417)	(127,002)	(138,796)	(458,994)	(131,630)	(10,150)
Cash Payments to Employees for Services	-	(1,460,469)	-	-	-	-
Cash Payments for Interfund Services	-	(197,068)	-	-	-	-
Other Receipts	-	2,387	143,314	49	14,350	-
Net Cash Provided By (Used for) Operating Activities	(3,417)	244,972	1,711,979	202,652	641,068	7,850
Cash Flows from Non-Capital Financing Activities						
Transfers Received	25,000	-	95,521	12,051	8,241	-
Transfers Paid	-	-	-	-	(75,987)	-
Interfund Advance Payable	-	-	-	-	-	-
Interfund Advance Receivable	-	(157,878)	-	-	-	-
Net Cash Provided By (Used for) Non-Capital Financing Activities	25,000	(157,878)	95,521	12,051	(67,746)	-
Cash Flows from Capital and Related Financing Activities						
Acquisition and Construction of Assets	-	-	(1,582,161)	-	-	-
Net Cash Provided By (Used for) Capital and Related Financing Activities	-	-	(1,582,161)	-	-	-
Cash Flows from Investing Activities						
Interest on Investments	28,814	3,921	74,486	6,834	28,510	630
Net Cash Provided By Investing Activities	28,814	3,921	74,486	6,834	28,510	630
Net Increase (Decrease) in Cash and Cash Equivalents	50,397	91,015	299,825	221,537	601,832	8,480
Cash and Cash Equivalents - Beginning of Year	3,128,325	392,560	8,108,891	620,992	2,713,050	63,691
Cash and Cash Equivalents - End of Year	\$ 3,178,722	\$ 483,575	\$ 8,408,716	\$ 842,529	\$ 3,314,882	\$ 72,171
Reconciliation of Operating Income to Net Cash Provided By (Used for) Operating Activities:						
Operating Income (Loss)	\$ (3,632)	\$ 179,924	\$ 666,812	\$ 155,113	\$ 646,518	\$ 6,937
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used for) Operating Activities:						
Depreciation and Amortization	-	-	1,071,978	-	-	-
Change in Assets, Liabilities and Deferred Outflows/Inflows of Resources:						
Receivables	-	-	-	97	-	-
Prepaid Items	-	285	-	-	-	-
Accounts Payable and Other Payables	215	(4,476)	(26,811)	47,442	(5,450)	913
Net OPEB Obligation	-	47,817	-	-	-	-
Net Pension Liability and Deferred Outflows/Inflows of Resources related to Pensions	-	5,654	-	-	-	-
Compensated Absences Payable	-	15,768	-	-	-	-
Net Cash Provided By (Used for) Operating Activities	\$ (3,417)	\$ 244,972	\$ 1,711,979	\$ 202,652	\$ 641,068	\$ 7,850

Continued

Combining Statement of Cash Flows
All Internal Service Funds (Continued)
 For Year Ended June 30, 2015

	Fleet Maintenance Services	Facilities Maintenance Services	Parks and LLAD Replacement	Insurance	Pension/Other Post-Employment Benefits Obligation	Totals
Cash Flows from Operating Activities						
Cash Received from Customers/Other Funds	\$ 1,295,740	\$ 1,784,825	\$ 1,436,348	\$ 958,066	\$ 1,870,571	\$ 12,518,080
Cash Payments to Suppliers of Goods and Services	(582,676)	(483,780)	(338,187)	(945,377)	(2,565,218)	(5,785,227)
Cash Payments to Employees for Services	(598,384)	(851,777)	-	-	(9,993)	(2,920,623)
Cash Payments for Interfund Services	(105,465)	(174,621)	-	-	-	(477,154)
Other Receipts	10,898	2,754	-	146,017	11,288	331,057
Net Cash Provided By (Used for) Operating Activities	20,113	277,401	1,098,161	158,706	(693,352)	3,666,133
Cash Flows from Non-Capital Financing Activities						
Transfers Received	-	2,912	525,000	-	3,225,164	3,893,889
Transfers Paid	-	(22,106)	(350,278)	-	(185,158)	(633,529)
Interfund Advance Payable	-	-	-	-	1,345,016	1,345,016
Interfund Advance Receivable	(65,269)	(109,814)	-	-	-	(332,961)
Net Cash Provided By (Used for) Non-Capital Financing Activities	(65,269)	(129,008)	174,722	-	4,385,022	4,272,415
Cash Flows from Capital and Related Financing Activities						
Acquisition and Construction of Assets	-	-	-	-	-	(1,582,161)
Net Cash Provided By (Used for) Capital and Related Financing Activities	-	-	-	-	-	(1,582,161)
Cash Flows from Investing Activities						
Interest on Investments	982	4,736	83,062	2,224	187,980	422,179
Net Cash Provided By Investing Activities	982	4,736	83,062	2,224	187,980	422,179
Net Increase (Decrease) in Cash and Cash Equivalents	(44,174)	153,129	1,355,945	160,930	3,879,650	6,778,566
Cash and Cash Equivalents - Beginning of Year	241,644	448,651	8,483,880	328,179	19,041,690	43,571,553
Cash and Cash Equivalents - End of Year	\$ 197,470	\$ 601,780	\$ 9,839,825	\$ 489,109	\$ 22,921,340	\$ 50,350,119
Reconciliation of Operating Income to Net Cash Provided By (Used for) Operating Activities:						
Operating Income (Loss)	\$ 34,490	\$ 209,651	\$ 1,101,323	\$ 169,393	\$ (668,601)	\$ 2,497,928
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used for) Operating Activities:						
Depreciation and Amortization	-	-	-	-	-	1,071,978
Change in Assets, Liabilities and Deferred Outflows/Inflows of Resources:						
Receivables	-	-	-	(38)	-	59
Prepaid Items	(5,034)	(50)	-	-	(39,503)	(44,302)
Accounts Payable and Other Payables	(36,826)	18,037	(3,162)	(10,649)	14,752	(6,015)
Net OPEB Obligation	21,012	46,584	-	-	-	115,413
Net Pension Liability and Deferred Outflows/Inflows of Resources related to Pensions	2,161	3,092	-	-	-	10,907
Compensated Absences Payable	4,310	87	-	-	-	20,165
Net Cash Provided By (Used for) Operating Activities	\$ 20,113	\$ 277,401	\$ 1,098,161	\$ 158,706	\$ (693,352)	\$ 3,666,133

Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2015

	Assessments	Pass-Through Funds	Asset Seizure	Totals
ASSETS				
Current Assets:				
Cash and Investments	\$ 10,670,132	\$ 1,958,948	\$ 36,234	\$ 12,665,314
Restricted Cash and Investments	5,214,255	-	-	5,214,255
Interest Receivable	241	38	1	280
Total Current Assets	<u>\$ 15,884,628</u>	<u>\$ 1,958,986</u>	<u>\$ 36,235</u>	<u>\$ 17,879,849</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 27,841	\$ 1,958,986	\$ -	\$ 1,986,827
Due to Others	-	-	36,235	36,235
Total Current Liabilities	<u>27,841</u>	<u>1,958,986</u>	<u>36,235</u>	<u>2,023,062</u>
Non-Current Liabilities Due in More Than One Year:				
Due to Bondholders	15,856,787	-	-	15,856,787
Total Non-Current Liabilities	<u>15,856,787</u>	<u>-</u>	<u>-</u>	<u>15,856,787</u>
Total Liabilities	<u>\$ 15,884,628</u>	<u>\$ 1,958,986</u>	<u>\$ 36,235</u>	<u>\$ 17,879,849</u>

Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
 For Year Ended June 30, 2015

	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2015</u>
<u>Assessments</u>				
ASSETS				
Cash and Investments	\$ 10,460,001	\$ 105,632,454	\$ 105,422,323	\$ 10,670,132
Restricted Cash and Investments	6,354,728	4,348,016	5,488,489	5,214,255
Interest Receivable	276	241	276	241
Total Assets	\$ 16,815,005	\$ 109,980,711	\$ 110,911,088	\$ 15,884,628
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 14,996	\$ 151,140	\$ 138,295	\$ 27,841
Due to Bondholders	16,800,009	108,193,601	109,136,823	15,856,787
Total Liabilities	\$ 16,815,005	\$ 108,344,741	\$ 109,275,118	\$ 15,884,628
<u>Pass-Through Funds</u>				
ASSETS				
Cash and Investments	\$ 1,567,700	\$ 5,150,137	\$ 4,758,889	\$ 1,958,948
Interest Receivable	41	38	41	38
Total Assets	\$ 1,567,741	\$ 5,150,175	\$ 4,758,930	\$ 1,958,986
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 1,567,741	\$ 9,349,295	\$ 8,958,050	\$ 1,958,986
Total Liabilities	\$ 1,567,741	\$ 9,349,295	\$ 8,958,050	\$ 1,958,986
<u>Asset Seizure</u>				
ASSETS				
Cash and Investments	\$ 35,905	\$ 329	\$ -	\$ 36,234
Interest Receivable	1	1	1	1
Total Assets	\$ 35,906	\$ 330	\$ 1	\$ 36,235
LIABILITIES				
Due to Others	\$ 35,906	\$ 329	\$ -	\$ 36,235
Total Liabilities	\$ 35,906	\$ 329	\$ -	\$ 36,235
<u>Total - All Agency Funds</u>				
ASSETS				
Cash and Investments	\$ 12,063,606	\$ 110,782,920	\$ 110,181,212	\$ 12,665,314
Restricted Cash and Investments	6,354,728	4,348,016	5,488,489	5,214,255
Interest Receivable	318	280	318	280
Total Assets	\$ 18,418,652	\$ 115,131,216	\$ 115,670,019	\$ 17,879,849
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 1,582,737	\$ 9,500,435	\$ 9,096,345	\$ 1,986,827
Due to Others	35,906	329	-	36,235
Due to Bondholders	16,800,009	108,193,601	109,136,823	15,856,787
Total Liabilities	\$ 18,418,652	\$ 117,694,365	\$ 118,233,168	\$ 17,879,849

Balance Sheet
General Fund
 June 30, 2015

	<u>General Fund</u>
ASSETS	
Current Assets:	
Cash and Investments	\$ 23,258,898
Receivables	1,147,364
Prepays	108,998
Total Assets	<u>\$ 24,515,260</u>
LIABILITIES	
Liabilities:	
Accounts Payable and Accrued Liabilities	\$ 2,184,762
Unearned Revenue	160,061
Deposits Held	2,842,290
Total Liabilities	<u>5,187,113</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable Revenue - Accounts Receivable	420,681
Total Deferred Inflows of Resources	<u>420,681</u>
FUND BALANCES	
Nonspendable	108,998
Restricted	92,426
Committed	1,250,000
Assigned	5,137,130
Unassigned	12,318,912
Total Fund Balances	<u>18,907,466</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 24,515,260</u>

City of Brentwood

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For Year Ended June 30, 2015

	Budget	Actual	Variance
REVENUES			
Taxes	\$ 16,639,011	\$ 17,709,971	\$ 1,070,960
Licenses	581,433	633,722	52,289
Permits and Fines	4,464,852	6,264,281	1,799,429
Uses of Money and Property	439,488	427,072	(12,416)
Intergovernmental	3,277,662	3,568,544	290,882
Franchises	1,355,214	1,400,350	45,136
Charges for Other Services	269,723	306,603	36,880
Charges to Other Funds	6,887,943	6,705,041	(182,902)
Fees and Other Revenues	2,068,414	2,065,406	(3,008)
Total Revenues	35,983,740	39,080,990	3,097,250
EXPENDITURES			
Current:			
General Government	6,336,857	5,616,074	720,783
Public Safety	19,399,296	18,088,964	1,310,332
Community Development	4,456,922	4,049,004	407,918
Engineering	3,170,798	2,741,148	429,650
Public Works	3,044,933	2,814,945	229,988
Parks and Recreation	5,328,978	5,022,452	306,526
Community Services	589,111	587,726	1,385
Total Expenditures	42,326,895	38,920,313	3,406,582
REVENUES OVER (UNDER) EXPENDITURES	(6,343,155)	160,677	6,503,832
OTHER FINANCING SOURCES (USES)			
Transfers In	7,122,500	6,616,104	(506,396)
Transfers Out	(5,029,720)	(5,008,808)	20,912
Total Other Financing Sources (Uses)	2,092,780	1,607,296	(485,484)
NET CHANGE IN FUND BALANCES	\$ (4,250,375)	1,767,973	\$ 6,018,348
Fund Balance, Beginning of Year		17,139,493	
Fund Balance, End of Year		\$ 18,907,466	

Combining Balance Sheet
All Special Revenue Funds
 June 30, 2015

	Gas Tax	SB 1186 Disability Access	Police Grants	Other Grants	Economic Development Grant	Infrastructure Improvements	Citywide Park Assessment District	Community Facilities Districts	Roadway Facility Fee
ASSETS									
Current Assets:									
Cash and Investments	\$ 113,176	\$ 10,854	\$ 137,364	\$ -	\$ 268,881	\$ 6,094	\$ 407,474	\$ 510,595	\$ 4,073,036
Receivables	7	-	21,071	11,848	6	-	20	11	5,880
Prepays	-	-	-	-	-	-	576	-	-
Land Held for Resale	-	-	-	-	-	-	-	-	-
Total Assets	\$ 113,183	\$ 10,854	\$ 158,435	\$ 11,848	\$ 268,887	\$ 6,094	\$ 408,070	\$ 510,606	\$ 4,078,916
LIABILITIES									
Liabilities:									
Accounts Payable and Accrued Liabilities	\$ -	\$ 407	\$ 13,571	\$ -	\$ 18,481	\$ 2	\$ 168,274	\$ 491	\$ 2,003
Due to Other Funds	-	-	-	4,887	-	-	-	-	-
Interfund Advance Payable	-	-	-	-	-	-	-	-	-
Total Liabilities	-	407	13,571	4,887	18,481	2	168,274	491	2,003
DEFERRED INFLOWS OF RESOURCES									
Unavailable Revenue - Accounts Receivable	-	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-	-
FUND BALANCES									
Nonspendable	-	-	-	-	-	-	576	-	-
Restricted	113,183	10,447	144,864	6,961	250,406	-	-	-	-
Committed	-	-	-	-	-	6,092	239,220	510,115	4,076,913
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balances	113,183	10,447	144,864	6,961	250,406	6,092	239,796	510,115	4,076,913
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 113,183	\$ 10,854	\$ 158,435	\$ 11,848	\$ 268,887	\$ 6,094	\$ 408,070	\$ 510,606	\$ 4,078,916

Continued

City of Brentwood

Combining Balance Sheet
All Special Revenue Funds (Continued)
 June 30, 2015

	<u>Parks and Trails Facility Fee</u>	<u>Community Facility Fee</u>	<u>Fire Facility Fee</u>	<u>Facility Fee Administration</u>	<u>Agriculture Administration</u>	<u>Agriculture Land</u>	<u>Public Art Administration</u>	<u>Public Art Acquisition</u>	<u>Parking In-Lieu</u>
ASSETS									
Current Assets:									
Cash and Investments	\$ -	\$ 2,026,300	\$ 3,809,777	\$ 599,908	\$ 498,390	\$ 742,099	\$ 343,007	\$ 1,300,842	\$ 27,683
Receivables	-	38	88	13	12	17	8	839	1
Prepays	-	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-	-
Total Assets	\$ -	\$ 2,026,338	\$ 3,809,865	\$ 599,921	\$ 498,402	\$ 742,116	\$ 343,015	\$ 1,301,681	\$ 27,684
LIABILITIES									
Liabilities:									
Accounts Payable and Accrued Liabilities	\$ 33,323	\$ 1,561	\$ 1,042	\$ 147	\$ 138	\$ 1,595	\$ 85	\$ 1,244	\$ 8
Due to Other Funds	-	-	-	-	-	-	-	-	-
Interfund Advance Payable	1,931,370	-	-	-	-	-	-	-	-
Total Liabilities	1,964,693	1,561	1,042	147	138	1,595	85	1,244	8
DEFERRED INFLOWS OF RESOURCES									
Unavailable Revenue - Accounts Receivable	-	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-	-
FUND BALANCES									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	3,808,823	599,774	498,264	740,521	342,930	1,300,437	27,676
Committed	-	2,024,777	-	-	-	-	-	-	-
Unassigned	(1,964,693)	-	-	-	-	-	-	-	-
Total Fund Balances	(1,964,693)	2,024,777	3,808,823	599,774	498,264	740,521	342,930	1,300,437	27,676
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	\$ 2,026,338	\$ 3,809,865	\$ 599,921	\$ 498,402	\$ 742,116	\$ 343,015	\$ 1,301,681	\$ 27,684

Continued

Combining Balance Sheet
All Special Revenue Funds (Continued)
 June 30, 2015

	<u>Arts Commission</u>	<u>Asset Forfeiture</u>	<u>Abandoned Vehicle Abatement</u>	<u>PEG Media</u>	<u>Parks Advertising</u>	<u>Measure C/J</u>	<u>City Low Income Housing</u>	<u>Landscape and Lighting Assessment Districts</u>	<u>Totals</u>
ASSETS									
Current Assets:									
Cash and Investments	\$ 4,844	\$ 25,978	\$ 140,015	\$ 823,791	\$ 50,000	\$ 11,417	\$ 14,185	\$ 5,365,830	\$ 21,311,540
Receivables	-	-	3	19	1	2	2	21,972	61,858
Prepays	-	-	-	-	-	-	-	-	576
Land Held for Resale	-	-	-	-	-	-	1,040,359	-	1,040,359
Total Assets	<u>\$ 4,844</u>	<u>\$ 25,978</u>	<u>\$ 140,018</u>	<u>\$ 823,810</u>	<u>\$ 50,001</u>	<u>\$ 11,419</u>	<u>\$ 1,054,546</u>	<u>\$ 5,387,802</u>	<u>\$ 22,414,333</u>
LIABILITIES									
Liabilities:									
Accounts Payable and Accrued Liabilities	\$ 1	\$ 4	\$ 35	\$ 233	\$ 16	\$ 8	\$ 18	\$ 323,684	\$ 566,371
Due to Other Funds	-	-	-	-	-	-	-	-	4,887
Interfund Advance Payable	-	-	-	-	-	-	-	-	1,931,370
Total Liabilities	<u>1</u>	<u>4</u>	<u>35</u>	<u>233</u>	<u>16</u>	<u>8</u>	<u>18</u>	<u>323,684</u>	<u>2,502,628</u>
DEFERRED INFLOWS OF RESOURCES									
Unavailable Revenue - Accounts Receivable	-	-	-	-	-	-	-	21,835	21,835
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,835</u>	<u>21,835</u>
FUND BALANCES									
Nonspendable	-	-	-	-	-	-	-	-	576
Restricted	4,843	25,974	-	823,577	-	11,411	1,054,528	5,042,283	14,806,902
Committed	-	-	139,983	-	49,985	-	-	-	7,047,085
Unassigned	-	-	-	-	-	-	-	-	(1,964,693)
Total Fund Balances	<u>4,843</u>	<u>25,974</u>	<u>139,983</u>	<u>823,577</u>	<u>49,985</u>	<u>11,411</u>	<u>1,054,528</u>	<u>5,042,283</u>	<u>19,889,870</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,844</u>	<u>\$ 25,978</u>	<u>\$ 140,018</u>	<u>\$ 823,810</u>	<u>\$ 50,001</u>	<u>\$ 11,419</u>	<u>\$ 1,054,546</u>	<u>\$ 5,387,802</u>	<u>\$ 22,414,333</u>

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Special Revenue Funds
For Year Ended June 30, 2015

	Gas Tax	SB 1186 Disability Access	Police Grants	Other Grants	Economic Development Grant	Infrastructure Improvements	Citywide Park Assessment District	Community Facilities Districts	Roadway Facility Fee
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 158,431	\$ -	\$ 1,915,100	\$ -	\$ -
Uses of Money and Property	2,155	85	1,404	-	2,353	55	4,501	3,658	31,351
Intergovernmental	1,548,866	-	128,478	11,848	-	-	-	-	-
Fees and Other Revenues	-	4,070	-	-	-	-	62,695	4,051,588	3,388,342
Total Revenues	1,551,021	4,155	129,882	11,848	160,784	55	1,982,296	4,055,246	3,419,693
EXPENDITURES									
Current:									
General Government	-	8	-	-	139,466	-	-	-	2,242,225
Public Safety	-	-	137,185	-	-	-	-	-	-
Community Development	-	-	-	-	-	6	-	-	-
Parks and Recreation	-	-	-	-	-	-	2,735,745	-	-
Community Services	-	-	-	-	-	-	-	41,594	-
Total Expenditures	-	8	137,185	-	139,466	6	2,735,745	41,594	2,242,225
REVENUES OVER (UNDER) EXPENDITURES	1,551,021	4,147	(7,303)	11,848	21,318	49	(753,449)	4,013,652	1,177,468
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	229,088	-	800,000	1,679,286	41,014
Transfers Out	(1,559,704)	-	(36,445)	-	-	-	-	(5,399,445)	(1,532,981)
Total Other Financing Sources (Uses)	(1,559,704)	-	(36,445)	-	229,088	-	800,000	(3,720,159)	(1,491,967)
Net Change in Fund Balances	(8,683)	4,147	(43,748)	11,848	250,406	49	46,551	293,493	(314,499)
Fund Balance, Beginning of Year	121,866	6,300	188,612	(4,887)	-	6,043	193,245	216,622	4,391,412
Fund Balance, End of Year	\$ 113,183	\$ 10,447	\$ 144,864	\$ 6,961	\$ 250,406	\$ 6,092	\$ 239,796	\$ 510,115	\$ 4,076,913

Continued

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Special Revenue Funds (Continued)
 For Year Ended June 30, 2015

	Parks and Trails Facility Fee	Community Facility Fee	Fire Facility Fee	Facility Fee Administration	Agriculture Administration	Agriculture Land	Public Art Administration	Public Art Acquisition	Parking In-Lieu
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	-	15,432	33,290	4,726	4,453	6,124	2,692	10,432	252
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	2,290,309	1,203,898	359,276	397,537	36,035	144,141	91,464	274,318	-
Total Revenues	2,290,309	1,219,330	392,566	402,263	40,488	150,265	94,156	284,750	252
EXPENDITURES									
Current:									
General Government	-	202,139	4,186	250,957	40,928	36,782	591	10,991	29
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	2,080,986	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Total Expenditures	2,080,986	202,139	4,186	250,957	40,928	36,782	591	10,991	29
REVENUES OVER (UNDER) EXPENDITURES	209,323	1,017,191	388,380	151,306	(440)	113,483	93,565	273,759	223
OTHER FINANCING SOURCES (USES)									
Transfers In	3,882	6,582	4,251	-	-	-	-	9,460	-
Transfers Out	-	(500,000)	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	3,882	(493,418)	4,251	-	-	-	-	9,460	-
Net Change in Fund Balances	213,205	523,773	392,631	151,306	(440)	113,483	93,565	283,219	223
Fund Balance, Beginning of Year	(2,177,898)	1,501,004	3,416,192	448,468	498,704	627,038	249,365	1,017,218	27,453
Fund Balance, End of Year	\$ (1,964,693)	\$ 2,024,777	\$ 3,808,823	\$ 599,774	\$ 498,264	\$ 740,521	\$ 342,930	\$ 1,300,437	\$ 27,676

Continued

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Special Revenue Funds (Continued)
 For Year Ended June 30, 2015

	Arts Commission	Asset Forfeiture	Abandoned Vehicle Abatement	PEG Media	Parks Advertising	Measure C/J	City Low Income Housing	Landscape and Lighting Assessment Districts	Totals
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,073,531
Uses of Money and Property	45	196	1,124	7,483	531	1,786	585	42,839	177,552
Intergovernmental	-	-	-	-	-	768,457	-	-	2,457,649
Fees and Other Revenues	-	19,065	105,544	-	2,600	-	-	6,500,077	18,930,959
Total Revenues	45	19,261	106,668	7,483	3,131	770,243	585	6,542,916	23,639,691
EXPENDITURES									
Current:									
General Government	290	14,964	-	855	-	3,845	50,434	-	2,998,690
Public Safety	-	-	126	-	-	-	-	-	137,311
Community Development	-	-	-	-	-	-	-	-	6
Parks and Recreation	-	-	-	-	19,044	-	-	-	4,835,775
Community Services	-	-	-	-	-	-	-	5,563,151	5,604,745
Total Expenditures	290	14,964	126	855	19,044	3,845	50,434	5,563,151	13,576,527
REVENUES OVER (UNDER) EXPENDITURES	(245)	4,297	106,542	6,628	(15,913)	766,398	(49,849)	979,765	10,063,164
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	439,841	-	-	3,213,404
Transfers Out	-	(16,056)	(94,920)	-	-	(1,226,632)	-	-	(10,366,183)
Total Other Financing Sources (Uses)	-	(16,056)	(94,920)	-	-	(786,791)	-	-	(7,152,779)
Net Change in Fund Balances	(245)	(11,759)	11,622	6,628	(15,913)	(20,393)	(49,849)	979,765	2,910,385
Fund Balance, Beginning of Year	5,088	37,733	128,361	816,949	65,898	31,804	1,104,377	4,062,518	16,979,485
Fund Balance, End of Year	\$ 4,843	\$ 25,974	\$ 139,983	\$ 823,577	\$ 49,985	\$ 11,411	\$ 1,054,528	\$ 5,042,283	\$ 19,889,870

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds
For Year Ended June 30, 2015**

	Gas Tax			SB 1186 Disability Access			Police Grants		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	882	2,155	1,273	22	85	63	1,055	1,404	349
Intergovernmental	1,449,604	1,548,866	99,262	-	-	-	122,104	128,478	6,374
Fees and Other Revenues	-	-	-	3,500	4,070	570	-	-	-
Total Revenues	<u>1,450,486</u>	<u>1,551,021</u>	<u>100,535</u>	<u>3,522</u>	<u>4,155</u>	<u>633</u>	<u>123,159</u>	<u>129,882</u>	<u>6,723</u>
EXPENDITURES									
Current:									
General Government	-	-	-	3,550	8	3,542	-	-	-
Public Safety	-	-	-	-	-	-	145,958	137,185	8,773
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,550</u>	<u>8</u>	<u>3,542</u>	<u>145,958</u>	<u>137,185</u>	<u>8,773</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,450,486</u>	<u>1,551,021</u>	<u>100,535</u>	<u>(28)</u>	<u>4,147</u>	<u>4,175</u>	<u>(22,799)</u>	<u>(7,303)</u>	<u>15,496</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	(1,611,502)	(1,559,704)	51,798	-	-	-	(36,446)	(36,445)	1
Total Other Financing Sources (Uses)	<u>(1,611,502)</u>	<u>(1,559,704)</u>	<u>51,798</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(36,446)</u>	<u>(36,445)</u>	<u>1</u>
Net Change in Fund Balances	<u>\$ (161,016)</u>	<u>(8,683)</u>	<u>\$ 152,333</u>	<u>\$ (28)</u>	<u>4,147</u>	<u>\$ 4,175</u>	<u>\$ (59,245)</u>	<u>(43,748)</u>	<u>\$ 15,497</u>
Fund Balance, Beginning of Year		<u>121,866</u>			<u>6,300</u>			<u>188,612</u>	
Fund Balance, End of Year		<u>\$ 113,183</u>			<u>\$ 10,447</u>			<u>\$ 144,864</u>	

Continued

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds (Continued)
For Year Ended June 30, 2015**

	Other Grants			Economic Development Grant			Infrastructure Improvements		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ 250,000	\$ 158,431	\$ (91,569)	\$ -	\$ -	\$ -
Uses of Money and Property	100	-	(100)	300	2,353	2,053	36	55	19
Intergovernmental	290,000	11,848	(278,152)	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	-	-	-	-	-	-
Total Revenues	<u>290,100</u>	<u>11,848</u>	<u>(278,252)</u>	<u>250,300</u>	<u>160,784</u>	<u>(89,516)</u>	<u>36</u>	<u>55</u>	<u>19</u>
EXPENDITURES									
Current:									
General Government	-	-	-	250,300	139,466	110,834	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	50	6	44
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,300</u>	<u>139,466</u>	<u>110,834</u>	<u>50</u>	<u>6</u>	<u>44</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>290,100</u>	<u>11,848</u>	<u>(278,252)</u>	<u>-</u>	<u>21,318</u>	<u>21,318</u>	<u>(14)</u>	<u>49</u>	<u>63</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	250,000	229,088	(20,912)	-	-	-
Transfers Out	(290,000)	-	290,000	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(290,000)</u>	<u>-</u>	<u>290,000</u>	<u>250,000</u>	<u>229,088</u>	<u>(20,912)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 100</u>	<u>11,848</u>	<u>\$ 11,748</u>	<u>\$ 250,000</u>	<u>250,406</u>	<u>\$ 406</u>	<u>\$ (14)</u>	<u>49</u>	<u>\$ 63</u>
Fund Balance, Beginning of Year		(4,887)			-			6,043	
Fund Balance, End of Year		<u>\$ 6,961</u>			<u>\$ 250,406</u>			<u>\$ 6,092</u>	

Continued

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds (Continued)
For Year Ended June 30, 2015**

	Citywide Park Assessment District			Community Facilities Districts			Roadway Facility Fee		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ 1,895,956	\$ 1,915,100	\$ 19,144	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	237	4,501	4,264	460	3,658	3,198	22,384	31,351	8,967
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	45,075	62,695	17,620	3,942,740	4,051,588	108,848	2,510,761	3,388,342	877,581
Total Revenues	<u>1,941,268</u>	<u>1,982,296</u>	<u>41,028</u>	<u>3,943,200</u>	<u>4,055,246</u>	<u>112,046</u>	<u>2,533,145</u>	<u>3,419,693</u>	<u>886,548</u>
EXPENDITURES									
Current:									
General Government	-	-	-	-	-	-	2,256,664	2,242,225	14,439
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	2,812,898	2,735,745	77,153	-	-	-	-	-	-
Community Services	-	-	-	43,000	41,594	1,406	-	-	-
Total Expenditures	<u>2,812,898</u>	<u>2,735,745</u>	<u>77,153</u>	<u>43,000</u>	<u>41,594</u>	<u>1,406</u>	<u>2,256,664</u>	<u>2,242,225</u>	<u>14,439</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(871,630)</u>	<u>(753,449)</u>	<u>118,181</u>	<u>3,900,200</u>	<u>4,013,652</u>	<u>113,452</u>	<u>276,481</u>	<u>1,177,468</u>	<u>900,987</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	800,000	800,000	-	1,680,535	1,679,286	(1,249)	10,678	41,014	30,336
Transfers Out	-	-	-	(5,402,261)	(5,399,445)	2,816	(1,805,436)	(1,532,981)	272,455
Total Other Financing Sources (Uses)	<u>800,000</u>	<u>800,000</u>	<u>-</u>	<u>(3,721,726)</u>	<u>(3,720,159)</u>	<u>1,567</u>	<u>(1,794,758)</u>	<u>(1,491,967)</u>	<u>302,791</u>
Net Change in Fund Balances	<u>\$ (71,630)</u>	<u>46,551</u>	<u>\$ 118,181</u>	<u>\$ 178,474</u>	<u>293,493</u>	<u>\$ 115,019</u>	<u>\$ (1,518,277)</u>	<u>(314,499)</u>	<u>\$ 1,203,778</u>
Fund Balance, Beginning of Year		<u>193,245</u>			<u>216,622</u>			<u>4,391,412</u>	
Fund Balance, End of Year		<u>\$ 239,796</u>			<u>\$ 510,115</u>			<u>\$ 4,076,913</u>	

Continued

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds (Continued)
For Year Ended June 30, 2015**

	Parks and Trails Facility Fee			Community Facility Fee			Fire Facility Fee		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	-	-	-	4,494	15,432	10,938	18,546	33,290	14,744
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	1,605,811	2,290,309	684,498	867,001	1,203,898	336,897	211,502	359,276	147,774
Total Revenues	<u>1,605,811</u>	<u>2,290,309</u>	<u>684,498</u>	<u>871,495</u>	<u>1,219,330</u>	<u>347,835</u>	<u>230,048</u>	<u>392,566</u>	<u>162,518</u>
EXPENDITURES									
Current:									
General Government	-	-	-	207,202	202,139	5,063	6,000	4,186	1,814
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	2,090,375	2,080,986	9,389	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>2,090,375</u>	<u>2,080,986</u>	<u>9,389</u>	<u>207,202</u>	<u>202,139</u>	<u>5,063</u>	<u>6,000</u>	<u>4,186</u>	<u>1,814</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(484,564)</u>	<u>209,323</u>	<u>693,887</u>	<u>664,293</u>	<u>1,017,191</u>	<u>352,898</u>	<u>224,048</u>	<u>388,380</u>	<u>164,332</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	71	3,882	3,811	2,465	6,582	4,117	2,880	4,251	1,371
Transfers Out	-	-	-	(1,600,000)	(500,000)	1,100,000	-	-	-
Total Other Financing Sources (Uses)	<u>71</u>	<u>3,882</u>	<u>3,811</u>	<u>(1,597,535)</u>	<u>(493,418)</u>	<u>1,104,117</u>	<u>2,880</u>	<u>4,251</u>	<u>1,371</u>
Net Change in Fund Balances	<u>\$ (484,493)</u>	<u>213,205</u>	<u>\$ 697,698</u>	<u>\$ (933,242)</u>	<u>523,773</u>	<u>\$ 1,457,015</u>	<u>\$ 226,928</u>	<u>392,631</u>	<u>\$ 165,703</u>
Fund Balance, Beginning of Year		<u>(2,177,898)</u>			<u>1,501,004</u>			<u>3,416,192</u>	
Fund Balance, End of Year		<u>\$ (1,964,693)</u>			<u>\$ 2,024,777</u>			<u>\$ 3,808,823</u>	

Continued

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds (Continued)
For Year Ended June 30, 2015**

	Facility Fee Administration			Agriculture Administration			Agriculture Land		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	1,860	4,726	2,866	3,072	4,453	1,381	3,886	6,124	2,238
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	192,769	397,537	204,768	-	36,035	36,035	-	144,141	144,141
Total Revenues	<u>194,629</u>	<u>402,263</u>	<u>207,634</u>	<u>3,072</u>	<u>40,488</u>	<u>37,416</u>	<u>3,886</u>	<u>150,265</u>	<u>146,379</u>
EXPENDITURES									
Current:									
General Government	251,400	250,957	443	86,081	40,928	45,153	42,601	36,782	5,819
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>251,400</u>	<u>250,957</u>	<u>443</u>	<u>86,081</u>	<u>40,928</u>	<u>45,153</u>	<u>42,601</u>	<u>36,782</u>	<u>5,819</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(56,771)</u>	<u>151,306</u>	<u>208,077</u>	<u>(83,009)</u>	<u>(440)</u>	<u>82,569</u>	<u>(38,715)</u>	<u>113,483</u>	<u>152,198</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (56,771)</u>	<u>151,306</u>	<u>\$ 208,077</u>	<u>\$ (83,009)</u>	<u>(440)</u>	<u>\$ 82,569</u>	<u>\$ (38,715)</u>	<u>113,483</u>	<u>\$ 152,198</u>
Fund Balance, Beginning of Year		<u>448,468</u>			<u>498,704</u>			<u>627,038</u>	
Fund Balance, End of Year		<u>\$ 599,774</u>			<u>\$ 498,264</u>			<u>\$ 740,521</u>	

Continued

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds (Continued)
For Year Ended June 30, 2015**

	Public Art Administration			Public Art Acquisition			Parking In-Lieu			Arts Commission		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES												
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	1,080	2,692	1,612	4,996	10,432	5,436	164	252	88	33	45	12
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	45,375	91,464	46,089	112,750	274,318	161,568	-	-	-	-	-	-
Total Revenues	<u>46,455</u>	<u>94,156</u>	<u>47,701</u>	<u>117,746</u>	<u>284,750</u>	<u>167,004</u>	<u>164</u>	<u>252</u>	<u>88</u>	<u>33</u>	<u>45</u>	<u>12</u>
EXPENDITURES												
Current:												
General Government	1,175	591	584	21,464	10,991	10,473	100	29	71	650	290	360
Public Safety	-	-	-	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>1,175</u>	<u>591</u>	<u>584</u>	<u>21,464</u>	<u>10,991</u>	<u>10,473</u>	<u>100</u>	<u>29</u>	<u>71</u>	<u>650</u>	<u>290</u>	<u>360</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>45,280</u>	<u>93,565</u>	<u>48,285</u>	<u>96,282</u>	<u>273,759</u>	<u>177,477</u>	<u>64</u>	<u>223</u>	<u>159</u>	<u>(617)</u>	<u>(245)</u>	<u>372</u>
OTHER FINANCING SOURCES (USES)												
Transfers In	-	-	-	-	9,460	9,460	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,460</u>	<u>9,460</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 45,280</u>	<u>93,565</u>	<u>\$ 48,285</u>	<u>\$ 96,282</u>	<u>283,219</u>	<u>\$ 186,937</u>	<u>\$ 64</u>	<u>223</u>	<u>\$ 159</u>	<u>\$ (617)</u>	<u>(245)</u>	<u>\$ 372</u>
Fund Balance, Beginning of Year		<u>249,365</u>			<u>1,017,218</u>			<u>27,453</u>			<u>5,088</u>	
Fund Balance, End of Year		<u>\$ 342,930</u>			<u>\$ 1,300,437</u>			<u>\$ 27,676</u>			<u>\$ 4,843</u>	

Continued

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds (Continued)
For Year Ended June 30, 2015

	Asset Forfeiture			Abandoned Vehicle Abatement			PEG Media			Parks Advertising		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES												
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	315	196	(119)	538	1,124	586	4,861	7,483	2,622	560	531	(29)
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	26,682	19,065	(7,617)	68,000	105,544	37,544	-	-	-	19,000	2,600	(16,400)
Total Revenues	<u>26,997</u>	<u>19,261</u>	<u>(7,736)</u>	<u>68,538</u>	<u>106,668</u>	<u>38,130</u>	<u>4,861</u>	<u>7,483</u>	<u>2,622</u>	<u>19,560</u>	<u>3,131</u>	<u>(16,429)</u>
EXPENDITURES												
Current:												
General Government	19,043	14,964	4,079	-	-	-	26,000	855	25,145	-	-	-
Public Safety	-	-	-	200	126	74	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-	19,050	19,044	6
Community Services	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>19,043</u>	<u>14,964</u>	<u>4,079</u>	<u>200</u>	<u>126</u>	<u>74</u>	<u>26,000</u>	<u>855</u>	<u>25,145</u>	<u>19,050</u>	<u>19,044</u>	<u>6</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>7,954</u>	<u>4,297</u>	<u>(3,657)</u>	<u>68,338</u>	<u>106,542</u>	<u>38,204</u>	<u>(21,139)</u>	<u>6,628</u>	<u>27,767</u>	<u>510</u>	<u>(15,913)</u>	<u>(16,435)</u>
OTHER FINANCING SOURCES (USES)												
Transfers In	-	-	-	-	-	-	-	-	-	-	-	-
Transfers Out	(16,057)	(16,056)	1	(94,920)	(94,920)	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(16,057)</u>	<u>(16,056)</u>	<u>1</u>	<u>(94,920)</u>	<u>(94,920)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (8,103)</u>	<u>(11,759)</u>	<u>\$ (3,656)</u>	<u>\$ (26,582)</u>	<u>11,622</u>	<u>\$ 38,204</u>	<u>\$ (21,139)</u>	<u>6,628</u>	<u>\$ 27,767</u>	<u>\$ 510</u>	<u>(15,913)</u>	<u>\$ (16,435)</u>
Fund Balance, Beginning of Year		<u>37,733</u>			<u>128,361</u>			<u>816,949</u>			<u>65,898</u>	
Fund Balance, End of Year		<u>\$ 25,974</u>			<u>\$ 139,983</u>			<u>\$ 823,577</u>			<u>\$ 49,985</u>	

Continued

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds (Continued)
For Year Ended June 30, 2015**

	Measure C/J			City Low Income Housing			Landscape and Lighting Assessment Districts			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES												
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,145,956	\$ 2,073,531	\$ (72,425)
Uses of Money and Property	1,543	1,786	243	512	585	73	18,172	42,839	24,667	90,108	177,552	87,444
Intergovernmental	787,500	768,457	(19,043)	-	-	-	-	-	-	2,649,208	2,457,649	(191,559)
Fees and Other Revenues	-	-	-	-	-	-	6,440,721	6,500,077	59,356	16,091,687	18,930,959	2,839,272
Total Revenues	<u>789,043</u>	<u>770,243</u>	<u>(18,800)</u>	<u>512</u>	<u>585</u>	<u>73</u>	<u>6,448,893</u>	<u>6,542,916</u>	<u>84,023</u>	<u>20,976,959</u>	<u>23,639,691</u>	<u>2,662,732</u>
EXPENDITURES												
Current:												
General Government	4,800	3,845	955	51,100	50,434	666	-	-	-	3,228,130	2,998,690	229,440
Public Safety	-	-	-	-	-	-	-	-	-	146,158	137,311	8,847
Community Development	-	-	-	-	-	-	-	-	-	50	6	44
Parks and Recreation	-	-	-	-	-	-	-	-	-	4,922,323	4,835,775	86,548
Community Services	-	-	-	-	-	-	6,945,234	5,563,151	1,382,083	6,988,234	5,604,745	1,383,489
Total Expenditures	<u>4,800</u>	<u>3,845</u>	<u>955</u>	<u>51,100</u>	<u>50,434</u>	<u>666</u>	<u>6,945,234</u>	<u>5,563,151</u>	<u>1,382,083</u>	<u>15,284,895</u>	<u>13,576,527</u>	<u>1,708,368</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>784,243</u>	<u>766,398</u>	<u>(17,845)</u>	<u>(50,588)</u>	<u>(49,849)</u>	<u>739</u>	<u>(486,341)</u>	<u>979,765</u>	<u>1,466,106</u>	<u>5,692,064</u>	<u>10,063,164</u>	<u>4,371,100</u>
OTHER FINANCING SOURCES (USES)												
Transfers In	285,314	439,841	154,527	-	-	-	-	-	-	3,031,943	3,213,404	181,461
Transfers Out	(1,226,632)	(1,226,632)	-	-	-	-	-	-	-	(12,083,254)	(10,366,183)	1,717,071
Total Other Financing Sources (Uses)	<u>(941,318)</u>	<u>(786,791)</u>	<u>154,527</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,051,311)</u>	<u>(7,152,779)</u>	<u>1,898,532</u>
Net Change in Fund Balances	<u>\$ (157,075)</u>	<u>(20,393)</u>	<u>\$ 136,682</u>	<u>\$ (50,588)</u>	<u>(49,849)</u>	<u>\$ 739</u>	<u>\$ (486,341)</u>	<u>979,765</u>	<u>\$ 1,466,106</u>	<u>\$ (3,359,247)</u>	<u>2,910,385</u>	<u>\$ 6,269,632</u>
Fund Balance, Beginning of Year		<u>31,804</u>			<u>1,104,377</u>			<u>4,062,518</u>			<u>16,979,485</u>	
Fund Balance, End of Year		<u>\$ 11,411</u>			<u>\$ 1,054,528</u>			<u>\$ 5,042,283</u>			<u>\$ 19,889,870</u>	

Combining Balance Sheet

All Debt Service Funds

June 30, 2015

	Capital Improvement Revenue Refunding Bonds Series 2012	General Obligation Bonds Series 2002	2009 Civic Center Project Lease Revenue Bonds	Totals
ASSETS				
Current Assets:				
Cash and Investments	\$ 62,833	\$ 64,823	\$ -	\$ 127,656
Restricted Cash and Investments	1,454,554	-	3,275,768	4,730,322
Receivables	15,505,000	7	12,122,368	27,627,375
Total Assets	\$ 17,022,387	\$ 64,830	\$ 15,398,136	\$ 32,485,353
LIABILITIES				
Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 4	\$ 79	\$ -	\$ 83
Total Liabilities	4	79	-	83
FUND BALANCES				
Restricted	17,022,383	64,751	15,398,136	32,485,270
Total Fund Balances	17,022,383	64,751	15,398,136	32,485,270
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 17,022,387	\$ 64,830	\$ 15,398,136	\$ 32,485,353

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Debt Service Funds
For Year Ended June 30, 2015

	Capital Improvement Revenue Refunding Bonds Series 2012	General Obligation Bonds Series 2002	2009 Civic Center Project Lease Revenue Bonds	Totals
REVENUES				
Taxes	\$ -	\$ 430,437	\$ -	\$ 430,437
Uses of Money and Property	76,396	2,128	15,570	94,094
Intergovernmental	703,909	-	1,859,034	2,562,943
Total Revenues	780,305	432,565	1,874,604	3,087,474
EXPENDITURES				
Current:				
Community Development	7,732	5,615	21,365	34,712
Debt Service:				
Principal	885,000	360,000	665,000	1,910,000
Interest and Fiscal Charges	1,041,863	63,262	3,323,304	4,428,429
Total Expenditures	1,934,595	428,877	4,009,669	6,373,141
REVENUES OVER (UNDER) EXPENDITURES	(1,154,290)	3,688	(2,135,065)	(3,285,667)
OTHER FINANCING SOURCES (USES)				
Transfers In	679,826	-	2,865,323	3,545,149
Transfers Out	(161,781)	-	(1,046,982)	(1,208,763)
Total Other Financing Sources (Uses)	518,045	-	1,818,341	2,336,386
Net Change in Fund Balances	(636,245)	3,688	(316,724)	(949,281)
Fund Balance, Beginning of Year Restated	17,658,628	61,063	15,714,860	33,434,551
Fund Balance, End of Year	\$ 17,022,383	\$ 64,751	\$ 15,398,136	\$ 32,485,270

Combining Balance Sheet
All Capital Project Funds
 June 30, 2015

	Roadway Improvements	Community Facilities Improvements	Parks and Trails Improvements	Civic Center Project Lease Revenue Bond Acquisition	Capital Improvement Financing Program 2006-1	Capital Improvement Financing Program 2005-1	Civic Center Capital Improvement Financing Program
ASSETS							
Current Assets:							
Cash and Investments	\$ 3,409,287	\$ 1,689,999	\$ 264,900	\$ -	\$ -	\$ -	\$ 1,226,204
Restricted Cash and Investments	-	-	-	7,768,655	2,581,605	4,491,312	-
Receivables	19,539	86	331,860	2	-	-	31
Due from Other Funds	-	4,887	-	-	-	-	-
Interfund Advance Receivable	-	1,931,370	-	-	-	-	-
Total Assets	\$ 3,428,826	\$ 3,626,342	\$ 596,760	\$ 7,768,657	\$ 2,581,605	\$ 4,491,312	\$ 1,226,235
LIABILITIES							
Liabilities:							
Accounts Payable and Accrued Liabilities	\$ 556,518	\$ 107,034	\$ 268,925	\$ 1,429	\$ -	\$ -	\$ 350
Due to Other Funds	-	-	784,825	-	-	-	-
Total Liabilities	556,518	107,034	1,053,750	1,429	-	-	350
FUND BALANCES							
Restricted	2,872,308	3,519,308	-	7,767,228	2,581,605	4,491,312	1,225,885
Unassigned	-	-	(456,990)	-	-	-	-
Total Fund Balances	2,872,308	3,519,308	(456,990)	7,767,228	2,581,605	4,491,312	1,225,885
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 3,428,826	\$ 3,626,342	\$ 596,760	\$ 7,768,657	\$ 2,581,605	\$ 4,491,312	\$ 1,226,235

Continued

Combining Balance Sheet
All Capital Project Funds (Continued)
 June 30, 2015

	City Capital Improvement Financing Program	Drainage Improvements	Capital Infrastructure	Vineyards Projects	Vineyards Event Center Projects	Totals
ASSETS						
Current Assets:						
Cash and Investments	\$ -	\$ 1	\$ 5,567,243	\$ 2,311,806	\$ 1,857,435	\$ 16,326,875
Restricted Cash and Investments	-	-	-	-	-	14,841,572
Receivables	-	-	140	53	44	351,755
Due from Other Funds	-	-	-	-	-	4,887
Interfund Advance Receivable	-	-	-	-	-	1,931,370
Total Assets	\$ -	\$ 1	\$ 5,567,383	\$ 2,311,859	\$ 1,857,479	\$ 33,456,459
LIABILITIES						
Liabilities:						
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ 3,880	\$ 625	\$ 536	\$ 939,297
Due to Other Funds	-	-	-	-	-	784,825
Total Liabilities	-	-	3,880	625	536	1,724,122
FUND BALANCES						
Restricted	-	1	5,563,503	2,311,234	1,856,943	32,189,327
Unassigned	-	-	-	-	-	(456,990)
Total Fund Balances	-	1	5,563,503	2,311,234	1,856,943	31,732,337
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	\$ 1	\$ 5,567,383	\$ 2,311,859	\$ 1,857,479	\$ 33,456,459

City of Brentwood

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Capital Project Funds
For Year Ended June 30, 2015

	Roadway Improvements	Community Facilities Improvements	Parks and Trails Improvements	Civic Center Project Lease Revenue Bond Acquisition	Capital Improvement Financing Program 2006-1	Capital Improvement Financing Program 2005-1	Civic Center Capital Improvement Financing Program
REVENUES							
Uses of Money and Property	\$ 32,427	\$ 33,807	\$ 3,795	\$ 37,395	\$ 557	\$ 970	\$ 12,637
Intergovernmental	19,085	-	331,850	-	-	-	-
Fees and Other Revenues	922,155	-	-	-	-	-	1,337,766
Total Revenues	973,667	33,807	335,645	37,395	557	970	1,350,403
EXPENDITURES							
Current:							
General Government	990,610	374,730	132,484	7,290	-	-	1,482
Capital Outlay	1,348,324	377,356	627,951	-	-	-	-
Total Expenditures	2,338,934	752,086	760,435	7,290	-	-	1,482
REVENUES OVER (UNDER) EXPENDITURES	(1,365,267)	(718,279)	(424,790)	30,105	557	970	1,348,921
OTHER FINANCING SOURCES (USES)							
Transfers In	1,962,517	825,987	591,098	1,696	-	-	303,442
Transfers Out	(777,173)	(49,697)	(13,255)	-	-	-	(1,816,753)
Total Other Financing Sources (Uses)	1,185,344	776,290	577,843	1,696	-	-	(1,513,311)
Net Change in Fund Balances	(179,923)	58,011	153,053	31,801	557	970	(164,390)
Fund Balance, Beginning of Year	3,052,231	3,461,297	(610,043)	7,735,427	2,581,048	4,490,342	1,390,275
Fund Balance, End of Year	\$ 2,872,308	\$ 3,519,308	\$ (456,990)	\$ 7,767,228	\$ 2,581,605	\$ 4,491,312	\$ 1,225,885

Continued

City of Brentwood

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Capital Project Funds (Continued)
 For Year Ended June 30, 2015

	City Capital Improvement Financing Program	Drainage Improvements	Capital Infrastructure	Vineyards Projects	Vineyards Event Center Projects	Totals
REVENUES						
Uses of Money and Property	\$ -	\$ 1	\$ 55,000	\$ 20,016	\$ 16,755	\$ 213,360
Intergovernmental	-	-	-	-	-	350,935
Fees and Other Revenues	180,000	-	-	238,256	1,891,390	4,569,567
Total Revenues	180,000	1	55,000	258,272	1,908,145	5,133,862
EXPENDITURES						
Current:						
General Government	-	-	621,987	2,214	1,363	2,132,160
Capital Outlay	-	-	-	-	-	2,353,631
Total Expenditures	-	-	621,987	2,214	1,363	4,485,791
REVENUES OVER (UNDER) EXPENDITURES	180,000	1	(566,987)	256,058	1,906,782	648,071
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	3,043	-	161	3,687,944
Transfers Out	(180,000)	(1)	(150,000)	-	(50,000)	(3,036,879)
Total Other Financing Sources (Uses)	(180,000)	(1)	(146,957)	-	(49,839)	651,065
Net Change in Fund Balances	-	-	(713,944)	256,058	1,856,943	1,299,136
Fund Balance, Beginning of Year	-	1	6,277,447	2,055,176	-	30,433,201
Fund Balance, End of Year	\$ -	\$ 1	\$ 5,563,503	\$ 2,311,234	\$ 1,856,943	\$ 31,732,337

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Certain Capital Project Funds
For Year Ended June 30, 2015**

	Civic Center Project Lease Revenue Bond Acquisition			Civic Center Capital Improvement Financing Program			City Capital Improvement Financing Program			Capital Infrastructure		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES												
Uses of Money and Property	\$ 34,014	\$ 37,395	\$ 3,381	\$ 12,393	\$ 12,637	\$ 244	\$ -	\$ -	\$ -	\$ 36,832	\$ 55,000	\$ 18,168
Fees and Other Revenues	-	-	-	1,337,769	1,337,766	(3)	-	180,000	180,000	-	-	-
Total Revenues	<u>34,014</u>	<u>37,395</u>	<u>3,381</u>	<u>1,350,162</u>	<u>1,350,403</u>	<u>241</u>	<u>-</u>	<u>180,000</u>	<u>180,000</u>	<u>36,832</u>	<u>55,000</u>	<u>18,168</u>
EXPENDITURES												
Current:												
General Government	7,500	7,290	210	5,000	1,482	3,518	-	-	-	671,081	621,987	49,094
Total Expenditures	<u>7,500</u>	<u>7,290</u>	<u>210</u>	<u>5,000</u>	<u>1,482</u>	<u>3,518</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>671,081</u>	<u>621,987</u>	<u>49,094</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>26,514</u>	<u>30,105</u>	<u>3,591</u>	<u>1,345,162</u>	<u>1,348,921</u>	<u>3,759</u>	<u>-</u>	<u>180,000</u>	<u>180,000</u>	<u>(634,249)</u>	<u>(566,987)</u>	<u>67,262</u>
OTHER FINANCING SOURCES (USES)												
Transfers In	12,508	1,696	(10,812)	1,402,340	303,442	(1,098,898)	-	-	-	101	3,043	2,942
Transfers Out	(371,598)	-	371,598	(1,891,207)	(1,816,753)	74,454	(180,000)	(180,000)	-	(1,600,000)	(150,000)	1,450,000
Total Other Financing Sources (Uses)	<u>(359,090)</u>	<u>1,696</u>	<u>360,786</u>	<u>(488,867)</u>	<u>(1,513,311)</u>	<u>(1,024,444)</u>	<u>(180,000)</u>	<u>(180,000)</u>	<u>-</u>	<u>(1,599,899)</u>	<u>(146,957)</u>	<u>1,452,942</u>
Net Change in Fund Balances	<u>\$ (332,576)</u>	<u>\$ 31,801</u>	<u>\$ 364,377</u>	<u>\$ 856,295</u>	<u>(164,390)</u>	<u>\$ (1,020,685)</u>	<u>\$ (180,000)</u>	<u>-</u>	<u>\$ 180,000</u>	<u>\$ (2,234,148)</u>	<u>(713,944)</u>	<u>\$ 1,520,204</u>
Fund Balance, Beginning of Year		<u>7,735,427</u>			<u>1,390,275</u>						<u>6,277,447</u>	
Fund Balance, End of Year		<u>\$ 7,767,228</u>			<u>\$ 1,225,885</u>			<u>\$ -</u>			<u>\$ 5,563,503</u>	

Continued

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Certain Capital Project Funds (Continued)
For Year Ended June 30, 2015**

	Vineyards Projects			Vineyards Event Center Projects			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Uses of Money and Property	\$ 11,501	\$ 20,016	\$ 8,515	\$ -	\$ 16,755	\$ 16,755	\$ 94,740	\$ 125,048	\$ 30,308
Fees and Other Revenues	55,480	238,256	182,776	-	1,891,390	1,891,390	1,393,249	1,576,022	182,773
Total Revenues	<u>66,981</u>	<u>258,272</u>	<u>191,291</u>	<u>-</u>	<u>1,908,145</u>	<u>1,908,145</u>	<u>1,487,989</u>	<u>1,701,070</u>	<u>213,081</u>
EXPENDITURES									
Current:									
General Government	2,500	2,214	286	1,364	1,363	1	686,081	632,973	53,108
Total Expenditures	<u>2,500</u>	<u>2,214</u>	<u>286</u>	<u>1,364</u>	<u>1,363</u>	<u>1</u>	<u>686,081</u>	<u>632,973</u>	<u>53,108</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>64,481</u>	<u>256,058</u>	<u>191,577</u>	<u>(1,364)</u>	<u>1,906,782</u>	<u>1,908,146</u>	<u>801,908</u>	<u>1,068,097</u>	<u>266,189</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	161	161	1,414,949	308,181	(1,106,768)
Transfers Out	-	-	-	(50,000)	(50,000)	-	(3,862,805)	(1,966,753)	1,896,052
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(50,000)</u>	<u>(49,839)</u>	<u>161</u>	<u>(2,447,856)</u>	<u>(1,658,572)</u>	<u>789,284</u>
Net Change in Fund Balances	<u>\$ 64,481</u>	<u>256,058</u>	<u>\$ 191,577</u>	<u>\$ (51,364)</u>	<u>1,856,943</u>	<u>\$ 1,908,307</u>	<u>\$ (1,645,948)</u>	<u>(590,475)</u>	<u>\$ 1,055,473</u>
Fund Balance, Beginning of Year		2,055,176			-			17,458,325	
Fund Balance, End of Year		<u>\$ 2,311,234</u>			<u>\$ 1,856,943</u>			<u>\$ 16,867,850</u>	

STATISTICAL SECTION CONTENTS

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

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

City of Brentwood

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015 ⁽¹⁾
Governmental Activities										
Net Investment in Capital Assets	\$ 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	\$ 433,381,298
Restricted	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	71,876,509
Unrestricted	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	22,429,161
Total Governmental Activities Net Position	\$ 430,176,478	\$ 478,221,603	\$ 507,912,494	\$ 529,253,556	\$ 520,567,487	\$ 513,645,220	\$ 531,497,950	\$ 549,927,985	\$ 557,334,324	\$ 527,686,968
Business-Type Activities										
Net Investment in Capital Assets	\$ 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	\$ 179,269,329
Restricted	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	25,172,201
Unrestricted	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	36,251,098
Total Business-Type Activities Net Position	\$ 149,112,791	\$ 178,040,989	\$ 199,596,036	\$ 217,281,433	\$ 222,007,653	\$ 228,938,239	\$ 228,105,082	\$ 237,521,682	\$ 244,281,957	\$ 240,692,628
Primary Government										
Net Investment in Capital Assets	\$ 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	\$ 612,650,627
Restricted	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	97,048,710
Unrestricted	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	58,680,259
Total Primary Government Net Position	\$ 579,289,269	\$ 656,262,592	\$ 707,508,530	\$ 746,534,989	\$ 742,575,140	\$ 742,583,459	\$ 759,603,032	\$ 787,449,667	\$ 801,616,281	\$ 768,379,596

(1) The City of Brentwood implemented the provisions of GASB Statement No. 68 for fiscal year ended June 30, 2015. Historical data has not been converted.

City of Brentwood

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities:										
Expenses										
General Government	\$ 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	\$ 13,394,675
Public Safety	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	18,273,959
Community Development	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	3,815,207
Engineering	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	2,664,921
Public Works	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	6,953,406
Parks and Recreation	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	11,667,358
Community Services	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	6,180,114
Other	2,918,908	-	-	-	-	-	-	-	-	-
Interest on Long-Term Debt	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	4,658,130
Total Expenses	52,430,992	65,247,235	68,380,749	58,296,953	68,086,100	72,182,573	65,778,276	66,492,528	65,803,060	67,607,770
Program Revenues										
Charges for Services:										
General Government	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	8,365,696
Public Safety	463,693	563,191	611,166	512,853	555,434	498,354	512,727	485,363	511,100	432,433
Community Development	5,992,652	3,371,910	2,021,118	870,595	1,204,973	1,112,381	1,273,788	2,436,201	3,392,009	3,481,731
Engineering	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	2,226,848
Public Works	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	1,338,312
Operating Grants and Contributions	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	16,226,090
Capital Grants and Contributions	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	15,319,706
Total Program Revenues	16,603,235	71,198,282	56,401,678	40,279,676	28,640,686	37,034,212	29,575,708	52,386,247	48,364,073	47,390,816
Total Governmental Activities Net Expense	(35,827,757)	5,951,047	(11,979,071)	(18,017,277)	(39,445,414)	(35,148,361)	(36,202,568)	(14,106,281)	(17,438,987)	(20,216,954)
General Revenues and Other Changes in Net Position										
Taxes:										
Property Taxes	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	12,454,027
Sales Tax	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	6,836,918
Franchise Fees	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	1,400,350
Public Service Taxes	1,000,573	527,766	342,627	298,911	283,407	251,092	257,426	396,148	389,109	452,426
Measure C/J, TOT	532,035	598,358	635,411	674,000	676,635	775,964	885,565	960,804	1,036,221	349,683
Motor Vehicle Taxes	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	3,256,924
Other Taxes	188,636	260,577	-	-	-	-	-	-	-	-
Investment Earnings	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	1,095,957
Contributions - Impact Fees and Credits	31,600,393	-	-	-	-	-	-	-	-	-
Capital Contributions	33,424,231	-	-	-	-	-	-	-	-	-
Intergovernmental	1,151,837	42,737	-	-	-	-	-	-	-	-
Interfund Services	4,627,478	48,484	-	-	-	-	-	-	-	-
Miscellaneous	3,328,605	2,726,006	1,421,715	906,456	848,732	317,681	1,338,025	1,149,975	1,123,910	871,959
Transfers	57,512,251	2,111,311	144,482	1,645,610	84,116	(426,118)	99,753	(74,087)	52,112	702,328
Special Items	-	-	-	-	-	-	-	-	-	-
Assets Transferred To/Liabilities Assumed by Successor Agency	-	-	-	-	-	-	27,664,261	(3,989,500)	-	(12,381,097)
Total General Revenues and Other Changes in Net Position	161,828,516	44,441,302	41,669,962	39,358,339	30,759,345	28,226,094	54,055,298	19,067,995	24,845,326	15,039,475
Total Governmental Activities Change in Net Position	\$ 126,000,759	\$ 50,392,349	\$ 29,690,891	\$ 21,341,062	\$ (8,686,069)	\$ (6,922,267)	\$ 17,852,730	\$ 4,961,714	\$ 7,406,339	\$ (5,177,479)

City of Brentwood

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business-Type Activities:										
Expenses										
Wastewater	\$ 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	\$ 10,000,905
Solid Waste	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	10,373,325
Water	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	19,538,589
City Rentals	728,604	729,754	654,428	248,505	253,241	218,218	182,239	150,179	165,319	174,597
Housing	1,215,548	1,481,274	792,055	307,298	419,217	430,024	4,699,623	686,241	831,157	656,778
Total Expenses	26,031,461	25,917,010	27,106,940	30,103,776	33,973,091	33,316,739	39,700,777	36,977,275	38,372,439	40,744,194
Program Revenues										
Charges for Services:										
Wastewater	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	12,002,184
Solid Waste	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	10,132,236
Water	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	17,599,064
City Rentals	767,270	717,539	467,271	421,957	425,832	425,607	435,736	428,869	438,420	476,212
Housing	30,290	117,601	174,368	188,137	175,186	193,610	184,524	196,900	221,519	239,057
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	4,382,019
Total Program Revenues	33,355,263	54,421,129	45,142,539	46,187,866	37,151,014	38,748,417	38,031,487	46,100,378	44,419,193	44,830,772
Total Business-Type Activities Net Expense	7,323,802	28,504,119	18,035,599	16,084,090	3,177,923	5,431,678	(1,669,290)	9,123,103	6,046,754	4,086,578
General Revenues and Other Changes in Net Position										
Investment Earnings	1,199,763	2,535,390	3,663,930	3,246,917	1,632,413	1,072,790	935,886	417,783	765,633	719,108
Contributions - Impact Fees and Credits	11,381,912	-	-	-	-	-	-	-	-	-
Transfers	(57,512,251)	(2,111,311)	(144,482)	(1,645,610)	(84,116)	426,118	(99,753)	74,087	(52,112)	(702,328)
Total General Revenues and Other Changes in Net Position	(44,930,576)	424,079	3,519,448	1,601,307	1,548,297	1,498,908	836,133	491,870	713,521	16,780
Total Business-Type Activities Change in Net Position	(37,606,774)	28,928,198	21,555,047	17,685,397	4,726,220	6,930,586	(833,157)	9,614,973	6,760,275	4,103,358
Total Primary Government Change in Net Position	\$ 88,393,985	\$ 79,320,547	\$ 51,245,938	\$ 39,026,459	\$ (3,959,849)	\$ 8,319	\$ 17,019,573	\$ 14,576,687	\$ 14,166,614	\$ (1,074,121)

City of Brentwood

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 204,076	\$ 124,588	\$ 69,008	\$ 115,603	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	22,310,261	25,274,977	23,942,011	15,469,215	-	-	-	-	-	-
Nonspendable ⁽¹⁾	-	-	-	-	69,383	168,127	75,163	302,936	63,693	108,998
Restricted ⁽¹⁾	-	-	-	-	-	-	27,500	74,426	92,426	92,426
Committed ⁽¹⁾	-	-	-	-	600,000	600,000	-	-	-	1,250,000
Assigned ⁽¹⁾	-	-	-	-	2,200,000	7,667,955	7,676,327	6,522,500	5,083,574	5,137,130
Unassigned ⁽¹⁾	-	-	-	-	12,464,539	9,835,437	10,760,980	11,134,823	11,899,800	12,318,912
Total General Fund	<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>	<u>\$ 18,907,466</u>
All Other Governmental Funds										
Reserved	\$ 93,318,376	\$ 94,569,236	\$ 81,456,062	\$ 86,822,877	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, Reported In:										
Special Revenue Funds	3,657,471	(2,292,254)	6,156,567	8,180,937	-	-	-	-	-	-
Capital Project Funds	-	(35,867)	(59,329)	(3,705,510)	-	-	-	-	-	-
Nonspendable ⁽¹⁾	-	-	-	-	2,371,064	2,237	1,324	1,310	845	576
Restricted ⁽¹⁾	-	-	-	-	119,080,851	78,571,539	56,313,736	47,984,618	48,760,112	79,481,499
Committed ⁽¹⁾	-	-	-	-	4,477,489	3,027,135	4,210,317	5,342,739	6,501,740	7,047,085
Unassigned ⁽¹⁾	-	-	-	-	(2,586,983)	(2,550,292)	248,829	(2,839,605)	(2,792,828)	(2,421,683)
Total All Other Governmental Funds	<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>	<u>\$ 84,107,477</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)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
REVENUES										
Taxes	\$ 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	\$ 20,213,939
Licenses	471,668	509,618	454,678	530,025	494,958	486,963	519,368	550,111	618,161	633,722
Permits and Fines	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	6,264,281
Uses of Money and Property	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	912,078
Intergovernmental	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	8,940,071
Franchises	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	1,400,350
Charges for Other Services	1,580,198	776,584	515,471	407,429	437,338	522,681	409,699	291,411	381,111	306,603
Charges to Other Funds	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	6,705,041
Fees and Other Revenues	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	25,565,932
Total Revenues	100,821,515	74,887,580	69,006,980	59,071,394	54,717,065	55,179,536	54,420,693	63,748,374	65,117,963	70,942,017
EXPENDITURES										
Current:										
General Government	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	10,746,924
Public Safety	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	18,226,275
Community Development	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	4,083,722
Engineering	2,476,437	2,532,147	2,574,651	2,523,897	2,124,818	2,241,604	2,383,174	2,338,310	2,620,029	2,741,148
Public Works	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	2,814,945
Parks and Recreation	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	9,858,227
Community Services	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	6,192,471
Other	2,918,908	-	-	-	-	-	-	-	-	-
Capital Outlay	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	2,353,631
Debt Service:										
Principal	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	1,910,000
Interest and Fiscal Charges	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	4,428,429
Total Expenditures	59,747,942	76,456,654	75,871,104	63,620,383	67,836,467	90,818,234	74,998,771	64,408,932	60,683,821	63,355,772
REVENUES OVER (UNDER) EXPENDITURES	41,073,573	(1,569,074)	(6,864,124)	(4,548,989)	(13,119,402)	(35,638,698)	(20,578,078)	(660,558)	4,434,142	7,586,245
OTHER FINANCING SOURCES (USES)										
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	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	17,062,601
Transfers Out	(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)	(19,620,633)
Total Other Financing Sources (Uses)	6,350,373	2,079,865	659,763	(132,208)	44,912,623	(5,715,507)	1,033,587	(2,473,423)	(3,348,527)	(2,558,032)
Net Change in Fund Balances before Extraordinary Items	\$ 47,423,946	\$ 510,791	\$ (6,204,361)	\$ (4,681,197)	\$ 31,793,221	\$ (41,354,205)	\$ (19,544,491)	\$ (3,133,981)	\$ 1,085,615	\$ 5,028,213
EXTRAORDINARY ITEMS										
Assets Transferred to Successor Agency	-	-	-	-	-	-	(7,438,601)	(3,989,500)	-	-
Assets Transferred from Successor Agency	-	-	-	-	-	-	5,308,182	-	-	-
Total Extraordinary Items	-	-	-	-	-	-	(2,130,419)	(3,989,500)	-	-
Net Change in Fund Balances	\$ 47,423,946	\$ 510,791	\$ (6,204,361)	\$ (4,681,197)	\$ 31,793,221	\$ (41,354,205)	\$ (21,674,910)	\$ (7,123,481)	\$ 1,085,615	\$ 5,028,213
Debt Service as a Percentage of Noncapital Expenditures	6.90%	3.81%	3.62%	4.82%	9.12%	9.41%	10.51%	10.77%	10.69%	10.39%

City of Brentwood

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

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
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%
2015	5,959,195,178	663,104,071	41,218,443	574,904,931	187,411,369	7,051,011,254	1.0059%

Source: Contra Costa County Assessor

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

City of Brentwood

**DIRECT AND OVERLAPPING PROPERTY TAXES
LAST TEN TAX YEARS**

(Unaudited)

Fiscal Year	City Direct Rates			Overlapping Rates ⁽¹⁾		
	Basic Rate	General Obligation Debt Service	Total Direct Tax Rate	Liberty Union High School District	Brentwood Union School District	Other Districts
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%
2015	1.00%	0.0059%	1.0059%	0.0273%	0.0522%	0.1033%

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 2015			Fiscal Year 2006		
	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	\$ 77,073,738	1	1.09%	\$ -	-	-
Sand Creek Crossing LLC	45,388,700	2	0.64%	52,975,601	1	0.94%
Tri Pointe Homes Inc.	43,458,286	3	0.61%	-	-	-
John Muir Mt Diablo Health	38,198,130	4	0.54%	-	-	-
DS Lone Tree Plaza LLC	37,445,843	5	0.53%	30,453,772	4	0.54%
Trilogy Vineyards LLC	25,408,388	6	0.36%	-	-	-
Brentwood Arbor Ridge LP	22,085,310	7	0.31%	-	-	-
New Urban Comm Sciortno LLC	19,775,100	8	0.28%	-	-	-
Brentwood Towncentre Apartments	19,714,097	9	0.28%	-	-	-
AFE Brentwood Park LLC	18,919,155	10	0.27%	-	-	-
Western Pacific Housing Inc.	-	-	-	38,192,918	2	0.68%
Pulte Home Corporation	-	-	-	30,827,920	3	0.55%
Brentwood Sand Creek Partners	-	-	-	27,145,642	5	0.48%
KB Home South Bay Inc.	-	-	-	26,429,152	6	0.47%
Towncentre Professional	-	-	-	23,756,212	7	0.42%
McViking LLC	-	-	-	17,559,559	8	0.31%
Winco Foods LLC	-	-	-	15,764,360	9	0.28%
American Stores Properties Inc.	-	-	-	13,890,377	10	0.25%
Total	\$ 347,466,747		4.91%	\$ 276,995,513		4.92%

Source: HdL Coren & Cone, Contra Costa County Assessor



City of Brentwood

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

Fiscal Year Ended June 30	Taxes Levied For The Fiscal Year ⁽¹⁾	Collected Within the Fiscal Year of the Levy ⁽²⁾	
		Amount	Percentage of Levy
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%
2015	12,454,027	12,454,027	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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Apparel Stores	\$ 15,101	\$ 17,378	\$ 18,290	\$ 24,627	\$ 38,865	\$ 41,433	\$ 43,872	\$ 47,782	\$ 51,009	\$ 49,524
Food Stores	35,792	38,168	38,950	41,689	44,121	42,134	42,881	44,710	46,829	47,983
Eating & Drinking Establishments	38,910	43,813	49,450	50,980	58,853	64,109	70,917	80,693	84,531	100,497
Building Materials	74,435	66,356	60,287	53,169	47,048	51,067	55,213	57,644	64,725	63,693
Auto Dealers and Supplies	57,392	62,402	57,183	33,284	39,949	43,762	41,466	39,996	43,202	54,180
Service Stations	63,121	75,209	85,806	103,954	77,494	86,144	100,906	105,065	104,865	106,658
Other Retail Stores	70,513	73,740	92,255	103,163	111,769	115,702	120,480	126,723	134,417	131,494
All Other Outlets	94,051	96,786	93,659	92,659	88,465	91,820	103,895	111,150	124,413	136,218
Total	\$ 449,315	\$ 473,852	\$ 495,880	\$ 503,525	\$ 506,564	\$ 536,171	\$ 579,630	\$ 613,763	\$ 653,991	\$ 690,247
City Direct Sales Tax Rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Source: State of California Board of Equalization and HdL Coren & Cone

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

City of Brentwood

**DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	City Direct Rate	Contra Costa County	State	Total
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% ⁽¹⁾	9.25%
2010	1.00%	1.00%	7.25% ⁽¹⁾	9.25%
2011	1.00%	1.00%	6.25% ⁽¹⁾	8.25%
2012	1.00%	1.00%	6.25%	8.25%
2013	1.00%	1.00%	6.50% ⁽²⁾	8.50%
2014	1.00%	1.00%	6.50%	8.50%
2015	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)

2015		2006	
Tax Remitter ⁽¹⁾	Business Category	Tax Remitter ⁽¹⁾	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
Big B Lumber	Lumber/Building Materials	Bill Brandt Ford	New Motor Vehicle Dealers
Bill Brandt Ford	New Motor Vehicle Dealers	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	Devi Oil	Service Stations
Chevron	Service Stations	Home Depot	Lumber/Building Materials
Circle K Gas	Service Stations	Home Goods	Home Furnishings
Dallas Shanks Chevron	Service Stations	Kohl's	Department Stores
Home Depot	Lumber/Building Materials	Les Schwab Tire Center	Automotive Supply Stores
Home Goods	Home Furnishings	Longs	Drug Stores
Kohl's	Department Stores	Michael's Arts & Crafts	Art/Gift/Novelty Stores
Los Primos Auto Plaza	Used Automotive Dealers	Precision Cabinets	Contractors
Quick Stop	Service Stations	Raley's	Grocery Stores - Liquor
Ross	Family Apparel	Ross	Family Apparel
Safeway	Grocery Stores - Liquor	Safeway	Grocery Stores - Liquor
Save Mart	Grocery Stores - Liquor	Savers Fuel Mart	Service Stations
TJ Maxx	Family Apparel	Sports Authority	Sporting Goods/Bike Stores
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
Percent of Fiscal Year Total Paid by Top 25 Accounts = 49.15%		Percent of Fiscal Year Total Paid by Top 25 Accounts = 61.41%	

Source: HdL Coren & Cone

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



City of Brentwood

WATER USE REVENUE BY CUSTOMER TYPE

LAST TEN FISCAL YEARS

(Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Type of Customer										
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	\$ 8,207,427
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	1,465,084
Industrial	86,581	104,434	308,275	594,218	474,029	502,181	496,542	588,820	544,326	566,740
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	919,019
Total	\$ 8,327,596	\$ 10,327,623	\$ 10,639,769	\$ 10,781,499	\$ 10,145,595	\$ 10,332,699	\$ 10,867,596	\$ 12,477,634	\$ 12,656,094	\$ 11,158,270

Source: City of Brentwood Administrative Services Department, Utility Billing



City of Brentwood

WATER RATES
LAST TEN FISCAL YEARS
(Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Monthly Base Rate										
5/8" or 3/4" meter	\$ 15.24	\$ 15.98	\$ 16.46	\$ 16.95	\$ 17.46	\$ 17.99	\$ 18.53	\$ 19.08	\$ 19.65	\$ 20.24
1" meter	22.96	24.07	24.69	25.43	26.19	26.98	27.79	28.62	29.48	30.36
1 1/2" meter	45.62	47.84	49.38	50.86	52.39	53.96	55.58	57.24	58.96	60.73
2" meter	76.09	79.79	82.30	84.77	87.31	89.93	92.63	95.40	98.26	101.21
3" meter	125.96	132.08	148.13	152.58	157.16	161.87	166.73	171.73	176.88	182.19
4" meter	202.94	212.80	213.97	220.39	227.00	233.81	240.83	248.05	255.49	263.16
6" meter	405.99	425.70	444.40	457.74	471.47	485.61	500.18	515.19	530.65	546.57
Consumption Charge (per 1,000 gallons = 1 unit)										
Residential Tiers										
Tier 1: Units 1-10	\$ 2.38	\$ 2.50	\$ 2.58	\$ 2.65	\$ 2.73	\$ 2.81	\$ 2.90	\$ 2.99	\$ 3.08	\$ 3.17
Tier 2: Units 11-20	2.84	2.98	3.07	3.16	3.26	3.35	3.45	3.56	3.67	3.78
Tier 3: Units 21-30	3.41	3.57	3.68	3.79	3.90	4.02	4.14	4.26	4.39	4.52
Tier 4: Units 31+	3.97	4.16	4.28	4.41	4.55	4.68	4.82	4.97	5.12	5.27
Non Residential Tiers										
Tier 1: Units 1-10	\$ 2.38	\$ 2.50	\$ 2.58	\$ 2.65	\$ 2.73	\$ 2.81	\$ 2.90	\$ 2.99	\$ 3.08	\$ 3.17
Tier 2: Units 11+	2.84	2.98	3.07	3.16	3.26	3.35	3.45	3.56	3.67	3.78
Non Potable										
Tier 1: Units 1+	N/A	N/A	\$ 0.95	\$ 0.98	\$ 1.01	\$ 1.04	\$ 1.07	\$ 1.10	\$ 1.13	\$ 1.17

Source: City of Brentwood Administrative Services Department, Utility Billing

City of Brentwood

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

Fiscal Year	Governmental Activities								Total Primary Government	Percentage of Personal Income ⁽²⁾
	General Obligation Bonds ⁽¹⁾	2001 CIP Revenue Bonds	2012 CIP Revenue Refunding Bonds	2009 Civic Center Project Lease Revenue Bonds	Notes Payable	Capital Leases (Internal Service)	Capital Leases (Governmental)			
2006	\$ 6,384,302	\$ 29,740,000	\$ -	\$ -	\$ 1,867,208	\$ -	\$ 17,754	\$ 91,171,487	6.93%	
2007	6,436,238	29,065,000	-	-	1,738,860	-	-	87,726,416	5.56%	
2008	6,479,059	28,370,000	-	-	1,626,491	-	-	84,297,192	4.74%	
2009	6,513,343	27,645,000	-	-	1,528,112	-	-	123,415,572	6.59%	
2010	6,534,783	26,890,000	-	48,266,660	75,407	-	-	167,206,172	9.06%	
2011	6,544,040	26,110,000	-	48,122,355	-	-	-	164,133,140	10.58%	
2012	6,536,845	-	25,300,013	48,118,049	-	-	-	160,878,184	10.74%	
2013	6,513,998	-	24,381,693	47,488,554	-	-	-	156,059,804	10.03%	
2014	6,471,288	-	23,454,317	46,839,438	-	-	-	150,761,015	9.05%	
2015	6,409,559	-	22,505,053	46,170,132	-	-	-	151,699,249	8.62%	

Fiscal Year	Business-Type Activities							Total Primary Government	Percentage of Personal Income ⁽²⁾
	2008 Water Revenue Bonds	2014 Water Revenue Bonds	Water Revenue Bonds	Wastewater Revenue Bonds	Capital Leases	State Water Resources Loan (Wastewater)	Notes Payable		
2006	\$ -	\$ -	\$ 8,145,920	\$ 2,094,080	\$ 190,955	\$ 32,931,790	\$ 9,799,478	\$ 91,171,487	6.93%
2007	-	-	7,911,248	2,033,752	-	31,458,362	9,082,956	87,726,416	5.56%
2008	-	-	7,664,643	1,970,357	-	29,744,923	8,441,719	84,297,192	4.74%
2009	52,036,844	-	-	-	-	28,000,554	7,691,719	123,415,572	6.59%
2010	51,782,179	-	-	-	-	26,224,698	7,432,445	167,206,172	9.06%
2011	51,507,514	-	-	-	-	24,416,786	7,432,445	164,133,140	10.58%
2012	50,432,849	-	-	-	-	22,576,240	7,358,875	160,878,184	10.74%
2013	49,313,184	-	-	-	-	20,702,469	7,382,250	156,059,804	10.03%
2014	48,138,519	-	-	-	-	18,794,875	7,062,578	150,761,015	9.05%
2015	4,165,000	48,608,126	-	-	-	16,852,847	6,988,532	151,699,249	8.62%

Note: Details regarding the City's outstanding debt can be found in Note #6, found on pages 69 - 76 of this report.

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

(2) See Schedule 19 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

City of Brentwood

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

(Unaudited)

Fiscal Year	General Obligation Bonds	Total	Percentage of Actual Taxable Value of Property	Per Capita
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
2015	6,409,559	6,409,559	0.09%	117

Note: Details regarding the City's outstanding debt can be found in Note #6, found on pages 69 - 76 of this report.

The General Obligation Bond was issued in Fiscal Year 2002.

Source: City of Brentwood Administrative Services Department

City of Brentwood

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of June 30, 2015

(Unaudited)

2014-15 Assessed Valuation:	\$ 7,051,011,254
Redevelopment Incremental Valuation:	<u>615,275,870</u>
Adjusted Assessed Valuation:	\$ 6,435,735,384

	Total Debt 6/30/15	Percentage Applicable ⁽¹⁾	City's Share of Debt 6/30/15
DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:			
Bay Area Rapid Transit	\$ 630,795,000	1.258%	\$ 7,935,401
Contra Costa Community College District	455,860,000	4.411%	20,107,985
Liberty Union High School District	48,770,000	51.352%	25,044,370
Brentwood Union School District	42,784,704	93.143%	39,850,957
Oakley Union School District	19,900,000	0.002%	398
City of Brentwood	6,409,559 ⁽²⁾	100.000%	6,409,559
City of Brentwood Community Facilities Districts	19,395,790	100.000%	19,395,790
City of Brentwood 1915 Act Bonds	149,131,843	100.000%	149,131,843
California Statewide Communities Development Authority Assessment District No. 04-1& 05-1	8,723,103	100.000%	8,723,103
East Bay Regional Park District	<u>176,790,000</u>	1.930%	<u>3,412,047</u>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT	\$ 1,558,559,999		\$ 280,011,453
DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:			
Contra Costa County General Fund Obligations	\$ 252,508,977	4.394%	\$ 11,095,244
Contra Costa County Pension Obligations	236,920,000	4.394%	10,410,265
Contra Costa Community College District Certificates of Participation	615,000	4.411%	27,128
Brentwood Union School District Certificates of Participation	1,678,045	93.143%	1,562,981
City of Brentwood General Fund Obligations	<u>68,675,185</u>	100.000%	<u>68,675,185</u>
GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT	<u>\$ 560,397,207</u>		<u>\$ 91,770,803</u>
Less: Contra Costa Obligations Supported From Revenue Funds			4,339,361
NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 87,431,442
OVERLAPPING TAX INCREMENT DEBT (SUCCESSOR AGENCY)	\$ 27,627,367	100.000%	\$ 27,627,367
TOTAL DIRECT DEBT			\$ 75,084,744
TOTAL GROSS OVERLAPPING DEBT			\$ 324,324,879
TOTAL NET OVERLAPPING DEBT			\$ 319,985,518
GROSS COMBINED TOTAL DEBT			\$ 399,409,623 ⁽³⁾
NET COMBINED TOTAL DEBT			\$ 395,070,262

Ratios to Adjusted Assessed Valuation:

Total Direct Debt (\$75,084,744)	1.17%
Gross Combined Total Debt	6.21%
Net Combined Total Debt	6.14%

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 \$2,889,583 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)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	\$ 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	\$ 264,412,922
Total Net Debt Applicable to Limit	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	6,409,559
Legal Debt Margin	\$ 203,626,693	\$ 262,538,167	\$ 297,984,464	\$ 271,210,032	\$ 222,589,592	\$ 213,201,694	\$ 203,402,909	\$ 198,954,333	\$ 216,379,871	\$ 258,003,363
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	3.04%	2.39%	2.13%	2.35%	2.85%	2.98%	3.11%	3.17%	2.90%	2.42%

Legal Debt Margin Calculation for Fiscal Year 2015

Assessed Value ⁽¹⁾	\$7,051,011,254
Debt Limit (3.75% of Assessed Value) ⁽²⁾	264,412,922
Debt Applicable to Limit:	
General Obligation Bonds	<u>6,409,559</u>
Total Net Debt Applicable to Limit	<u>6,409,559</u>
Legal Debt Margin	<u>\$ 258,003,363</u>

Source: Contra Costa County Assessor

(1) Contra Costa County Auditor/Controller

(2) State of California Government Code 25 and 43605

City of Brentwood

PLEGGED REVENUE COVERAGE

LAST SEVEN FISCAL YEARS

(Unaudited)

Water Revenue Bonds, Series 2008 and Water Revenue Refunding Bonds, Series 2014

Fiscal Year	Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2009 ⁽¹⁾	\$ 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
2015 ⁽²⁾	18,963,542	14,473,726	4,489,816	1,255,000	1,342,923	1.73

Source: City of Brentwood Administrative Services Department

Note: Details regarding the City's outstanding debt can be found in Note #6, found on pages 69 - 76 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.

(2) The Water Revenue Refunding Bonds were issued in December 2014 to refund a portion of the Water Revenue Bonds, Series 2008; therefore, fiscal year 2015 is the first reportable year and both bonds' debt service obligations are included. The obligation of the City to make such payments is a special obligation of the City payable solely from Net Water Revenues.



City of Brentwood

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS
(Unaudited)

Calendar Year	Population⁽¹⁾	Personal Income (In Thousands)⁽²⁾	Per Capita Personal Income	Median Age⁽³⁾	School Enrollment⁽⁴⁾	Unemployment Rate⁽⁵⁾
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	54,824	1,665,933	30,387	36.3	16,390	5.4%
2014	56,493	1,759,741	31,150	36.0	16,649	5.2%

- Sources:**
- (1) California Department of Finance, data is as of January 1 of each year.
 - (2) US Census Bureau; based on last available Census and projected post census trends.
 - (3) Demographic Data is totaled from Census Block Groups that overlap City boundaries.
 - (4) 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.



City of Brentwood

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

(Unaudited)

Employer	2015			2006		
	Employees	Rank	Percent of Total City Employment	Employees	Rank	Percent of Total City Employment
Brentwood Union School District	800-1,000	1	7.93%	600-1,000	1	11.59%
Liberty Union High School District	800-1,000	1	7.93%	400-500	2	6.52%
City of Brentwood	250-500	3	2.33%	300-400	3	5.07%
Safeway Stores, Inc.	250-500	3	2.33%	100-200	9	2.17%
BJ's Brewhouse	100-250	5	1.94%	-	-	-
Home Depot	150-200	5	1.94%	100-200	5	2.17%
Winco Foods, Inc.	150-200	5	1.94%	100-200	6	2.17%
Walgreen Co.	150-200	5	1.94%	-	-	-
Kohl's	150-200	5	1.94%	-	-	-
Precision Cabinets	150-200	5	1.94%	200-300	4	3.62%
Best Buy	150-200	5	1.94%	-	-	-
John Muir	150-200	5	1.94%	-	-	-
Ellison Framing Inc.	150-200	5	1.94%	-	-	-
Raley's	50-100	14	0.79%	100-200	8	2.17%
Town & Country Roofing	-	-	-	100-200	7	2.17%
Groundworks Inc.	-	-	-	50-100	10	1.09%
Total	3,050-5,350		38.77%	2,050-3,300		38.74%

Source: City of Brentwood Economic Development Division and East Bay Economic Development Alliance



City of Brentwood

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

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government	35	39	39	39	37	37	38	37	35	34
Public Safety	77	77	78	78	79	79	79	79	83	83
Community Development	38	39	29	27	26	26	24	23	21	20
Engineering	32	31	20	12	12	13	12	13	13	14
Public Works	19	19	20	20	20	23	24	23	24	23
Parks and Recreation	32	33	29	27	27	24	24	24	24	24
Wastewater	16	16	16	17	17	17	17	17	18	18
Solid Waste	20	22	23	23	23	24	24	24	25	26
Water	21	22	23	25	25	25	26	26	26	26
City Rentals	2	2	2	-	-	-	-	-	-	-
Housing	3	3	2	1	1	1	2	1	2	2
Total	295	303	281	269	267	269	270	267	271	270

Source: City of Brentwood Administrative Services Department

City of Brentwood

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

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Building Permits Issued	978	404	129	31	136	109	175	290	500	451
Accounts Payable Invoices Processed	15,686	15,255	15,093	13,695	12,085	10,272	10,885	10,458	10,440	12,023
Purchase Orders Issued ⁽¹⁾	526	414	382	319	238	280	320	355	291	286
Checks Issued	18,058	17,628	16,968	15,043	14,328	14,366	14,047	14,064	13,692	14,299
Public Works										
Street Miles Swept	21,715	20,869	20,308	18,031	17,885	17,237	14,547	14,266	14,061	11,980
Debris Collected (tons)	2,215	2,215	2,017	2,047	1,832	2,226	1,995	2,229	2,226	1,890
Streetlights Maintenance Requests	438	570	834	871	760	806	659	680	713	697
Police										
Physical Arrests (est.)	1,314	1,500	1,852	1,603	1,625	1,448	1,745	1,626	1,563	1,679
Calls for Service (est.) ⁽²⁾	23,553	26,000	27,953	32,608	38,922	35,168	37,124	36,781	36,192	39,934
Case Files Taken (est.)	5,571	6,000	6,162	5,941	6,117	5,450	6,044	5,823	5,821	6,133
Parks and Recreation										
Total Programs Offered (est.)	1,975	2,123	2,231	945	832	986	1,053	997	924	852
Total Participants and Spectators at Events	980,300	1,071,658	937,187	749,922	642,612	729,046	605,391	762,312	792,656	896,480
Refuse Collection										
Refuse Collected (tons per day)	71	82	99	96	95	90	88	93	95	97
Yard Waste (tons per day)	18	23	29	29	31	32	34	35	35	38
Recyclables Collected (tons per day)	19	21	25	22	22	22	22	22	22	23
Residential Services	14,489	15,183	14,893	15,263	15,469	15,562	15,907	16,337	16,729	17,245
Commercial Services	546	475	463	453	459	468	451	468	465	475
Water										
New Connections	900	536	225	39	113	117	125	197	338	467
Average Daily Production (millions of gallons)	9	11	11	10	10	9	9	11	11	10
Peak Daily Production (millions of gallons)	15	17	17	16	16	16	15	16	17	17
Number of Utility Customers	15,289	16,078	16,324	16,442	16,769	16,827	16,952	17,120	17,505	18,289
Wastewater										
New Connections	830	1,049	225	39	113	119	125	199	338	467
Average Daily Sewage Treatment (millions of gallons)	3	4	4	4	3	3	3	3	4	4

Source: Various City Departments

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

⁽²⁾ 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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	-	-	-	1	1	1	1	1	1	1
Patrol Vehicles	40	52	52	50	50	51	51	51	52	52
Parks and Recreation										
Developed Park Acreage ⁽¹⁾	194	228	256	256	256	256	260	221	223	226
Play Areas	40	40	43	43	45	45	46	48	48	51
Multi-Use Trails (miles)	15	15	16	16	16	16	16	16	17	17.5
Multi-Use Ball and Soccer Fields	23	23	23	23	23	23	23	23	23	23
Picnic Areas/Tables ⁽²⁾	214	253	276	276	276	276	287	290	292	305
Refuse Collection										
Collection Trucks	13	14	14	14	14	14	14	14	14	16
Water										
Water Mains (miles)	173	173	173	173	184	191	219	256	266	284
Fire Hydrants	1,628	1,628	1,869	1,910	1,940	1,945	2,153	2,535	2,588	2,704
Number of Wells	10	10	9	9	9	9	8	7	7	7
Number of Reservoirs	5	6	6	6	6	6	6	6	6	6
Storage Capacity (millions of gallons)	15	19	19	19	19	19	19	19	19	19
Wastewater										
Sanitary Sewers (miles)	138	150	150	150	150	152	179	202	209	225
Lift Stations	3	2	3	2	2	2	2	2	2	2
Other Public Works										
Streets (miles)	168	168	168	190	190	190	190	192	192	192
Street Lights	3,882	4,255	5,299	5,836	5,836	5,836	5,889	5,948	5,957	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)

Date of Incorporation:	January 19, 1948
Forms of Government:	General Law Council-Manager
Fiscal Year Begins:	July 1
Area of City:	14.83 Sq Miles
Population as of January 2015:	56,493

<u>Miles of Streets</u>	
Miles of Streets	192
Miles of Sanitary Sewers	225
Miles of Water Mains	284
Number of Street Lights	5,957

<u>Parks and Recreation</u>	
Neighborhood Parks	226 acres
Aquatic Complex	7.5 acres
Skate Park	.50 acres
Play Areas	51
Sunset Park Athletic Complex	38 acres
Veterans Park	10.5 acres

<u>Number of Full-time Equivalent Positions</u>	<u>Year End</u>
270	2015
271	2014
267	2013
270	2012
269	2011
267	2010
269	2009
281	2008
303	2007
295	2006

<u>Municipal Wastewater System</u>	
Number of Lift Stations	2
Sanitary	2
Number of Connections	17,674
Average Daily Flow	3.6 MGD

<u>Parks Facilities</u>	
Multi-Use Trails	17.5 miles
Multi-Use Ball and Soccer Fields	23
Tennis Courts	2
Basketball Courts	14
Bocce Ball Courts	6
Volleyball Courts	3
Horseshoe Courts	2
Gazebos	2
Picnic Areas/Tables	305
BBQ Areas	28
Restrooms (Permanent)	8

<u>Municipal Water System</u>	
Number of Wells	7
Number of Reservoirs	6
Storage Capacity (gallons)	19 MG
Average Daily Production	9.8 MGD
Peak Daily Production	17.1 MGD
Number of Connections	18,289

<u>Police Protection</u>	
Sworn Officers	64
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	17,368
Number of Commercial Services	483

<u>East Contra Costa Fire Protection District</u>	
Stations Located in Brentwood	1
Firefighters in Brentwood	9

Source: Various City Departments