

# Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2017



THE CITY OF  
**BRENTWOOD**

HERITAGE ▪ VISION ▪ OPPORTUNITY

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



For Fiscal Year Ended June 30, 2017

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December 12, 2017

The Honorable Mayor, Members of the City Council and Citizens of Brentwood  
Brentwood, California 94513

Dear Mayor, Members of the City Council and Citizens 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, 2017. 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.

The City's Finance & Information Systems 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's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

#### **INTERNAL CONTROLS**

Accounting for all of the City's activities is centralized under the Finance & Information Systems 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, 2017.

#### **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 audit 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, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). 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 founded in 1878 and incorporated in 1948 as a general law city under the laws of the State of California. Brentwood is located in eastern Contra Costa County, 55 miles east of San Francisco and 62 miles south of Sacramento. The City is governed by a five member City Council, under the Council-Manager form of government. As of January 1, 2017, the City had an estimated population of 61,055.

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. Additionally, beginning in March 2017, the City opened a new Police Dispatch Center which handles all of the City's 9-1-1 calls and ensures the City's control over the quality of service provided to its residents. The City also operates public water and wastewater utilities, as well as garbage collection and disposal services and a recycling program. 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 was 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 ("Successor 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 #1A 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. For additional budgetary information see Note #2A. The City operates on a two-year

budget cycle with the budget process beginning in October and culminating in final Council approval in June. The newly adopted two-year budget is then formally reviewed by the City Council at a public meeting every six months for adjustments. Activities of the General Fund, Special Revenue Funds, Debt Service Funds, Proprietary Funds, Internal Service Funds and certain Capital Project Funds are included in the annual appropriated budget.

### **ECONOMIC CONDITION AND FINANCIAL 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 (AV) falling by one third. However, beginning in FY 2012/13 development activity began to pick up and the housing market improved. New single family permit issuances remained strong in FY 2015/16 and FY 2016/17 with 519 and 541 permits issued, respectively. AV growth has also continued to post strong gains, with an average annual growth rate of just over 10% for the past two years. Revenues, such as property tax, development related fees, community facilities district revenues and sales tax are all affected positively from increased development activity either directly from fees received or indirectly due to increased population.

The City's sales tax revenues remained stable throughout the recession and, over the past several years, have continued to post annual increases. The FY 2015/16 and FY 2016/17 increases were 7.1% and 11.9%, respectively, resulting in increased revenues of \$482,298 and \$868,830. The City's sales tax revenues are expected to continue to perform well as population and consumer activity continue to rise and businesses continue to view Brentwood as an attractive location.

With continued growth in development and population, demand for services has escalated. The City has seen the resulting operational expenditure increases needed to provide necessary services to the growing population, including the opening of a new Police Dispatch Center. The City also recently entered into three-year labor agreements with all of its bargaining groups, covering FY 2017/18 through FY 2019/20. These agreements will provide the City with a measure of cost certainty over the next three years. The City also continues to work on funding issues related to required increases in pension contributions and funding requirements for Other Post-Employment Benefits (OPEB). Throughout the recession and now during the prolonged recovery, the City has remained vigilant in maintaining its fiscal strength and has maintained an Unassigned General Fund Balance of at least 30% of the annual operating appropriations and transfers.

The historic drought in California has created fiscal challenges for the City's Water Enterprise Fund. State mandated reductions in water consumption resulted in reduced revenues in both FY 2014/15 and FY 2015/16, while at the same time the City incurred new drought-related conservation program costs. Although the State mandate is no longer in effect, water consumption has continued to remain lower than pre-drought averages resulting in continued reduced water revenues in FY 2016/17.

Although the City completed a rate study to set water rates through FY 2017/18, the longer-term fiscal impacts of the drought were not known at the time and are still being determined. Another rate study is in progress that continues to analyze drought impacts on revenues which will be incorporated into proposed rates to be brought forward for Council consideration in spring 2018.

### **Balanced Budget**

The City's Budget and Fiscal Policy requires the City to maintain a balanced General Fund budget over the two-year period of the Financial Plan. This means that each fiscal year, current revenues must meet or exceed operating expenditures, including debt service. Use of fund balance commitments to offset non-operating expenditures may allow for current expenditures to exceed current revenues in a fiscal year. Pursuant to Council policy, City staff will present General Fund budgets for City Council consideration that maintain 30% of the annual operating appropriations and transfers in the unassigned fund balance. The City will also strive to maintain cash reserves in the Enterprise Funds of 30% of annual operating appropriations and transfers.

### **Long-Term Financial Planning**

To help ensure the City remains financially healthy in the future, a General Fund Fiscal Model ("Fiscal Model") is prepared and presented annually to the City Council. The Fiscal Model provides detailed analysis and projections of the next ten years of revenues, expenses and fund balance of the General Fund. The Fiscal Model provides the City Council with a tool to help determine the financial feasibility of priorities and goals they may wish to adopt through the strategic planning process. The Fiscal Model can also alert management and the City Council of potential future financial changes and affords them the time to develop practical solutions with minimal impacts to the services provided to the residents of Brentwood.

The Fiscal Model projects the City will achieve a balanced General Fund budget for each year of the model, including transfers in from the Pension/OPEB Obligation Fund. The Pension/OPEB Obligation Fund is comprised of accumulated General Fund savings from previous fiscal years and can be used for budget stabilization purposes. Use of the fund allows the City to meet the goal of maintaining 30% of the annual operating appropriations and transfers in the General Fund's unassigned fund balance throughout the ten-year period.

As mentioned above, development activity and property values have rebounded over the last several years, although a significant portion of the resulting increase in funds has been budgeted for improved services, such as the new Police Dispatch Center, and for critical staffing needs. Ultimately, achieving a General Fund balanced budget will still take several years, and will only be achieved with continued fiscal responsibility. In support of this goal the City is currently developing a strategy which would leverage a portion of the existing Pension/OPEB Obligation Fund to reduce the City's unfunded obligations, thus reducing ongoing costs in the future.

Along with the Fiscal Model, the City internally prepares ten-year projections for the Solid Waste, Water and Wastewater Enterprises. These projections serve a similar purpose as the Fiscal Model in providing tools for City staff to analyze the health of the Enterprises and identify potential future economic changes allowing sufficient time to develop solutions. Rate studies are conducted periodically to ensure the Enterprise rates are sufficient to cover: operating expenses; capital improvements; upgrades and costs associated with meeting both State and Federal guidelines and regulations. The ten-year projections provide the essential support needed to complete these rate studies.

Enhancing the quality of life for the citizens of Brentwood is a high priority for the City Council and requires planning and allocation of resources. To ensure that a high quality of life continues to be the City's focus into the future, in February of 2016, the City Council adopted the FY 2016/17 & FY 2017/18 City of Brentwood Strategic Plan ("Strategic Plan") that further enhanced planning efforts and



identification of City Council priorities. The strategic planning process is ongoing and a new two-year strategic planning process began in fall 2017 to identify high priority strategic initiatives for FY 2018/19 and FY 2019/20. This process serves our community well by ensuring that the services and projects that support an enhanced quality of life in our community remain a priority. The costs associated with the Strategic Plan will be built into the City's Operating Budget and long-term financial models.

#### **CERTIFICATE OF ACHIEVEMENT**

The Government Finance Officers Association (GFOA) of the United States and Canada 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, 2016. 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.

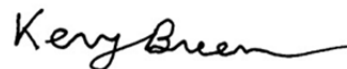
#### **ACKNOWLEDGEMENTS**

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 of the City Departments who have taken the time to participate in the development of this year's Comprehensive Annual Financial Report. Special recognition is given to the Finance and Information Systems Department and specifically the Business Services and Financial Services staff. We wish to thank and express our appreciation to the Mayor and the City Council for providing clear policy direction and goals which have been used to prepare this Comprehensive Annual Financial Report along with their interest and support in planning and conducting the financial activities of the City in a responsible manner.

Respectfully submitted,



Gustavo "Gus" Vina  
City Manager



Kerry Breen  
City Treasurer  
Director of Finance & Information Systems



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Brentwood  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

Executive Director/CEO



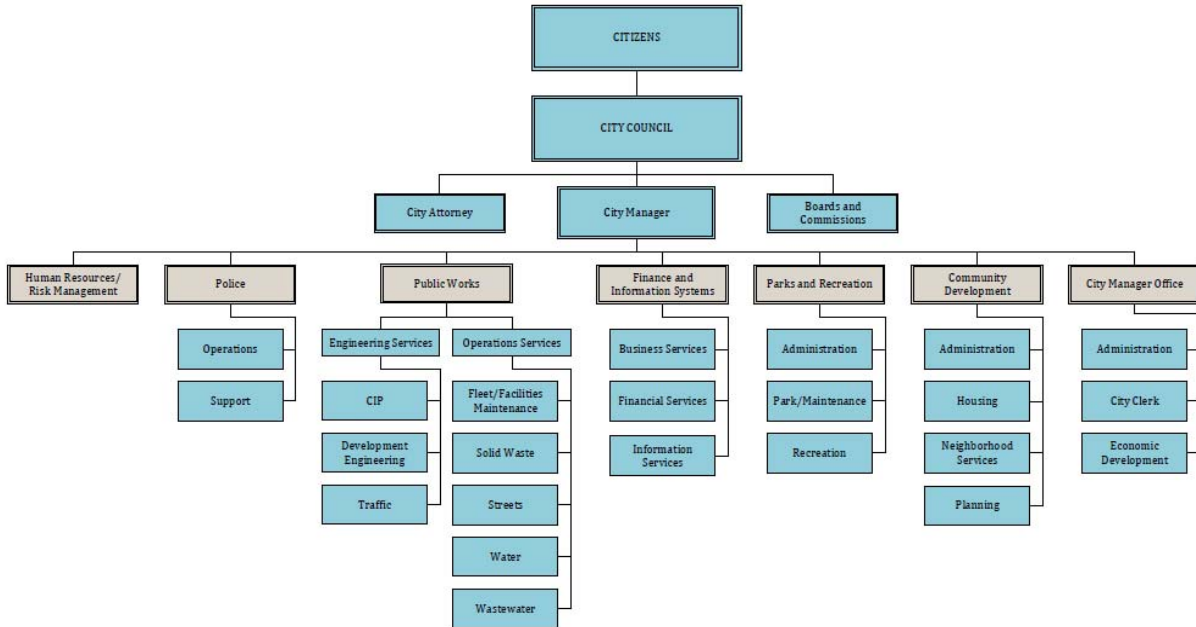
### City Council as of June 30, 2017

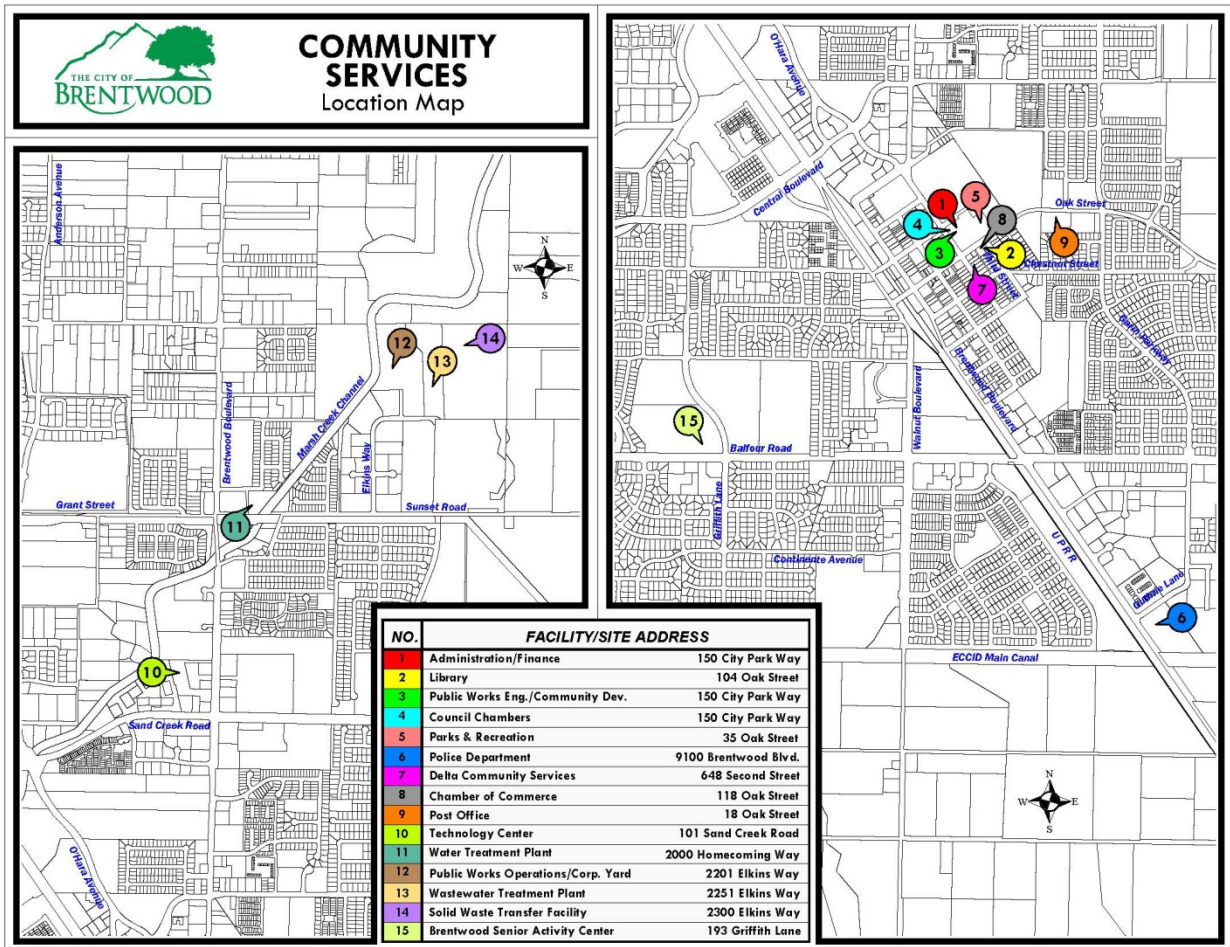
Robert Taylor .....Mayor  
Steve Barr ..... Vice Mayor  
Joel Bryant ..... Council Member  
Karen Rarey ..... Council Member  
Claudette Staton..... Council Member

### Executive Team as of June 30, 2017

Gustavo "Gus" Vina.....City Manager  
Damien Brower ..... City Attorney  
Sukari Beshears ..... Director of Human Resources/Risk Management  
Kerry Breen ..... City Treasurer/Director of Finance and Information Systems  
Mark Evenson .....Chief of Police  
Casey McCann.....Director of Community Development  
Bruce Mulder ..... Director of Parks and Recreation  
Miki Tsubota ..... Director of Public Works/City Engineer

# Organizational Chart





## **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.*

## 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 2017 by KaBOOM! a national non-profit dedicated to bringing play back into children’s lives.

The City was recognized by the Arbor Day Foundation as a ***“Tree City USA Community”*** for 2016.

The City received the following Government Finance Officers Association (GFOA) award for Fiscal Year 2015/16:

***“Certificate of Achievement for Excellence in Financial Reporting”***

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

***“Capital Budget Excellence Award Fiscal Year 2016/17”***

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

***“Distinguished Budget Presentation Award”*** for the two-year Operating Budget beginning July 1, 2016



## 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, 2017, 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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.



## ***Emphasis of Matter***

### ***Redevelopment Agency Dissolution***

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 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.

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 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. On December 9, 2015, the City entered into a ten-year interest free payment plan with the DOF to pay the DDR demand of \$14,955,931.

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.

As discussed above, the City entered into a repayment plan with the DOF in the amount of \$14,955,931. Following the initial communication in July 2015, the State Controller's Office has made no further demands for the return of assets to the Successor Agency. The City's position on this matter is not a position of settled law and there is considerable legal uncertainty regarding this matter. It is possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue favorably or unfavorably to the City. No provision for liabilities resulting from the outcome of this uncertain matter related to the demand by the State Controller's Office has been recorded in the financial statements.

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

## ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and other Required Supplementary Information as 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 13, 2017, 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.



Pleasant Hill, California  
November 13, 2017

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, 2017. 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 resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$811.3 million. Of this amount, \$72.1 million may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$21.3 million, with \$10.3 million attributable to governmental activities and \$11.0 million attributable to business-type activities. Continuing strong development activity is primarily responsible for the increases as the City issued 541 single-family building permits during the fiscal year which resulted in additional permit and development impact fees as well as increases for developer dedicated infrastructure.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$126.2 million, an increase of \$3.6 million in comparison to the prior year. Increased development activity was the primary driver of this increase.
- Enterprise Funds reported a net position of \$263.5 million, an increase of \$11.0 million from the prior fiscal year ending balance. The increases were primarily attributable to the Wastewater Fund (\$4.6 million) and Water Fund (\$5.9 million). Increased development activity resulted in capital asset contributions and development impact fees which were the primary contributor to the overall increase in Net Position for the Enterprise Funds.
- The City's total long-term obligations increased by \$0.6 million as increases in Net Pension Liabilities and Net OPEB Obligations of \$11.5 million were largely offset by annual debt service payments on outstanding long term debt obligations. No new debt was issued during the fiscal year.
- Internal Service Funds have a net position of \$58.4 million at year end, which is an increase of \$3.2 million from the prior year. The increase is attributable mainly to a \$1.5 million increase in the Parks and LLAD Replacement Fund and a net increase of \$3.8 million in the Pension/OPEB Obligation Fund. These increases are indicative of the City's commitment to ensure sufficient funding is available for the replacement of parks assets and for managing the rising costs of pensions and retiree medical benefits. A significant funding source of this increase was through General Fund transfers. Partially offsetting these increases was the closure of the \$2.9 million Emergency Preparedness Fund.

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

The financial statements presented herein include all of the activities of the City and its component units using the blended approach as prescribed by government accounting standards. The City's basic financial statements are comprised of three components: 1) Government-Wide Financial Statements, 2) Fund Financial Statements and 3) Notes to the Basic Financial Statements.

The **Government-Wide Financial Statements** present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business-type activities separately. These statements include all assets of the City, including



infrastructure, as well as all liabilities, including long-term debt. Additionally, certain eliminations have occurred in regards to interfund activity, payables and receivables.

**Governmental Activities** – Most of the City's basic services are reported in this category including the General Government, Public Safety, Community Development, Engineering, Public Works, Community Services and Parks and Recreation. Property and sales taxes, user fees, interest income, franchise fees and state and federal grants finance these activities.

**Business-Type Activities** – The City charges a fee to customers to cover all or most of the costs of certain services it provides. The City's Wastewater, Solid Waste, Water, City Rentals and Housing activities are reported in this category.

The **Statement of Net Position** and the **Statement of Activities and Changes in Net Position** report information about the City as a whole. All of the current year's revenues and expenses are taken into account, regardless of when cash is received or paid. In addition, these two statements report the City's net position and changes in them. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. Other factors to consider are changes in the City's property tax base and the condition of the City's roads. The Government-Wide Financial Statements can be found on pages 17 – 18 of this report.

The **Fund Financial Statements** provide detailed information about the most significant funds, not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it's meeting legal responsibilities for using certain taxes, grants or other money.

The City's Fund Financial Statements are divided into three categories – Governmental Funds, Proprietary Funds and Fiduciary Funds. The Governmental Fund financials are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The Proprietary Fund financials are prepared using the economic resources measurement focus and the accrual basis of accounting. The City's Fiduciary Funds include Agency Funds, which are purely custodial in nature and do not involve a measurement of operational results, and Private-Purpose Trust Funds which, in addition to being custodial in nature, also include operational activities under which the principal and income benefit several specific local taxing entities. While both Agency and Private-Purpose Trust Funds include a Statement of Net Position, only the latter is required to include a Statement of Changes in Net Position. The Fund Financial Statements can be found on pages 19 – 27 of this report.

**Governmental Funds** – Most of the City's basic services are reported in Governmental Funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The Governmental Fund statements provide a detailed, short-term view of the City's general government operations and the basic services it provides. Governmental Fund information helps determine whether there are more or fewer financial resources, which can be spent in the near future, to finance the City's programs. The differences of results in the Governmental Fund Financial Statements, to those in the Government-Wide Financial Statements, are explained in a reconciliation following each Governmental Fund Financial Statement. The Governmental Fund Financial Statements can be found on pages 19 – 22 of this report.

**Proprietary Funds** – When the City charges customers for services it provides, whether to outside customers or other units of the City, these monies are generally reported in Proprietary Funds. The City maintains two different types of Proprietary Funds – Enterprise Funds and Internal Service Funds. Enterprise Funds are used to report the same functions presented as business-type activities in the Government-Wide Financial Statements. Examples of Enterprise Funds include Water and Solid Waste. Internal Service Funds are used to report activities which provide supplies and services for the City's other programs and activities. Two examples are the Information Systems Replacement Fund and the Fleet Maintenance Services Fund. Internal Service Funds are reported with governmental activities in the Government-Wide Financial Statements, found on pages 17 – 18 of this report.

Proprietary Fund Financial Statements provide a more detailed version of the information provided in the Government-Wide Financial Statements. Cash flows for the Enterprise Funds and the Internal Service Funds are provided, as well as combining statements for the individual Internal Service Funds. The Proprietary Fund Financial Statements can be found on pages 23 – 25 of this report.

**Fiduciary Funds** – The City is the trustee, or fiduciary, for certain amounts held on behalf of developers, property owners, governmental agencies and others. The City's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. These activities are excluded from the Government-Wide Financial Statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The Fiduciary Fund Financial Statements can be found on pages 26 – 27 of this report.

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

The Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements. The Notes to the Basic Financial Statements can be found on pages 29 – 90 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 91 – 96 of this report.

#### **Combining and Individual Fund Statements and Schedules**

Combining and individual fund statements and schedules for the following can be found on pages 97 – 126 of this report including: Non-Major Governmental Funds, Internal Service Funds and Fiduciary Funds.



**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The net position for the City as a whole increased by \$21.3 million or 2.7%, from \$790.0 million at June 30, 2016 to \$811.3 million at June 30, 2017. The increase is summarized by the change in net position as recorded in the Statement of Activities, which flows through the Statement of Net Position. Restricted net position accounted for \$16.0 million of the increase and was driven mainly by development activity. These resources are subject to external restrictions on how they may be used. The restricted net position amount is \$121.2 million as of June 30, 2017. The unrestricted net position balance of \$72.1 million may be used to meet the City's ongoing obligations to citizens and creditors. Net investment in capital assets was nearly unchanged on a percentage basis and has a balance of \$618.1 million as of June 30, 2017. Although the City's investment in 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.

	Governmental Activities		Business-Type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Current Assets	\$ 165,685,406	\$ 157,189,743	\$ 81,443,475	\$ 82,944,090	\$ 247,128,881	\$ 240,133,833
Capital Assets	499,335,922	500,042,474	253,600,405	246,576,144	752,936,327	746,618,618
Other Non-Current Assets	25,844,474	26,748,684	752,170	704,547	26,596,644	27,453,231
<b>Total Assets</b>	<b>690,865,802</b>	<b>683,980,901</b>	<b>335,796,050</b>	<b>330,224,781</b>	<b>1,026,661,852</b>	<b>1,014,205,682</b>
Deferred Outflows of Resources	11,565,672	4,457,834	10,417,953	8,853,827	21,983,625	13,311,661
<b>Total Deferred Outflows of Resources</b>	<b>11,565,672</b>	<b>4,457,834</b>	<b>10,417,953</b>	<b>8,853,827</b>	<b>21,983,625</b>	<b>13,311,661</b>
Current Liabilities	14,067,416	12,661,514	8,733,708	7,786,470	22,801,124	20,447,984
Long-Term Liabilities Outstanding	138,298,209	133,246,824	73,506,049	77,963,928	211,804,258	211,210,752
<b>Total Liabilities</b>	<b>152,365,625</b>	<b>145,908,338</b>	<b>82,239,757</b>	<b>85,750,398</b>	<b>234,605,382</b>	<b>231,658,736</b>
Deferred Inflows of Resources	2,301,641	5,021,330	452,814	808,087	2,754,455	5,829,417
<b>Total Deferred Inflows of Resources</b>	<b>2,301,641</b>	<b>5,021,330</b>	<b>452,814</b>	<b>808,087</b>	<b>2,754,455</b>	<b>5,829,417</b>
Net Position:						
Net Investment in Capital Assets and Capacity Rights	422,791,124	434,420,162	195,261,914	183,270,963	618,053,038	617,691,125
Restricted	95,801,016	79,824,615	25,362,943	29,240,801	121,163,959	109,065,416
Unrestricted	29,172,068	23,264,290	42,896,575	40,008,359	72,068,643	63,272,649
<b>Total Net Position</b>	<b>\$ 547,764,208</b>	<b>\$ 537,509,067</b>	<b>\$ 263,521,432</b>	<b>\$ 252,520,123</b>	<b>\$ 811,285,640</b>	<b>\$ 790,029,190</b>

**Governmental Activities**

The City's net position from governmental activities increased \$10.3 million or 1.9%, from \$537.5 million to \$547.8 million. Development activity was responsible for the majority of the increase as the City issued 541 single family building permits during the year. In comparing results to the prior year, the City received \$2.2 million more in property taxes and sales taxes which is reflective of the solid housing market and economy. Investment income fell by \$2.6 million due to the timing of fair market value adjustments in a rising interest rate environment. Expenditures increased 1.8% from the prior year which was slightly below the rate of inflation.

**Business-Type Activities**

The City's net position from Business-Type activities increased \$11.0 million or 4.4%, from \$252.5 million to \$263.5 million. Net investment in capital assets increased \$12.0 million as capital assets were acquired and long-term debt continued to be repaid. Revenue from charges for services increased by 5.5% over the prior year, mainly due to annual rate increases along with a rise in water consumption due to State mandated reductions no longer in effect. Overall revenue increases were primarily due to capital grants



## Management's Discussion and Analysis

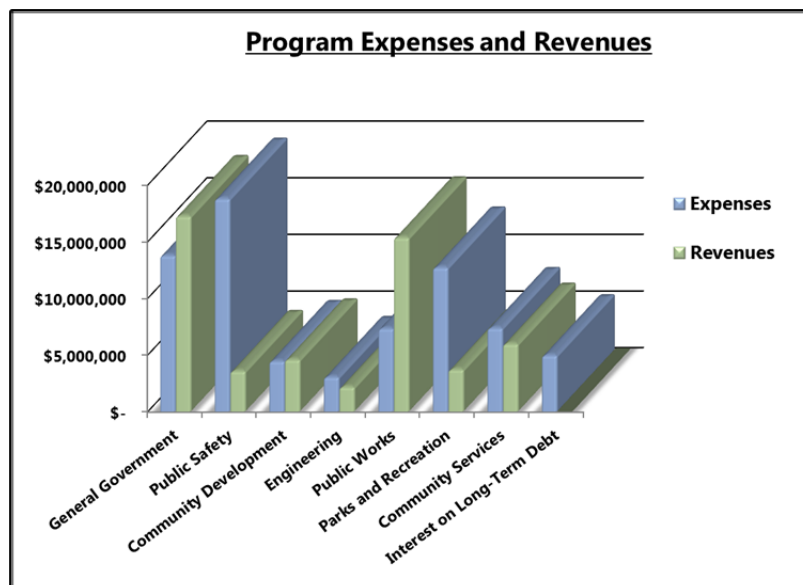
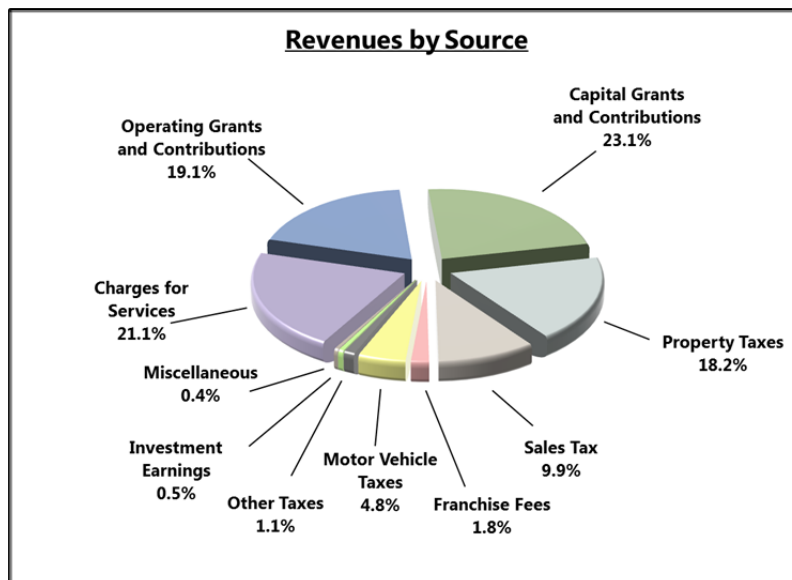
and contributions driven by development. Compared to the prior year, expenses remained flat with increases in contractual services, primarily for solid waste disposal, offset by the discontinuation of drought-related conservation program costs. Overall, the unrestricted net position was \$42.9 million at the fiscal year end.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 17,414,518	\$ 16,701,653	\$ 41,397,807	\$ 39,224,107	\$ 58,812,325	\$ 55,925,760
Operating Grants and Contributions	15,741,968	15,810,148	1,024,113	918,028	16,766,081	16,728,176
Capital Grants and Contributions	19,008,097	18,683,812	11,863,994	7,414,680	30,872,091	26,098,492
<b>General Revenues:</b>						
Taxes:						
Property Taxes	14,968,042	13,602,591	-	-	14,968,042	13,602,591
Sales Tax	8,188,046	7,319,216	-	-	8,188,046	7,319,216
Franchise Fees	1,487,179	1,473,443	-	-	1,487,179	1,473,443
Real Property Transfer Tax	547,975	506,626	-	-	547,975	506,626
Transient Occupancy Tax	396,763	377,043	-	-	396,763	377,043
Motor Vehicle Taxes	3,952,928	3,655,028	-	-	3,952,928	3,655,028
Investment Earnings	373,212	2,988,030	233,539	1,759,735	606,751	4,747,765
Miscellaneous	352,324	1,156,862	-	-	352,324	1,156,862
<b>Total Revenues</b>	<u>82,431,052</u>	<u>82,274,452</u>	<u>54,519,453</u>	<u>49,316,550</u>	<u>136,950,505</u>	<u>131,591,002</u>
<b>Expenses:</b>						
General Government	13,709,033	13,973,215	-	-	13,709,033	13,973,215
Public Safety	18,718,910	19,566,435	-	-	18,718,910	19,566,435
Community Development	4,386,875	3,980,128	-	-	4,386,875	3,980,128
Engineering	2,982,747	2,617,590	-	-	2,982,747	2,617,590
Public Works	7,266,573	6,977,557	-	-	7,266,573	6,977,557
Parks and Recreation	12,645,111	11,539,064	-	-	12,645,111	11,539,064
Community Services	7,300,460	7,056,264	-	-	7,300,460	7,056,264
Interest on Long-Term Debt	4,896,060	4,929,385	-	-	4,896,060	4,929,385
Wastewater	-	-	10,328,357	10,003,159	10,328,357	10,003,159
Solid Waste	-	-	11,493,599	10,680,780	11,493,599	10,680,780
Water	-	-	20,972,101	22,129,063	20,972,101	22,129,063
City Rentals	-	-	196,829	178,558	196,829	178,558
Housing	-	-	797,400	723,908	797,400	723,908
<b>Total Expenses</b>	<u>71,905,769</u>	<u>70,639,638</u>	<u>43,788,286</u>	<u>43,715,468</u>	<u>115,694,055</u>	<u>114,355,106</u>
Change in Net Position Before Transfers and Special Items	10,525,283	11,634,814	10,731,167	5,601,082	21,256,450	17,235,896
Transfers	(270,142)	762,119	270,142	(762,119)	-	-
Special Items	-	(2,574,834)	-	-	-	(2,574,834)
Increase in Net Position	10,255,141	9,822,099	11,001,309	4,838,963	21,256,450	14,661,062
Net Position 7/1	537,509,067	527,686,968	252,520,123	247,681,160	790,029,190	775,368,128
Net Position 6/30	<u>\$ 547,764,208</u>	<u>\$ 537,509,067</u>	<u>\$ 263,521,432</u>	<u>\$ 252,520,123</u>	<u>\$ 811,285,640</u>	<u>\$ 790,029,190</u>

**Governmental Activities**

The cost of all Governmental activities this year was \$71.9 million. Net expenses, as shown in the Statement of Activities and Changes in Net Position found on page 18, were \$19.7 million. A portion of the cost for these activities was paid either by those who directly benefited from the programs (\$17.4 million), by other governments and organizations that subsidized certain programs with operating grants and contributions (\$15.8 million), or capital grants and contributions (\$19.0 million). Overall, the City's governmental program revenues were \$52.2 million.

Total resources available during the year to finance governmental operations were \$619.7 million consisting of net position at July 1, 2016 of \$537.5 million, program revenues of \$52.2 million and general revenues and transfers of \$30.0 million. Total Governmental activities during the year were \$71.9 million, thus net position was increased by \$10.3 million to \$547.8 million.

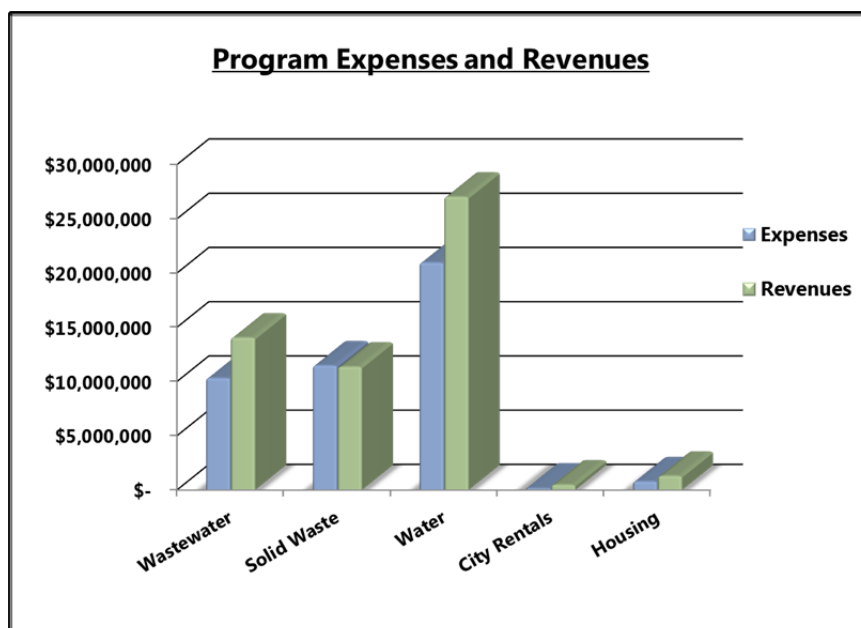
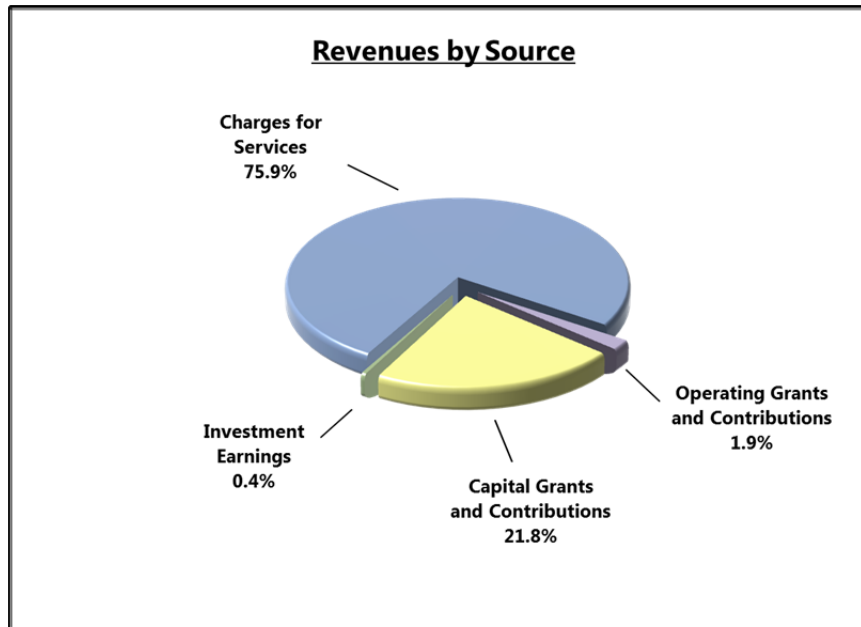




**Business-Type Activities**

The cost of all Business-Type activities this year was \$43.8 million. As shown in the Statement of Activities and Changes in Net Position found on page 18, the amounts paid by users of the services were \$41.4 million. Capital grants and contributions totaled \$11.9 million, operating grants and contributions were \$1.0 million and investment earnings were \$0.2 million.

Total resources available during the year to finance Business-Type activities were \$307.3 million, consisting of net position at July 1, 2016 of \$252.5 million, charges for services of \$41.4 million, contributions of \$12.9 million and general revenues and net transfers of \$0.5 million. Total Business-Type activities during the year were \$43.8 million, thus net position increased by \$11.0 million to \$263.5 million.



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

At year-end the City's General Fund had a fund balance of \$23.4 million, an increase of \$0.9 million compared to the prior year. The increase in fund balance is after the effect of net transfers to the Pension/OPEB Obligation fund of \$3.9 million. As of June 30, 2017, the General Fund maintained an unassigned fund balance of 30% of annual operating appropriations and transfers out. The increase in fund balance is reflective of an increase in the amount necessary to cover 30% of appropriations, which increased with the opening of the new police dispatch center.

Roadway Development Impact Fee, which is reported as a Special Revenue Fund, had an increase in fund balance of \$2.7 million. This increase was due to impact fees generated by increased development activity that will be used to fund future capital projects.

Parks and Trails Development Impact Fee, which is reported as a Special Revenue Fund, had an increase in fund balance of \$0.8 million. This increase was due to impact fees generated by increased development activity that will be used to fund future capital projects.

Fire Development Impact Fee, which is reported as a Special Revenue Fund, had an increase in fund balance of \$4.4 million. This increase was due to the transfer in of funds previously collected for funding of future capital projects.

Landscape and Lighting Assessment Districts, which is reported as a Special Revenue Fund, had a decrease in fund balance of \$0.8 million. This decrease was due to contributions to the Parks and LLAD Replacement Internal Service Fund to ensure adequate funding for future replacement needs in the Districts.

Community Facilities Improvements, which is reported as a Capital Projects Fund, had an increase in fund balance of \$7.5 million. This increase was primarily due to transfers in for funding of the Library – New Construction and Municipal Service Center projects, offset by project expenses.

Civic Center Project Lease Revenue Bond Acquisition, which is reported as a Capital Projects Fund, had a decrease in fund balance of \$7.1 million. This decrease was to fund the Library – New Construction project within the Community Facilities Improvements Capital Projects Fund.

2015 Lease Financing Acquisition, which is reported as a Capital Projects Fund had a decrease of \$5.9 million. This decrease was primarily to fund the Municipal Service Center project, along with a portion of the Library – New Construction project.

Capital Infrastructure, which is reported as a Capital Projects Fund, had an increase in fund balance of \$1.3 million. This increase was due to the transfers in of funds for future capital projects for economic development related purposes.

Vineyards Event Center Projects, which is reported as a Capital Projects Fund had a decrease of \$1.4 million. This decrease was to provide partial funding for the Vineyards at Marsh Creek Event Center project.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Comparing the FY 2016/17 original budget (adopted June 2016) General Fund expenditures and transfers out in the amount of \$53,948,586, to the final budget amount of \$58,236,405, there was an increase in budgeted expenditures and transfers out of \$4,287,819. The causes for these increases are summarized below.

During the fiscal year, the total revenues and transfers in for the General Fund were \$54,700,291. This was \$3,848,009 more than budgeted. The total expenditures and transfers out for the General Fund were \$53,841,298. This was \$4,395,107 less than budgeted.

Revenues exceeded budget due primarily to development activity that surpassed estimates, with 541 single family residential building permits issued while only 350 had been budgeted for the year. This resulted in a \$1.5 million surplus in permit revenue during the year. In addition, receipts of property tax and sales tax increased the General Fund total revenues \$1.3 million over the final budget. On the expenditure side, the City continued to operate efficiently, reducing costs wherever possible. This resulted in savings across most departments as supplies and services costs remained low and personnel vacancies took longer than anticipated to be filled.

Supplemental changes to the 2016/17 fiscal year General Fund budget were:

- Increase of \$3,998,466 for a transfer to the Pension/OPEB Obligation Fund
- Net decrease of \$242,647 in Strategic Initiative budgets which were transferred to FY 2017/18 for the continuation of the 2016/17 – 2017/18 Strategic Plan
- Increase of \$275,000 for Economic Development contractual services
- Increase of \$95,000 for Successor Agency legal services
- Increase of \$80,000 for Community Development for contractual services
- Increase of \$45,000 in Community Services contributions
- Increase of \$37,000 for Parks and Recreation of which, \$21,000 was due to additional Special Events, like Concerts in the Park, and \$16,000 was due to increased sports program participation

**CAPITAL ASSETS AND LONG-TERM OBLIGATIONS**

**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, 2017, capital assets, net of accumulated amortization and depreciation, of the Governmental activities totaled \$499.3 million. Capital assets, net of accumulated amortization and depreciation, of the Business-Type activities totaled \$253.6 million. Depreciation and amortization on capital assets is recognized in the Government-Wide financial statements. Refer to Note #5 of this report, for detailed information regarding capital assets. The City has elected to use the depreciation and amortization method for infrastructure reporting.

	<b>Original Cost</b>	<b>Accumulated Depreciation and Amortization</b>	<b>Book Value</b>
<b>Capital Assets – Governmental:</b>			
Intangible Assets	\$ 6,258,156	\$ 1,170,088	\$ 5,088,068
Land	36,166,107	-	36,166,107
Buildings	56,777,475	8,220,685	48,556,790
Infrastructure	466,411,959	99,826,038	366,585,921
Machinery and Equipment	7,423,306	4,363,552	3,059,754
Vehicles	11,747,236	6,652,423	5,094,813
Land Improvements	30,097,877	5,380,629	24,717,248
Work in Progress – CIP and Infrastructure	10,067,221	-	10,067,221
<b>Total Capital Assets – Governmental</b>	<b>\$ 624,949,337</b>	<b>\$ 125,613,415</b>	<b>\$ 499,335,922</b>
<b>Capital Assets – Business-Type:</b>			
Intangible Assets	\$ 18,950,632	\$ 3,535,550	\$ 15,415,082
Land	2,661,597	-	2,661,597
Buildings	25,606,035	6,729,874	18,876,161
Infrastructure	248,960,096	47,221,659	201,738,437
Machinery and Equipment	3,317,033	1,362,229	1,954,804
Land Improvements	10,925,186	2,766,322	8,158,864
Work in Progress – CIP and Infrastructure	4,795,460	-	4,795,460
<b>Total Capital Assets – Business-Type</b>	<b>\$ 315,216,039</b>	<b>\$ 61,615,634</b>	<b>\$ 253,600,405</b>

**Long-Term Obligations**

Debt, considered a liability of Governmental Activities, increased during the fiscal year by \$5.5 million. This increase was primarily a result of the increases in net pension liability and net OPEB obligation which were only partially offset by annual debt service payments. Per capita debt outstanding increased marginally from \$2,418 to \$2,442 compared to the prior fiscal year. Debt, considered a liability of Business-Type Activities, decreased by \$2.8 million during the fiscal year as debt service payments exceeded the increases in net pension liability and net OPEB obligation.

Detailed information regarding long-term obligation activity can be found in Note #6 in this report.



## Management's Discussion and Analysis

	<u>Balance June 30, 2016</u>	<u>Incurred or Issued</u>	<u>Satisfied or Matured</u>	<u>Balance June 30, 2017</u>
<b>Governmental Activities:</b>				
Bonds Payable	\$ 84,487,312	\$ 333,037 <sup>(1)</sup>	\$ 2,852,626	\$ 81,967,723
Notes Payable	14,598,135	-	1,215,818	13,382,317
Net OPEB Obligation	12,941,894	915,737	-	13,857,631
Net Pension Liability	24,702,647	8,075,351	-	32,777,998
Accumulated Compensated Absences	<u>1,294,137</u>	<u>1,659,398</u>	<u>1,398,656</u>	<u>1,554,879</u>
<b>Total Governmental Activities</b>	<u>\$ 138,024,125</u>	<u>\$ 10,983,523</u>	<u>\$ 5,467,100</u>	<u>\$ 143,540,548</u>
<b>Business-Type Activities:</b>				
Bonds Payable	\$ 51,201,034	\$ -	\$ 1,637,092	\$ 49,563,942
Notes Payable and Other	19,887,623	-	3,683,392	16,204,231
Net OPEB Obligation	4,054,106	154,263	-	4,208,369
Net Pension Liability	7,727,540	2,349,093	-	10,076,633
Accumulated Compensated Absences	<u>405,042</u>	<u>605,824</u>	<u>554,367</u>	<u>456,499</u>
<b>Total Business-Type Activities</b>	<u>\$ 83,275,345</u>	<u>\$ 3,109,180</u>	<u>\$ 5,874,851</u>	<u>\$ 80,509,674</u>

(1) Accreted Interest of \$333,037.

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

The key assumptions in the General Fund revenue forecast for FY 2017/18 are:

- Development activity will slow from its current pace, with approximately 275 new residential building permits being issued. This is a reduction from the 541 permits issued in FY 2016/17.
- Assessed valuations in the City will show a significant increase as the City has been informed by the Contra Costa County Assessor that an 8.49% increase in assessed valuation is to be expected in FY 2017/18.
- Persistently low interest rates will result in continued low levels of investment income.

The City has experienced increasing revenues as development activity has exceeded expectations in the most recent fiscal years and there has been several years of rebounding property values. Due to the increase in development, the City's population is estimated to increase over 2% in 2017. 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 General Fund FY 2017/18 budget:

- The operational costs for the first full year of operations of the Police dispatch center which opened in the spring of 2017.
- The costs associated with new three-year labor contracts with each of the City's bargaining groups, which became effective (or in the case of Sworn employees, was retroactive to) July 2017.
- The costs of a critical needs staffing plan, in which the City Council approved funding for an additional five new employees.
- Phasing in of a pre-funding strategy for OPEB, in which the City will fund 85% of the annual required contribution by FY 2017/18.
- Payments required under a Successor Agency Payment Plan to repay \$14.6 million for certain transfers made for capital projects, from the former Brentwood Redevelopment Agency, to the City, that were determined to be invalid by the California Department of Finance (see discussion in Note #6 of the Notes to the Financial Statement).
- Expenditures were budgeted to achieve the objectives of the City's FY 2016/17 – FY2017/18 Strategic Plan, funding various initiatives aligned with the General Plan focus areas.

Long-term expenditures will continue to be significantly impacted by personnel cost increases. The City's Ten-Year General Fund Fiscal Model shows continued escalation in pension and retiree medical costs, and with the recent population growth in the City, there will be increasing pressure put on demands for service. The City has taken several measures to help mitigate future cost increases, and through strong fiscal policy and leadership from the City Council, is in a good position to meet these challenges. Other future cost increases included in the City's long-term forecasts include increased replacement needs as the City's facilities and infrastructure age and increased operational costs as the City adds new amenities.

### **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 manages. If you have questions about this report, or need any additional financial information, contact the Finance and Information Systems Department, located at 150 City Park Way, Brentwood, California 94513, either by phone, (925) 516-5460, or e-mail [finance@brentwoodca.gov](mailto:finance@brentwoodca.gov).

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**Statement of Net Position**

June 30, 2017

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current Assets:			
Cash and Investments	\$ 146,714,738	\$ 73,832,501	\$ 220,547,239
Restricted Cash and Investments	16,581,884	1,546,391	18,128,275
Receivables, Net of Allowance for Doubtful Accounts	892,196	5,947,067	6,839,263
Inventories	32,440	-	32,440
Prepays	423,789	117,516	541,305
Land Held for Resale	1,040,359	-	1,040,359
<b>Total Current Assets</b>	<b>165,685,406</b>	<b>81,443,475</b>	<b>247,128,881</b>
Non-Current Assets:			
Long-Term Notes and Loans Receivable	25,844,474	752,170	26,596,644
Capital Assets			
Land and Work In Progress	46,233,328	7,457,057	53,690,385
Depreciable, Net of Accumulated Depreciation and Amortization	453,102,594	246,143,348	699,245,942
<b>Total Non-Current Assets</b>	<b>525,180,396</b>	<b>254,352,575</b>	<b>779,532,971</b>
<b>Total Assets</b>	<b>690,865,802</b>	<b>335,796,050</b>	<b>1,026,661,852</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount on Refunding	-	7,429,682	7,429,682
Related to Pensions	11,565,672	2,988,271	14,553,943
<b>Total Deferred Outflows of Resources</b>	<b>11,565,672</b>	<b>10,417,953</b>	<b>21,983,625</b>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	4,937,809	1,605,538	6,543,347
Unearned Revenue	547,580	-	547,580
Deposits Held	3,339,688	124,545	3,464,233
Long-Term Liabilities Due Within One Year	5,242,339	7,003,625	12,245,964
<b>Total Current Liabilities</b>	<b>14,067,416</b>	<b>8,733,708</b>	<b>22,801,124</b>
Non-Current Liabilities Due in More Than One Year:			
Bonds Payable	78,952,723	46,553,942	125,506,665
Notes Payable and Other	12,087,905	12,484,506	24,572,411
Net OPEB Obligation	13,857,631	4,208,369	18,066,000
Net Pension Liability	32,777,998	10,076,633	42,854,631
Compensated Absences Payable	621,952	182,599	804,551
<b>Total Non-Current Liabilities</b>	<b>138,298,209</b>	<b>73,506,049</b>	<b>211,804,258</b>
<b>Total Liabilities</b>	<b>152,365,625</b>	<b>82,239,757</b>	<b>234,605,382</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to Pensions	2,301,641	452,814	2,754,455
<b>Total Deferred Inflows of Resources</b>	<b>2,301,641</b>	<b>452,814</b>	<b>2,754,455</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets and Capacity Rights	422,791,124	195,261,914	618,053,038
Restricted for:			
Capital Projects	38,824,759	7,988,265	46,813,024
Debt Service	30,765,704	1,546,391	32,312,095
Housing	1,054,866	6,216,657	7,271,523
Landscape and Lighting Assessment Districts	4,323,759	-	4,323,759
Agricultural/Farmland Mitigation	1,783,190	-	1,783,190
Public Art	2,311,228	-	2,311,228
Development Impact Fee Program	7,157,686	9,597,889	16,755,575
Other Programs	9,579,824	13,741	9,593,565
Unrestricted	29,172,068	42,896,575	72,068,643
<b>Total Net Position</b>	<b>\$ 547,764,208</b>	<b>\$ 263,521,432</b>	<b>\$ 811,285,640</b>



**City of Brentwood**

**Statement of Activities and Changes in Net Position**

**For Year Ended June 30, 2017**

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
<b>Primary Government:</b>								
<b>Governmental Activities</b>								
General Government	\$ 13,709,033	\$ 9,134,325	\$ 2,475,736	\$ 5,569,089	\$ 17,179,150	\$ 3,470,117	\$ -	\$ 3,470,117
Public Safety	18,718,910	418,829	2,611,646	478,627	3,509,102	(15,209,808)	-	(15,209,808)
Community Development	4,386,875	4,297,207	-	226,486	4,523,693	136,818	-	136,818
Engineering	2,982,747	2,100,302	-	-	2,100,302	(882,445)	-	(882,445)
Public Works	7,266,573	-	4,741,270	10,552,063	15,293,333	8,026,760	-	8,026,760
Parks and Recreation	12,645,111	1,463,855	-	2,181,832	3,645,687	(8,999,424)	-	(8,999,424)
Community Services	7,300,460	-	5,913,316	-	5,913,316	(1,387,144)	-	(1,387,144)
Interest on Long-Term Debt	4,896,060	-	-	-	-	(4,896,060)	-	(4,896,060)
<b>Total Governmental Activities</b>	<b>71,905,769</b>	<b>17,414,518</b>	<b>15,741,968</b>	<b>19,008,097</b>	<b>52,164,583</b>	<b>(19,741,186)</b>	<b>-</b>	<b>(19,741,186)</b>
<b>Business-Type Activities</b>								
Wastewater	10,328,357	11,261,121	-	2,794,373	14,055,494	-	3,727,137	3,727,137
Solid Waste	11,493,599	11,376,482	-	-	11,376,482	-	(117,117)	(117,117)
Water	20,972,101	17,977,213	-	9,069,621	27,046,834	-	6,074,733	6,074,733
City Rentals	196,829	497,573	-	-	497,573	-	300,744	300,744
Housing	797,400	285,418	1,024,113	-	1,309,531	-	512,131	512,131
<b>Total Business-Type Activities</b>	<b>43,788,286</b>	<b>41,397,807</b>	<b>1,024,113</b>	<b>11,863,994</b>	<b>54,285,914</b>	<b>-</b>	<b>10,497,628</b>	<b>10,497,628</b>
<b>Total Primary Government</b>	<b>\$ 115,694,055</b>	<b>\$ 58,812,325</b>	<b>\$ 16,766,081</b>	<b>\$ 30,872,091</b>	<b>\$ 106,450,497</b>	<b>\$ (19,741,186)</b>	<b>\$ 10,497,628</b>	<b>\$ (9,243,558)</b>
General Revenues:								
Taxes:								
Property Taxes						\$ 14,968,042	\$ -	\$ 14,968,042
Sales Tax						8,188,046	-	8,188,046
Franchise Fees						1,487,179	-	1,487,179
Real Property Transfer Tax						547,975	-	547,975
Transient Occupancy Tax						396,763	-	396,763
Motor Vehicle Taxes						3,952,928	-	3,952,928
Investment Earnings						373,212	233,539	606,751
Miscellaneous						352,324	-	352,324
Transfers						(270,142)	270,142	-
<b>Total General Revenues and Transfers</b>						<b>29,996,327</b>	<b>503,681</b>	<b>30,500,008</b>
<b>Change in Net Position</b>						<b>10,255,141</b>	<b>11,001,309</b>	<b>21,256,450</b>
<b>Net Position - Beginning of Year</b>						<b>537,509,067</b>	<b>252,520,123</b>	<b>790,029,190</b>
<b>Net Position - End of Year</b>						<b>\$ 547,764,208</b>	<b>\$ 263,521,432</b>	<b>\$ 811,285,640</b>

**City of Brentwood**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2017**

	<b>General Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>			
Current Assets:			
Cash and Investments	\$ 27,847,238	\$ 63,209,979	\$ 91,057,217
Restricted Cash and Investments	-	16,581,884	16,581,884
Receivables	1,112,326	25,876,716	26,989,042
Prepays	83,944	914	84,858
Land Held for Resale	-	1,040,359	1,040,359
<b>Total Assets</b>	<b>\$ 29,043,508</b>	<b>\$ 106,709,852</b>	<b>\$ 135,753,360</b>
<b>LIABILITIES</b>			
Liabilities:			
Accounts Payable and Accrued Liabilities	\$ 1,836,253	\$ 2,750,996	\$ 4,587,249
Due to Other Funds	-	784,825	784,825
Unearned Revenue	197,580	350,000	547,580
Deposits Held	3,339,688	-	3,339,688
<b>Total Liabilities</b>	<b>5,373,521</b>	<b>3,885,821</b>	<b>9,259,342</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue:			
Accounts Receivable	264,084	-	264,084
<b>Total Deferred Inflows of Resources</b>	<b>264,084</b>	<b>-</b>	<b>264,084</b>
<b>FUND BALANCES</b>			
Nonspendable	83,944	80,914	164,858
Restricted	94,464	100,964,619	101,059,083
Committed	7,553,950	1,779,008	9,332,958
Unassigned	15,673,545	(510)	15,673,035
<b>Total Fund Balances</b>	<b>23,405,903</b>	<b>102,824,031</b>	<b>126,229,934</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 29,043,508</b>	<b>\$ 106,709,852</b>	<b>\$ 135,753,360</b>

**Reconciliation of the Governmental Funds Balance Sheet  
to the Government-Wide Statement of Net Position  
June 30, 2017**

<b>Total Fund Balances - Total Governmental Funds</b>	\$ 126,229,934
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.	493,513,476
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.	58,382,349
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 and Changes in Net Position.	(1,019,934)
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	(80,947,789)
Notes Payable	(13,382,317)
Net OPEB Obligation	(12,547,939)
Net Pension Liabilities and Deferred Outflows/Inflows of Resources Related to Pensions	(21,018,364)
Compensated Absences	(1,357,987)
Accrued Liabilities	<u>(87,221)</u>
<b>Total Net Position of Governmental Activities</b>	<u>\$ 547,764,208</u>

**City of Brentwood**

**Statement of Revenues, Expenditures and Changes in Fund Balances**

**Governmental Funds**

**For Year Ended June 30, 2017**

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Taxes	\$ 21,496,490	\$ 2,527,589	\$ 24,024,079
Licenses	702,443	175,611	878,054
Permits and Fines	6,686,821	-	6,686,821
Uses of Money and Property	234,704	234,912	469,616
Intergovernmental	4,683,506	5,219,897	9,903,403
Franchises	1,487,179	-	1,487,179
Charges for Other Services	561,815	-	561,815
Charges to Other Funds	7,538,724	-	7,538,724
Fees and Other Revenues	1,787,913	24,061,955	25,849,868
<b>Total Revenues</b>	<b>45,179,595</b>	<b>32,219,964</b>	<b>77,399,559</b>
<b>EXPENDITURES</b>			
Current:			
General Government	6,633,141	4,434,472	11,067,613
Public Safety	21,417,144	127,291	21,544,435
Community Development	4,368,437	276,056	4,644,493
Engineering	3,227,631	-	3,227,631
Public Works	3,213,775	-	3,213,775
Parks and Recreation	5,576,169	5,036,895	10,613,064
Community Services	536,357	6,777,805	7,314,162
Capital Outlay	-	3,388,096	3,388,096
Debt Service:			
Principal	1,215,818	2,785,000	4,000,818
Interest and Fiscal Charges	-	4,630,649	4,630,649
<b>Total Expenditures</b>	<b>46,188,472</b>	<b>27,456,264</b>	<b>73,644,736</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,008,877)</b>	<b>4,763,700</b>	<b>3,754,823</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	9,520,696	31,006,931	40,527,627
Transfers Out	(7,652,826)	(32,992,161)	(40,644,987)
<b>Total Other Financing Sources (Uses)</b>	<b>1,867,870</b>	<b>(1,985,230)</b>	<b>(117,360)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>858,993</b>	<b>2,778,470</b>	<b>3,637,463</b>
<b>Fund Balance, Beginning of Year</b>	<b>22,546,910</b>	<b>100,045,561</b>	<b>122,592,471</b>
<b>Fund Balance, End of Year</b>	<b>\$ 23,405,903</b>	<b>\$ 102,824,031</b>	<b>\$ 126,229,934</b>

**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-Wide Statement of Activities Changes in Net Position**  
**For Year Ended June 30, 2017**

<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$ 3,637,463
<p>Amounts reported for governmental activities in the Statement of Activities and Changes in Net Position are different because:</p>	
<p>Governmental Funds report capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Position, 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.</p>	3,388,096
<p>Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities and Changes in Net Position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in Governmental Funds.</p>	(9,192,295)
<p>The net effect of various miscellaneous transactions involving Capital Assets (e.g. sales, trade-ins and contributions) is to increase net position.</p>	4,821,922
<p>To record the net change in compensated absences in the Statement of Activities and Changes in Net Position.</p>	(250,643)
<p>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 and other long-term liabilities is an expenditure in Governmental Funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.</p>	
This amount represents long-term debt repayments	4,000,818
This amount represents the decrease in accrued liabilities	10,276
This amount represents the increase in Net OPEB Obligation	(881,805)
This amount represents the decrease in Net Pension Liability and Deferred Outflows/Inflows related to Pensions	1,776,281
This amount represents accreted interest	(333,037)
This amount represents amortized bond premiums	67,626
<p>Revenues in the Governmental Funds which have been previously recognized in the Statement of Activities and Changes in Net Position.</p>	(13,174)
<p>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.</p>	3,223,613
<b>Change in Net Position of Governmental Activities</b>	<b>\$ 10,255,141</b>

City of Brentwood

Statement of Net Position

Proprietary Funds

June 30, 2017

	Business-Type Activities - Enterprise Funds					Totals	Governmental Activities - Internal Service Funds
	Wastewater	Solid Waste	Water	City Rentals	Housing		
<b>ASSETS</b>							
Current Assets:							
Cash and Investments	\$ 41,258,042	\$ 5,782,026	\$ 20,438,288	\$ 96,980	\$ 6,257,165	\$ 73,832,501	\$ 55,657,521
Restricted Cash and Investments	-	-	1,546,391	-	-	1,546,391	-
Receivables	1,632,334	1,671,274	2,521,792	84,441	37,226	5,947,067	11,712
Inventories	-	-	-	-	-	-	32,440
Prepays	29,363	33,471	48,115	6,079	488	117,516	338,931
Due from Other Funds	-	-	-	-	-	-	784,825
Total Current Assets	42,919,739	7,486,771	24,554,586	187,500	6,294,879	81,443,475	56,825,429
Non-Current Assets:							
Long-Term Notes Receivable	-	-	-	-	752,170	752,170	-
Capital Assets							
Land and Work In Progress	4,983,319	254,420	350,322	-	1,868,996	7,457,057	-
Depreciable	99,880,949	13,234,473	192,291,889	-	2,351,671	307,758,982	14,920,617
Less: Accumulated Depreciation and Amortization	(22,224,342)	(1,586,089)	(37,437,936)	-	(367,267)	(61,615,634)	(9,098,171)
Total Capital Assets, Net of Accumulated Depreciation and Amortization	82,639,926	11,902,804	155,204,275	-	3,853,400	253,600,405	5,822,446
Total Non-Current Assets	82,639,926	11,902,804	155,204,275	-	4,605,570	254,352,575	5,822,446
<b>Total Assets</b>	<b>125,559,665</b>	<b>19,389,575</b>	<b>179,758,861</b>	<b>187,500</b>	<b>10,900,449</b>	<b>335,796,050</b>	<b>62,647,875</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred Amount on Refunding	-	-	7,429,682	-	-	7,429,682	-
Related to Pensions	823,666	992,063	1,072,576	-	99,966	2,988,271	966,710
<b>Total Deferred Outflows of Resources</b>	<b>823,666</b>	<b>992,063</b>	<b>8,502,258</b>	<b>-</b>	<b>99,966</b>	<b>10,417,953</b>	<b>966,710</b>
<b>LIABILITIES</b>							
Current Liabilities:							
Accounts Payable and Accrued Liabilities	902,440	373,324	319,075	9,417	1,282	1,605,538	263,339
Deposits Held	-	13,741	75,000	-	35,804	124,545	-
Long-Term Debt Due Within One Year	2,049,105	-	4,680,620	-	-	6,729,725	-
Compensated Absences Payable	75,429	99,234	92,356	-	6,881	273,900	118,135
Total Current Liabilities	3,026,974	486,299	5,167,051	9,417	43,967	8,733,708	381,474
Non-Current Liabilities Due in More Than One Year:							
Bonds Payable	-	-	46,553,942	-	-	46,553,942	-
Notes Payable and Other	10,813,886	-	1,670,620	-	-	12,484,506	-
Net OPEB Obligation	1,095,912	1,480,371	1,522,322	-	109,764	4,208,369	1,309,692
Net Pension Liability	2,764,932	3,398,652	3,640,044	-	273,005	10,076,633	3,306,011
Compensated Absences Payable	50,286	66,156	61,570	-	4,587	182,599	78,757
Total Non-Current Liabilities	14,725,016	4,945,179	53,448,498	-	387,356	73,506,049	4,694,460
<b>Total Liabilities</b>	<b>17,751,990</b>	<b>5,431,478</b>	<b>58,615,549</b>	<b>9,417</b>	<b>431,323</b>	<b>82,239,757</b>	<b>5,075,934</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable Revenue:							
Related to Pensions	129,345	160,801	160,092	-	2,576	452,814	156,302
<b>Total Deferred Inflows of Resources</b>	<b>129,345</b>	<b>160,801</b>	<b>160,092</b>	<b>-</b>	<b>2,576</b>	<b>452,814</b>	<b>156,302</b>
<b>NET POSITION</b>							
Net Investment in Capital Assets and Capacity Rights	69,776,935	11,902,804	109,728,775	-	3,853,400	195,261,914	5,822,446
Restricted for:							
Capital Projects	7,074,285	-	913,980	-	-	7,988,265	-
Special Projects and Programs	9,597,889	13,741	1,546,391	-	6,216,657	17,374,678	-
Unrestricted	22,052,887	2,872,814	17,296,332	178,083	496,459	42,896,575	52,559,903
<b>Total Net Position</b>	<b>\$ 108,501,996</b>	<b>\$ 14,789,359</b>	<b>\$ 129,485,478</b>	<b>\$ 178,083</b>	<b>\$ 10,566,516</b>	<b>\$ 263,521,432</b>	<b>\$ 58,382,349</b>

**City of Brentwood**

**Statement of Revenues, Expenses and Changes in Fund Net Position**

**Proprietary Funds**

**For Year Ended June 30, 2017**

	Business-Type Activities - Enterprise Funds					Totals	Governmental Activities - Internal Service Funds
	Wastewater	Solid Waste	Water	City Rentals	Housing		
<b>Operating Revenues:</b>							
Charges for Services	\$ 11,142,870	\$ 11,373,337	\$ 17,841,848	\$ 497,573	\$ 285,418	\$ 41,141,046	\$ 16,275,480
Other Income	118,251	3,145	135,365	-	-	256,761	78,242
<b>Total Operating Revenues</b>	<b>11,261,121</b>	<b>11,376,482</b>	<b>17,977,213</b>	<b>497,573</b>	<b>285,418</b>	<b>41,397,807</b>	<b>16,353,722</b>
<b>Operating Expenses:</b>							
Personnel Services	2,828,635	3,513,283	3,675,180	-	328,223	10,345,321	3,227,722
Repairs and Maintenance	1,111,125	1,531,818	369,462	56,191	74,423	3,143,019	646,198
Materials, Supplies and Services	4,545,554	6,236,565	11,605,816	140,638	347,721	22,876,294	8,001,898
Depreciation and Amortization	1,592,712	211,933	3,190,015	-	47,033	5,041,693	1,293,323
<b>Total Operating Expenses</b>	<b>10,078,026</b>	<b>11,493,599</b>	<b>18,840,473</b>	<b>196,829</b>	<b>797,400</b>	<b>41,406,327</b>	<b>13,169,141</b>
<b>Operating Income (Loss)</b>	<b>1,183,095</b>	<b>(117,117)</b>	<b>(863,260)</b>	<b>300,744</b>	<b>(511,982)</b>	<b>(8,520)</b>	<b>3,184,581</b>
<b>Non-Operating Revenues (Expenses):</b>							
Interest Income	112,045	7,418	83,855	-	30,221	233,539	144,503
Developer Fees and Credits	-	-	-	-	1,024,113	1,024,113	-
Interest Expense	(250,331)	-	(2,126,225)	-	-	(2,376,556)	-
Gain or (Loss) on Disposal of Capital Assets	-	-	(5,403)	-	-	(5,403)	47,311
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(138,286)</b>	<b>7,418</b>	<b>(2,047,773)</b>	<b>-</b>	<b>1,054,334</b>	<b>(1,124,307)</b>	<b>191,814</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>1,044,809</b>	<b>(109,699)</b>	<b>(2,911,033)</b>	<b>300,744</b>	<b>542,352</b>	<b>(1,132,827)</b>	<b>3,376,395</b>
Contributions - Impact Fees and Credits	1,639,418	-	1,956,870	-	-	3,596,288	-
Capital Asset Contributions	1,154,955	-	7,112,751	-	-	8,267,706	-
Transfers In	855,402	183,864	459,344	-	2,024	1,500,634	4,789,945
Transfers Out	(136,250)	(65,519)	(722,388)	(306,335)	-	(1,230,492)	(4,942,727)
<b>Change in Net Position</b>	<b>4,558,334</b>	<b>8,646</b>	<b>5,895,544</b>	<b>(5,591)</b>	<b>544,376</b>	<b>11,001,309</b>	<b>3,223,613</b>
<b>Net Position, Beginning of Year</b>	<b>103,943,662</b>	<b>14,780,713</b>	<b>123,589,934</b>	<b>183,674</b>	<b>10,022,140</b>	<b>252,520,123</b>	<b>55,158,736</b>
<b>Net Position, End of Year</b>	<b>\$ 108,501,996</b>	<b>\$ 14,789,359</b>	<b>\$ 129,485,478</b>	<b>\$ 178,083</b>	<b>\$ 10,566,516</b>	<b>\$ 263,521,432</b>	<b>\$ 58,382,349</b>

City of Brentwood

Statement of Cash Flows

Proprietary Funds

For Year Ended June 30, 2017

	Business-Type Activities - Enterprise Funds					Totals	Governmental Activities - Internal Service Funds
	Wastewater	Solid Waste	Water	City Rentals	Housing		
<b>Cash Flows from Operating Activities</b>							
Cash Received from Customers/Other Funds	\$ 11,209,324	\$ 11,268,331	\$ 17,187,011	\$ 475,809	\$ 234,274	\$ 40,374,749	\$ 16,285,308
Cash Payments to Suppliers of Goods and Services	(4,448,161)	(5,516,138)	(11,676,420)	(182,852)	(335,956)	(22,159,527)	(8,038,343)
Cash Payments to Employees for Services	(2,720,617)	(3,461,520)	(3,569,636)	-	(312,121)	(10,063,894)	(3,163,325)
Cash Payments for Interfund Services	(980,358)	(2,375,253)	(1,154,095)	(10,968)	(84,079)	(4,604,753)	(725,070)
Other Receipts	118,251	3,145	135,365	24,805	-	281,566	75,242
<b>Net Cash Provided By (Used for) Operating Activities</b>	<b>3,178,439</b>	<b>(81,435)</b>	<b>922,225</b>	<b>306,794</b>	<b>(497,882)</b>	<b>3,828,141</b>	<b>4,433,812</b>
<b>Cash Flows from Non-Capital Financing Activities</b>							
Transfers Received	855,402	183,864	459,344	-	2,024	1,500,634	4,789,945
Transfers Paid	(136,250)	(65,519)	(722,388)	(306,335)	-	(1,230,492)	(4,942,727)
Developer Fees and Credits	-	-	-	-	1,024,113	1,024,113	-
<b>Net Cash Provided By (Used for) Non-Capital Financing Activities</b>	<b>719,152</b>	<b>118,345</b>	<b>(263,044)</b>	<b>(306,335)</b>	<b>1,026,137</b>	<b>1,294,255</b>	<b>(152,782)</b>
<b>Cash Flows from Capital and Related Financing Activities</b>							
Contributions - Impact Fees and Credits	1,639,418	-	1,956,870	-	-	3,596,288	-
Interest Paid on Debt	(250,331)	-	(2,126,225)	-	-	(2,376,556)	-
Principal Paid on Debt	(2,012,772)	-	(3,055,620)	-	-	(5,068,392)	-
Gain or (Loss) on Sale of Fixed Assets	-	-	(5,403)	-	-	(5,403)	-
Proceeds from Sale of Capital Assets	-	-	-	-	-	-	67,521
Acquisition and Construction of Capital Assets	(3,601,950)	-	(94,597)	-	-	(3,696,547)	(1,568,791)
<b>Net Cash Provided By (Used for) Capital and Related Financing Activities</b>	<b>(4,225,635)</b>	<b>-</b>	<b>(3,324,975)</b>	<b>-</b>	<b>-</b>	<b>(7,550,610)</b>	<b>(1,501,270)</b>
<b>Cash Flows from Investing Activities</b>							
Interest on Investments	104,916	6,300	80,218	(35)	29,123	220,522	135,876
<b>Net Cash Provided By Investing Activities</b>	<b>104,916</b>	<b>6,300</b>	<b>80,218</b>	<b>(35)</b>	<b>29,123</b>	<b>220,522</b>	<b>135,876</b>
Net Increase (Decrease) in Cash and Cash Equivalents	(223,128)	43,210	(2,585,576)	424	557,378	(2,207,692)	2,915,636
Cash and Cash Equivalents - Beginning of Year	41,481,170	5,738,816	24,570,255	96,556	5,699,787	77,586,584	52,741,885
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 41,258,042</b>	<b>\$ 5,782,026</b>	<b>\$ 21,984,679</b>	<b>\$ 96,980</b>	<b>\$ 6,257,165</b>	<b>\$ 75,378,892</b>	<b>\$ 55,657,521</b>
<b>Reconciliation of Operating Income to Net Cash Provided By (Used for) Operating Activities:</b>							
Operating Income (Loss)	\$ 1,183,095	\$ (117,117)	\$ (863,260)	\$ 300,744	\$ (511,982)	\$ (8,520)	\$ 3,184,581
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used for) Operating Activities:							
Depreciation and Amortization	1,592,712	211,933	3,190,015	-	47,033	5,041,693	1,293,323
Change in Assets, Liabilities and Deferred Outflows/Inflows of Resources:							
Receivables	69,490	(91,009)	(637,108)	1,663	(51,144)	(708,108)	-
Prepaid Items	(3,259)	(13,975)	(17,731)	1,378	13	(33,574)	(116,487)
Accounts Payable and Other Payables	228,160	(120,687)	(860,237)	3,009	(1,412)	(751,167)	-
Net OPEB Obligation	77,406	14,298	52,377	-	10,182	154,263	33,932
Net Pension Liability and Deferred Outflows/Inflows of Resources related to Pensions	20,933	25,089	27,219	-	2,657	75,898	24,104
Compensated Absences Payable	9,902	12,354	25,950	-	3,250	51,456	10,099
Deposits	-	(2,321)	5,000	-	3,521	6,200	-
<b>Net Cash Provided By (Used for) Operating Activities</b>	<b>\$ 3,178,439</b>	<b>\$ (81,435)</b>	<b>\$ 922,225</b>	<b>\$ 306,794</b>	<b>\$ (497,882)</b>	<b>\$ 3,828,141</b>	<b>\$ 4,433,812</b>
<b>Noncash Capital Activities:</b>							
Capital Asset Contributions	\$ 1,154,955	\$ -	\$ 7,112,751	\$ -	\$ -	\$ 8,267,706	\$ -



**City of Brentwood**

**Statement of Fiduciary Net Position**  
**Agency Funds and Private Purpose Trust Fund**  
**June 30, 2017**

	<b>Agency Funds</b>	<b>Private-Purpose Trust Fund - Successor Agency</b>
<b>ASSETS</b>		
Current Assets:		
Cash and Investments	\$ 14,056,034	\$ 1,926,027
Restricted Cash and Investments	4,289,484	-
Interest Receivable	3,220	369
Total Current Assets	18,348,738	1,926,396
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	2,894,177	147
Due to City of Brentwood	37,206	-
Long-Term Liabilities Due Within One Year	-	951,053
Total Current Liabilities	2,931,383	951,200
Non-Current Liabilities Due in More Than One Year:		
Due to Bondholders	15,417,355	-
Long-Term Liabilities	-	24,893,421
Total Non-Current Liabilities	15,417,355	24,893,421
<b>Total Liabilities</b>	<b>18,348,738</b>	<b>25,844,621</b>
<b>NET POSITION (DEFICIT)</b>		
Held in Trust for Other Governments	-	(23,918,225)
<b>Total Net Position (Deficit)</b>	<b>\$ -</b>	<b>\$ (23,918,225)</b>

City of Brentwood

**Statement of Changes in Fiduciary Net Position**

**Private-Purpose Trust Fund**

**For Year Ended June 30, 2017**

	<b>Private-Purpose Trust Fund - Successor Agency</b>
<b>ADDITIONS</b>	
Property Taxes	\$ 2,711,225
Other	64,622
<b>Total Additions</b>	<u>2,775,847</u>
<b>DEDUCTIONS</b>	
Administrative Expenses	250,000
Interest and Fiscal Agent Expenses	1,593,687
<b>Total Deductions</b>	<u>1,843,687</u>
<b>Change in Net Position</b>	932,160
<b>NET POSITION HELD IN TRUST</b>	
Net Position - Beginning of Year	(24,850,385)
Net Position - End of Year	<u>\$ (23,918,225)</u>



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**NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. DESCRIPTION OF THE REPORTING ENTITY**

The City of Brentwood is governed by a five member City Council, under the Council-Manager form of government. The accompanying financial statements present the City of Brentwood, the primary government, and its component units, entities for which the primary government is considered financially accountable. The City is considered to be financially accountable for an organization if: 1) the City appoints a voting majority of said organization or 2) there is a potential for the organization to either provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable for an organization if the organization is fiscally dependent (i.e. unable to adopt a budget, levy taxes, set rates or charges or issue bonded debt without approval from the City). In certain cases, other organizations are included as component units if the nature and significance of their relationship with the City are such that their exclusion would cause the City's financial statements to be misleading or incomplete.

In addition to reporting directly for the City's operations, the Brentwood Infrastructure Financing Authority, a component unit, has been included in the primary reporting entity and is treated as a blended component unit.

**Brentwood Infrastructure Financing Authority**

The Brentwood Infrastructure Financing Authority (the "Authority"), formed on March 14, 1995, is a joint powers authority organized under Section 6500 *et seq.* of the California Government Code between the City and the Authority for the purpose of acting as a vehicle for various financing activities of the City and the Authority. The Board of Directors is the Brentwood City Council. The primary purpose of the Authority is to render financial assistance to the City and the Authority by issuing debt and financing the construction of public facilities. Separate financial statements are not required for the Authority and therefore, are not issued.

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

The Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. The Statement of Activities and Changes in Net Position demonstrates the degree to which direct and indirect expenses, for a given function or segment, are offset by program revenues. Direct expenses are clearly identifiable with a specific function or segment. Indirect expenses are expenses which are allocated based on the City's annual Cost Allocation Plan, Pay Schedule 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, except for interfund services provided and used. 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.

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 present 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



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

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.

In FY 2016/17, the General Fund is the only major governmental fund. 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. 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.
- 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.

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

- 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 taxes levied for a variety of allowable uses, including but not limited to public safety 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 Development Impact Fee – This fund accounts for development fees collected for the design and construction of roadways within the City.
- Parks and Trails Development Impact Fee – This fund accounts for development fees collected for the design and construction of parks within the City.
- Community Facilities Development Impact Fee – This fund accounts for development fees collected for the design and construction of public facilities within the City.
- Fire Development Impact Fee – This fund accounts for development fees collected for the design and construction of fire facilities required to serve new development in the City.
- Development Impact Fee Administration – This fund accounts for development fees collected for the administration of the Development Impact Fee Program.
- Agriculture Land 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 Acquisition – This fund accounts for 80% of the Agriculture Preservation fees collected from development. The monies are used for farmland mitigation purposes.
- Public Art Administration – This fund accounts for 20% of the Public Art fees collected from development for the administration of the Public Art Program.
- Public Art Acquisition – This fund accounts for 80% of the Public Art fees collected from development 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 donations received to support a variety of arts programs for revenues and expenditures associated with the Arts Commission. This fund was closed in FY 2016/17.
- Asset Forfeiture – This fund accounts for property or funds seized by the Police Department. After a case has been tried, and a guilty verdict is returned, the funds are considered forfeited. Federal funds must be used for narcotic enforcement and crime suppression. State funds must be used for areas related to drug prevention.

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

- 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, educational and governmental access fees collected from cable operators established per the Municipal Code and franchise agreements. This fund accounts for Public Access, Educational and Governmental (PEG) television channels provided for the citizens of Brentwood.
- Parks Advertising – This fund accounts for Parks and Recreation advertising fees collected to publish and distribute the Parks and Recreation Activities guide, as well as, enhance the amenities at the Sunset Athletic Complex, the Brentwood Family Aquatic Complex and the Brentwood Skate Park.
- 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 for 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.

*Permanent Funds* account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support City programs for the benefit of the City and its citizens. The City has one permanent fund, the Riparian Mitigation Site Maintenance Fund, that accounts for a stewardship endowment for maintenance of a riparian mitigation site.

*Debt Service Funds* account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs. Specific descriptions of the Debt Service Funds are as follows:

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

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

- 2015 Lease Financing – This fund accounts for debt service transactions relating to the 2015 Lease Financing. The bond proceeds will be used mainly to finance construction of the new Library and Municipal Service Center.

*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.
- 2015 Lease Financing Acquisition – This fund accounts for transactions related to proceeds from the 2015 Lease Financing 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.
- Capital Infrastructure – 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.

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

- 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 Enterprise Funds, all of which are reported as major 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 programs which include the Housing rental units and 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. This fund was closed in FY 2016/17.
- Information Services – To provide a source of funding for the development and coordination of the City's information system's needs.
- Equipment Replacement – To provide a source of funding for vehicle and equipment replacement.
- Information Systems Replacement – To provide a source of funding for the replacement of information systems such as computers and the phone system.
- Facilities Replacement – To provide a source of funding for repairs or the replacement of City facilities.
- Tuition – To provide a source of funding for expenditures related to continuing education.

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

- 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 – Successor Agency – 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.

**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. Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. For additional information, refer to Note #1D xv. 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, 2017.

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

**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 reported as nonspendable 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.

**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 valued at their estimated acquisition value on the date contributed. 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	40 - 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, which are 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

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

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 31 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.

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 typically liquidated by the General Fund, Citywide Park Assessment District Fund, Fleet Maintenance Fund, Facilities Maintenance Fund and Information Services 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.



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

**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 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 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. GASB Statement No. 74 did not have an effect on the FY 2016/17 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 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 implemented GASB Statement No. 77, but it did not have a material effect on the FY 2016/17 financial statements.

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

In March 2017, GASB issued GASB Statement No. 85, *Omnibus 2017*. This Statement addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits. The requirements of the Statement are effective for reporting periods beginning after June 15, 2017. The City is in the process of determining the impact GASB Statement No. 85 will have on its financial statements.

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

The Riparian Mitigation Site Maintenance Permanent Fund was created in FY 2016/17 for the purpose of accounting for the stewardship endowment received by the City from the State Route 4 Bypass Authority to fund maintenance of a riparian mitigation site.

In FY 2016/17, the Emergency Preparedness Internal Service Fund and the Arts Commission Special Revenue Fund were closed.

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

**xiii. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net 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. The elements of Deferred Outflows of Resources Related to Pensions are deferred and amortized and will be recognized as a component of pension expense in subsequent fiscal years. 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 net 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 reported on the Government-Wide Statement of Net Position, which qualifies for reporting in this category, deferred inflows of resources Related to Pensions. These amounts are deferred and amortized and will be recognized as a component of pension expense in subsequent fiscal years. 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.

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

**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.

**xv. Fair Value Measurements**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

**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.

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

**Budget Basis of Accounting**

Budgetary comparisons are presented for the General, Special Revenue and certain Capital Project funds. The following funds 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**

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

**Debt Service Funds**

Capital Improvement Revenue Refunding Bonds Series 2012  
General Obligation Bonds Series 2002  
2009 Civic Center Project Lease Revenue Bonds  
2015 Lease Financing

**B. DEFICIT FUND EQUITY**

Following is a list of funds which have either a deficit fund or net position balance as of June 30, 2017. The deficits in the Internal Service Funds are related to Net OPEB obligation and Pension liability accruals. In response to increasing Net OPEB obligations, the City has adopted a long-term OPEB pre-funding strategy which ultimately calls for 85% of the Actuarial Required Contribution (ARC) to be funded annually. The Internal Service funds will continue to maintain a positive cash balance.

<b>Internal Service Funds:</b>	
Information Services	\$ 777,177
Fleet Maintenance Services	487,726
Facilities Maintenance Services	208,441

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

The composition of the "Due To/From Other Funds" balance on the Governmental Funds Balance Sheet, as of June 30, 2017, is shown on the following page. 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. The City and Successor Agency are currently seeking potential State reimbursement of this amount.



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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Pension/OPEB Obligation Internal Service Fund	Parks and Trails Improvements Capital Project Fund	\$ 784,825
<b>Total</b>		<b>\$ 784,825</b>

Interfund Transfers

Fund Description	Non-Major						Housing Enterprise	Total Transfers Out
	General Fund	Governmental Funds	Internal Service Funds	Wastewater Enterprise	Solid Waste Enterprise	Water Enterprise		
General Fund	\$ -	\$ 3,064,503	\$ 4,588,323	\$ -	\$ -	\$ -	\$ -	\$ 7,652,826
Non-Major Governmental Funds	6,129,442	26,344,645	111,701	1,234	3,950	401,189	-	32,992,161
Internal Service Funds	3,391,251	991,385	24,191	300,807	179,914	53,155	2,024	4,942,727
Wastewater Enterprise	3	65,517	65,730	-	-	5,000	-	136,250
Solid Waste Enterprise	-	65,519	-	-	-	-	-	65,519
Water Enterprise	-	169,027	-	553,361	-	-	-	722,388
City Rentals Enterprise	-	306,335	-	-	-	-	-	306,335
<b>Total Transfers In</b>	<b>\$ 9,520,696</b>	<b>\$ 31,006,931</b>	<b>\$ 4,789,945</b>	<b>\$ 855,402</b>	<b>\$ 183,864</b>	<b>\$ 459,344</b>	<b>\$ 2,024</b>	<b>\$ 46,818,206</b>

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

<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	\$ 4,009,571	Provide a subsidy to cover a portion of the costs for Public Safety Services
General Fund	\$ 2,916,990	Provide funding to cover a portion of the 16/17-17/18 Strategic Initiatives
General Fund	\$ 1,164,271	Gas Tax revenue to subsidize the Street Maintenance Division
Internal Service	\$ 3,998,466	Transfer of unassigned General Fund balance in excess of reserve requirement
Special Revenue	\$ 3,962,000	Return prior year funding for the Fire Station #53 and Fire Station #54 projects
Capital Projects	\$ 8,559,926	Provide funding to cover a portion of the costs for the Library - New Construction project
Capital Projects	\$ 4,526,609	Provide funding to cover a portion of the costs for the Municipal Service Center project
Capital Projects	\$ 1,447,182	Provide funding to cover a portion of the costs for the Vineyards at Marsh Creek - Event Center/Amphitheater project
Capital Projects	\$ 350,000	Provide funding to cover a portion of the costs for the Creekside Park Playground Replacement project
Capital Projects	\$ 290,192	Provide funding to cover a portion of the costs for the Aquatic Complex Improvements project
Capital Projects	\$ 290,000	Provide funding to cover a portion of the costs for the Citywide Gateway Monuments "4 Corners" project
Capital Projects	\$ 275,000	Provide funding to cover a portion of the costs for the Specific Plan for Priority Area 1 project

**D. MINIMUM FUND BALANCE POLICIES**

Staff will present a General Fund budget for City Council consideration that maintains an unassigned fund balance of 30% of the annual operating appropriations and operating transfers. The City will strive to maintain cash reserves in the Enterprise Funds of 30% of annual operating appropriations and operating transfers. This is considered the minimum level necessary to maintain the City's credit worthiness and to adequately provide for contingencies for unseen operating or capital needs or cash flow requirements.

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

**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 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 General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The City considers restricted amounts to have been spent, prior to unrestricted amounts, when expenditure is incurred for purposes for which both are available. Committed, assigned and unassigned amounts, in this order, are considered to be spent when expenditure is incurred for purposes for which either is available. Detailed classifications of the City's Governmental Fund Balances, as of June 30, 2017, are shown on the following page:

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

	<b>General Fund</b>	<b>Other Governmental Funds</b>	<b>Total</b>
<b>Fund Balances:</b>			
<b>Nonspendable:</b>			
Prepaid Expenses	\$ 83,944	\$ 914	\$ 84,858
Riparian Site Mitigation Endowment		80,000	80,000
<b>Total Nonspendable Fund Balances</b>	<b>83,944</b>	<b>80,914</b>	<b>164,858</b>
<b>Restricted for:</b>			
Debt Service	-	30,765,704	30,765,704
Community Facilities Projects	-	21,013,267	21,013,267
Civic Center Projects	-	59,251	59,251
Parks and Trails Projects	-	55,597	55,597
Low Income Housing	-	1,054,866	1,054,866
Vineyards Development Projects	-	5,017,345	5,017,345
Infrastructure Projects	-	4,028,151	4,028,151
Streets and Roadways	-	6,490,341	6,490,341
CIFP Projects	-	7,848,939	7,848,939
Landscape and Lighting Assessment Districts	-	4,323,759	4,323,759
Off Street Parking Facilities in Downtown	-	28,361	28,361
Agricultural/Farmland Mitigation	-	1,783,190	1,783,190
Brentwood Redevelopment Escrow	94,464	-	94,464
Fire Facilities	-	5,214,528	5,214,528
Public Art	-	2,311,228	2,311,228
Development Impact Fee Program	-	9,341,691	9,341,691
Drug Prevention Programs	-	33,235	33,235
Public Safety	-	182,140	182,140
Disability Access	-	17,513	17,513
Abandoned Vehicle Abatement	-	250	250
Grants	-	551,309	551,309
PEG Media	-	843,954	843,954
<b>Total Restricted Fund Balances</b>	<b>94,464</b>	<b>100,964,619</b>	<b>101,059,083</b>
<b>Committed to:</b>			
Infrastructure Projects	-	6,243	6,243
Public Safety	-	1,389,332	1,389,332
Successor Agency Payment Plan	6,187,960	-	6,187,960
Future Strategic Initiatives	1,165,990	-	1,165,990
General Plan Update	200,000	-	200,000
Parks Maintenance	-	383,433	383,433
<b>Total Committed Fund Balances</b>	<b>7,553,950</b>	<b>1,779,008</b>	<b>9,332,958</b>
<b>Unassigned:</b>			
General Fund	15,673,545	-	15,673,545
Other Fund Deficit	-	(510)	(510)
<b>Total Nonspendable Fund Balances</b>	<b>15,673,545</b>	<b>(510)</b>	<b>15,673,035</b>
<b>Total Fund Balances</b>	<b>\$ 23,405,903</b>	<b>\$ 102,824,031</b>	<b>\$ 126,229,934</b>

**NOTE #3 – CASH AND INVESTMENTS**

**A. CASH AND DEPOSITS**

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

The carrying amounts of the City's cash deposits were \$6,318,062 at June 30, 2017. The bank balance, before reconciling items, was \$7,392,099. 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 from 105% to 110% as stated by California Government Code Section 53651, but the City may waive collateral requirements for cash deposits which are insured by the Federal Deposit Insurance Corporation. The City's cash and investment balances are as follows:

<b>Pooled Deposits:</b>	
Demand Deposits	\$ 6,318,062
Petty Cash	11,350
Investments	252,617,647
<b>Total Cash and Investments</b>	<u>\$ 258,947,059</u>

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

<b>Cash and Investments:</b>	
Governmental Activities	\$ 146,714,738
Business-Type Activities	73,832,501
Fiduciary Funds	15,982,061
	<u>236,529,300</u>

<b>Restricted Cash and Investments:</b>	
Governmental Activities	\$ 16,581,884
Business-Type Activities	1,546,391
Fiduciary Funds	4,289,484
	<u>22,417,759</u>
<b>Total Cash and Investments</b>	<u>\$ 258,947,059</u>

**B. INVESTMENTS**

The City apportions interest earnings to all funds based on their monthly cash balance. The table on the following page 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.



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

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 <sup>(1)</sup>	Maximum Investment in One Issuer
Asset-Backed Securities	5 years	20%	None
Banker's Acceptances	180 days	40%	30%
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
Supranationals	5 years	30%	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.

**Credit Risk**

The City's portfolio is comprised of the highest quality government and corporate securities. Consistent with City policy, almost 68% 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), Asset Backed Securities, or Money Market Funds, which are all exempt or unrated. Investments at June 30, 2017, held on behalf of the City, are presented on the following page and categorized separately to give an indication of the level of risk associated with each investment. Investments are reported at fair value.

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

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>% of Rated Portfolio</u>
Medium Term Corporate Notes	\$ 8,293,425	A	5.43%
Medium Term Corporate Notes	6,691,982	A-	4.38%
Medium Term Corporate Notes	1,539,317	A+	1.01%
Medium Term Corporate Notes	9,573,461	AA-	6.26%
Medium Term Corporate Notes	649,762	AA	0.43%
Medium Term Corporate Notes	4,491,607	AA+	2.94%
Medium Term Corporate Notes	1,939,201	AAA	1.27%
Commercial Paper	4,882,346	A-1	3.19%
U.S. Agency Bonds/Notes	47,504,117	AA+	31.08%
U.S. Agency Bonds/Notes	7,757,803	A-1+	5.08%
Municipal Bond/Notes	240,613	AA	0.16%
Certificates of Deposit - Negotiable	15,423,442	AA-	10.09%
Certificates of Deposit - Negotiable	15,600,420	A+	10.21%
Certificates of Deposit - Negotiable	3,516,680	A	2.30%
Federal Agency Collateralized Mortgage Obligations	5,032,201	AA+	3.29%
Asset Backed Securities	5,761,095	AAA	3.77%
California Asset Management Program	1,525,807	AAAm	1.00%
Money Market Mutual Funds	12,413,946	AAAm	8.12%
Total Rated Investments	<u>152,837,225</u>		
U.S. Treasury Notes	56,547,379	Exempt	
Local Agency Investment Fund	38,586,685	Not Rated	
Money Market Mutual Funds	1,065,617	Not Rated	
Asset Backed Securities	3,580,741	Not Rated	
Total Unrated Investments	<u>99,780,422</u>		
<b>Total Investments</b>	<u>\$ 252,617,647</u>		

**Concentration of Credit Risk**

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

<u>Issuers<sup>(1)</sup></u>	<u>Fair Value</u>	<u>% of Portfolio</u>
Federal National Mortgage Association	\$ 30,224,343	11.96%
Federal Home Loan Bank	\$ 19,772,588	7.83%

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

**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, 49% of the investment portfolio is concentrated in the zero to two year maturity range.



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

**Investment Maturities**

	<b>Fair Value<sup>(1)</sup></b>	<b>0-6 months</b>	<b>6-12 months</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>3-5 years</b>	<b>% of Portfolio</b>
U.S. Treasury Notes/Bonds	\$ 56,547,379	\$ -	\$ 1,804,812	\$ -	\$ 24,796,763	\$ 29,945,804	22.38
Commerical Paper	4,882,346	4,882,346	-	-	-	-	1.93
Medium-Term Corporate Notes	33,178,755	-	3,603,120	8,393,175	14,209,566	6,972,894	13.13
U.S. Agency Bonds/Notes <sup>(2)</sup>	55,261,920	9,161,498	4,240,717	2,558,787	23,731,691	15,569,227	21.88
Municipal Bond/Note <sup>(2)</sup>	240,613	240,613	-	-	-	-	0.10
Certificates of Deposit - Negotiable	34,540,542	8,646,409	3,524,870	22,369,263	-	-	13.67
Local Agency Investment Fund	38,586,685	38,586,685	-	-	-	-	15.27
Asset Backed Securities	9,341,836	-	-	-	827,613	8,514,223	3.70
Federal Agency Collateralized	5,032,201	-	-	751,587	4,280,614	-	1.99
California Asset Management Program	1,525,807	1,525,807	-	-	-	-	0.60
Money Market Funds	13,479,563	13,479,563	-	-	-	-	5.35
<b>Totals</b>	<b>\$ 252,617,647</b>	<b>\$ 76,522,921</b>	<b>\$ 13,173,519</b>	<b>\$ 34,072,812</b>	<b>\$ 67,846,247</b>	<b>\$ 61,002,148</b>	
% of Portfolio		30.29	5.21	13.49	26.86	24.15	100.00

(1) Fair Value includes accrued interest.

(2) Any callable securities 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.

**Fair Value Hierarchy**

The City categorizes fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.



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

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2017:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
<b>Investments Measured by Fair Value Level:</b>			
U.S. Treasury Notes	\$ 56,547,379	\$ -	\$ 56,547,379
Commerical Paper	-	4,882,346	4,882,346
Medium-Term Corporate Notes	-	33,178,755	33,178,755
U.S. Agency Bonds/Notes	-	55,261,920	55,261,920
Municipal Bond/Note	-	240,613	240,613
Certificates of Deposit - Negotiable	-	34,540,542	34,540,542
Asset Backed Securities	-	9,341,836	9,341,836
Federal Agency Collateralized	-	5,032,201	5,032,201
<b>Subtotal</b>	<u>\$ 56,547,379</u>	<u>\$ 142,478,213</u>	<u>\$ 199,025,592</u>
<b>Investments Measured at Net Asset Value per Share:</b>			
Held by Trustee:			
California Asset Management Program			1,525,807
<b>Investments Measured at Amortized Cost:</b>			
Money Market Funds			156,668
Held by Trustee:			
Money Market Funds			13,322,895
<b>Investments Not Subject to Fair Value Hierarchy</b>			
Local Agency Investment Fund			38,586,685
<b>Total Investments</b>			<u>\$ 252,617,647</u>

Investments classified in Level 1 of the fair value hierarchy of \$56,547,379 are valued using unadjusted quoted prices in an active market for identical assets at the measurement date. Level 2 investments totaling \$142,478,213 are valued using inputs other than quoted prices that are observable for the asset either directly or indirectly on the measurement date. Examples of Level 2 inputs include matrix pricing, market corroborated pricing and inputs such as yield curves and indices. These prices are obtained from various pricing sources by our custodian bank. There are no securities classified in Level 3. Fair value is defined as the quoted market value on the last trading day of the period.

**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, 2017, the amortized cost of the pool was \$77,621,442,814 and the fair value was \$77,539,216,146. The City deposits excess cash in LAIF, which is not required to be categorized. The fair value for these deposits was provided by the pool sponsor.

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

**D. CALIFORNIA ASSET MANAGEMENT PROGRAM**

The City is a participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the "Trust"). The Trust is a joint powers authority, and public agency, created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California Government Code Sections 6500 et seq., or the "Act") for the purpose of exercising the common power of 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, in accordance with GASB 79 requirements. At June 30, 2017, the fair value was approximate to the City's cost. The City, as a CAMP shareholder, may withdraw all or any portion of the funds in its CAMP account at any time by redeeming shares.

The CAMP Declaration of Trust permits the CAMP trustee to suspend the right of withdrawal from CAMP or to postpone the date of payment of redemption proceeds if the New York Stock Exchange is closed other than for customary weekend and holiday closings, if trading on the New York Stock Exchange is restricted, or if, in the opinion of the CAMP trustees, an emergency exists such that disposal of the CAMP pool securities or determination of its net asset value is not reasonably practicable. If the right of withdrawal is suspended, the City may either withdraw its request for that withdrawal or receive payment based on the net asset value of the CAMP pool next determined after termination of the suspension of the right of withdrawal.

**E. CASH AND INVESTMENTS WITH FISCAL AGENT**

The City has monies held by trustees, or fiscal agents, pledged to the payment or security of certain bonds and lease obligations, plus monies held by a third-party administrator of the City's Housing Rental Program. The City has also set up escrow bank accounts to hold retention payments due to certain contractors. These monies appear on the financial statements as Restricted Cash and Investments. The California Government Code provides that these monies, in the absence of specific statutory provisions governing the issuance of bonds, certificates or leases, may be invested by trustees or fiscal agents in accordance with the ordinances, resolutions or indentures specifying the types of investments allowed.



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

Receivables at June 30, 2017 were comprised of the following:

	<u>Taxes</u>	<u>Accounts</u>	<u>Inter-Governmental</u>	<u>Interest</u>	<u>Utilities</u>	<u>Notes and Loans</u>	<u>Total Receivables</u>
<b>Governmental Activities:</b>							
General Fund	\$ 364,881	\$ 735,671	\$ 4,749	\$ 7,025	\$ -	\$ -	\$ 1,112,326
Internal Service	-	-	-	11,712	-	-	11,712
Special Revenue	-	7,850	4,775	6,316	-	-	18,941
Debt Service	-	-	-	83	-	25,844,474 <sup>(1)</sup>	25,844,557
Capital Projects	-	6,840	-	6,378	-	-	13,218
Subtotal Governmental Activities	364,881	750,361	9,524	31,514	-	25,844,474	27,000,754
Less: Allowance	-	(264,084) <sup>(2)</sup>	-	-	-	-	(264,084)
<b>Total Governmental Activities</b>	<u>\$ 364,881</u>	<u>\$ 486,277</u>	<u>\$ 9,524</u>	<u>\$ 31,514</u>	<u>\$ -</u>	<u>\$ 25,844,474</u>	<u>\$ 26,736,670</u>
<b>Business-Type Activities:</b>							
Wastewater	\$ -	\$ -	\$ -	\$ 9,452	\$ 1,622,882	\$ -	\$ 1,632,334
Solid Waste	-	27,757	-	1,411	1,642,106	-	1,671,274
Water	-	382,100	-	4,921	2,134,771	-	2,521,792
City Rentals	-	84,400	-	41	-	-	84,441
Housing	-	36,044	-	1,182	-	752,170 <sup>(3)</sup>	789,396
<b>Total Business-Type Activities</b>	<u>\$ -</u>	<u>\$ 530,301</u>	<u>\$ -</u>	<u>\$ 17,007</u>	<u>\$ 5,399,759</u>	<u>\$ 752,170</u>	<u>\$ 6,699,237</u>

(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.

Notes and Loans Receivable at June 30, 2017 were comprised of the following:

**Governmental Activities:**

Amounts Due from Successor Agency	\$ 25,844,474
Loans under City Low Income Housing (including interest)	<u>4,877,498</u>
Subtotal Governmental Funds	30,721,972
Less: Reservation for Loans Expected to be Forgiven	<u>4,877,498</u>
<b>Net Notes and Loans Receivable</b>	<u>\$ 25,844,474</u>

**Business-Type Activities:**

Down Payment Assistance and Gap Assistance Program Loans	\$ 752,170
Loans under Affordable Housing (including interest)	<u>6,555,370</u>
Subtotal Business-Type Activities	7,307,540
Less: Reservation for Loans Expected to be Forgiven	<u>6,555,370</u>
<b>Net Notes and Loans Receivable</b>	<u>\$ 752,170</u>

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

**Down Payment Assistance and Gap Assistance Program Loans**

In FY 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, 2017 the City is owed \$752,170, including interest, under the DAP and GAP loan programs.

**Amounts Due from Successor Agency**

The Successor Agency to the former Brentwood Redevelopment Agency (see discussion of the Brentwood Redevelopment Agency Dissolution in Note #12) has 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 California State Department of Finance ("DOF") 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, 2017 was \$25,844,474. The long-term debt 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 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. At June 30, 2017, the City's Low Income Housing and Affordable Housing loans were comprised of the amounts on the following page:

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

<b>Governmental Activities:</b>	
Brentwood/202 Senior Housing	\$ 314,550
Christian Church Homes/Sycamore II	1,066,375
Eden Housing	136,125
Mercy Housing	1,841,000
Brentwood Senior Commons	400,000
Brentwood Green Valley	1,119,448
Subtotal Loans under City Low Income Housing	<u>4,877,498</u>
Less: Reservation for Loans Expected to be Forgiven	<u>4,877,498</u>
<b>Net Notes and Loans Receivable</b>	<u><u>\$ -</u></u>
<b>Business-Type Activities:</b>	
Eden Housing	\$ 1,219,000
Mercy Housing	789,000
Meta Housing	4,547,370
Subtotal Loans under Affordable Housing	<u>6,555,370</u>
Less: Reservation for Loans Expected to be Forgiven	<u>6,555,370</u>
<b>Net Notes and Loans Receivable</b>	<u><u>\$ -</u></u>

**Brentwood/202 Senior Housing**

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, 2017 was \$314,550.

**Christian Church Homes/Sycamore II**

In June 2003, the Brentwood Redevelopment Agency entered into a note with Christian Church Homes of Northern California, in the amount of \$530,722, to construct 40 units of very low-income senior rental housing. The note is a 3% per annum simple interest, 55-year loan. In July 2004, a new note was executed with Sycamore Place II Senior Housing Corporation which amended, superseded and replaced in its entirety the original note of \$530,722. This new note, in the amount of \$755,722, is secured by a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing. The principal sum of this note 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, 2017, principal and accrued interest total \$1,066,375. There is a reasonable expectation this note will be forgiven upon successful completion of the terms and conditions of the note and, as such, a reservation for forgiveness of the note has been included in these financial statements.



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

**Eden Housing**

In January 2005, the City 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, 2017, principal and accrued interest for both notes total \$1,355,125. 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 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, 2017, the principal and accrued interest due for both notes total \$2,630,000. There is a reasonable expectation these notes will be forgiven upon successful completion of the terms and conditions of the notes and, as such, a reservation for forgiveness of the notes has been included in these financial statements.

**Brentwood Senior Commons**

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

This note shall bear 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, 2017, 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.

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

**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, 2017, the principal due for both notes, before the forgiveness, totaled \$1,142,360. Per the terms of the note, \$22,912 of the principal and \$34,271 of the interest were forgiven at June 30, 2017. The remaining balance at June 30, 2017 totaled \$1,119,448. There is a reasonable expectation this note will be forgiven upon successful completion of the terms and conditions of the note and, as such, a reservation for forgiveness of the note has been included in these financial statements.

**Meta Housing**

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

In June 2012, the promissory note between the City of Brentwood and Meta Housing Corporation was signed and the loan was funded. As the loan had not been funded at the time of the redevelopment dissolution, and subsequently not approved as an enforceable obligation by the 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, 2017, principal and accrued interest total \$4,547,370. 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.



## Notes to the Basic Financial Statements

### 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, 2017, are as follows:

	Balance July 1, 2016	Increases	Decreases	Transfers	Balance June 30, 2017
<b>Governmental Activities:</b>					
Capital Assets, Not Being Depreciated or Amortized:					
Land	\$ 36,166,107	\$ -	\$ -	\$ -	\$ 36,166,107
Work in Progress - CIP	9,141,043	3,388,096	-	(2,461,918)	10,067,221
Total Capital Assets, Not Being Depreciated or Amortized	45,307,150	3,388,096	-	(2,461,918)	46,233,328
Capital Assets, Being Depreciated and Amortized:					
Intangible Assets	6,258,156	-	-	-	6,258,156
Buildings	56,771,634	-	-	5,841	56,777,475
Infrastructure	461,439,094	4,821,921	-	150,944	466,411,959
Machinery and Equipment	7,257,477	80,587	(5,610)	90,852	7,423,306
Vehicles	10,834,036	1,488,462	(575,262)	-	11,747,236
Land Improvements	27,883,596	-	-	2,214,281	30,097,877
Total Capital Assets Being Depreciated and Amortized	570,443,993	6,390,970	(580,872)	2,461,918	578,716,009
Less Accumulated Depreciation and Amortization for:					
Intangible Assets	1,073,809	96,279	-	-	1,170,088
Buildings	7,087,411	1,133,274	-	-	8,220,685
Infrastructure	92,724,788	7,101,250	-	-	99,826,038
Machinery and Equipment	3,820,615	548,547	(5,610)	-	4,363,552
Vehicles	6,163,705	1,063,980	(575,262)	-	6,652,423
Land Improvements	4,838,341	542,288	-	-	5,380,629
Total Accumulated Depreciation and Amortization	115,708,669	10,485,618	(580,872)	-	125,613,415
Total Capital Assets, Being Depreciated and Amortized, Net	454,735,324	(4,094,648)	-	2,461,918	453,102,594
Governmental Activities Capital Assets, Net	<u>\$ 500,042,474</u>	<u>\$ (706,552)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 499,335,922</u>

	Balance July 1, 2016	Increases	Decreases	Transfers	Balance June 30, 2017
<b>Business-Type Activities:</b>					
Capital Assets, Not Being Depreciated or Amortized:					
Land	\$ 2,661,597	\$ -	\$ -	\$ -	\$ 2,661,597
Work in Progress - CIP	1,098,913	3,701,950	(5,403)	-	4,795,460
Total Capital Assets, Not Being Depreciated or Amortized	3,760,510	3,701,950	(5,403)	-	7,457,057
Capital Assets, Being Depreciated and Amortized:					
Intangible Assets	18,950,632	-	-	-	18,950,632
Buildings	25,606,035	-	-	-	25,606,035
Infrastructure	240,692,390	8,267,706	-	-	248,960,096
Machinery and Equipment	3,317,033	-	-	-	3,317,033
Land Improvements	10,925,186	-	-	-	10,925,186
Total Capital Assets Being Depreciated and Amortized	299,491,276	8,267,706	-	-	307,758,982
Less: Accumulated Depreciation and Amortization for:					
Intangible Assets	3,147,848	387,702	-	-	3,535,550
Buildings	6,216,658	513,216	-	-	6,729,874
Infrastructure	43,520,536	3,701,123	-	-	47,221,659
Machinery and Equipment	1,243,116	119,113	-	-	1,362,229
Land Improvements	2,547,484	218,838	-	-	2,766,322
Total Accumulated Depreciation and Amortization	56,675,642	4,939,992	-	-	61,615,634
Total Capital Assets, Being Depreciated and Amortized, Net	242,815,634	3,327,714	-	-	246,143,348
Business-Type Activities Capital Assets, Net	<u>\$ 246,576,144</u>	<u>\$ 7,029,664</u>	<u>\$ (5,403)</u>	<u>\$ -</u>	<u>\$ 253,600,405</u>

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

For the year ended June 30, 2017, depreciation and amortization expense on capital assets was charged as follows:

<b>Governmental Activities:</b>	
General Government	\$ 3,133,859
Public Safety	243,472
Community Development	1,859
Public Works	4,413,807
Parks and Recreation	1,399,298
Internal Service	1,293,323
<b>Total Depreciation and Amortization Expense - Governmental Activities</b>	<b>\$ 10,485,618</b>
<b>Business-Type Activities:</b>	
Wastewater	\$ 1,592,712
Solid Waste	211,933
Water	3,088,314
Housing	47,033
<b>Total Depreciation and Amortization Expense - Business-Type Activities</b>	<b>\$ 4,939,992</b>

**A. INTANGIBLE ASSETS**

**i. Water Rights**

In an agreement between the City of Brentwood and the Contra Costa Water District (CCWD), dated February 29, 2000, the City is obligated to reimburse CCWD \$597,532 as a buy-down cost per acre foot of water. The City capitalized this expense 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 expense as of June 30, 2004 and is amortizing the expense over 40 years. The capacity right does not confer title or ownership of the facility, but merely reserves capacity in the facility.

The City entered into a Third Amendatory Agreement with CCWD, dated February 4, 2015, to purchase capacity rights in the Rock Slough conveyance facilities. The buy-in amount totals \$8,353,100 to be paid in five equal, interest-free annual payments. The City capitalized the total buy-in amount as of June 30, 2016 and is amortizing the expense over 65 years. See additional discussion in Note #6B ii.

**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

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

of these cooperative efforts, the City has made contributions to these school districts relating to the joint use of these facilities. The City has capitalized these expenditures and is amortizing the expense over 65 years.

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

**NOTE #6 – LONG-TERM OBLIGATIONS**

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

**A. GOVERNMENTAL ACTIVITIES**

	Balance June 30, 2016	Additions	Payments/ Adjustments	Balance June 30, 2017	Amounts Due Within One Year
<b>Bonds</b>					
Capital Improvement Revenue Refunding Bonds Series 2012	\$ 20,535,000	\$ -	\$ (925,000)	\$ 19,610,000	\$ 965,000
General Obligation Bonds Series 2002	6,324,752	333,037 <sup>(1)</sup>	(445,000)	6,212,789	490,000
2009 Civic Center Project Lease Revenue Bonds	45,025,000	-	(1,080,000)	43,945,000	1,125,000
2015 Lease Financing	11,515,000	-	(335,000)	11,180,000	435,000
Bond Premium	1,087,560	-	(67,626)	1,019,934	-
Total Bonds	<u>84,487,312</u>	<u>333,037</u>	<u>(2,852,626)</u>	<u>81,967,723</u>	<u>3,015,000</u>
<b>Notes Payable</b>					
Successor Agency Payment Plan	14,598,135	-	(1,215,818)	13,382,317	1,294,412
Total Notes Payable	<u>14,598,135</u>	<u>-</u>	<u>(1,215,818)</u>	<u>13,382,317</u>	<u>1,294,412</u>
<b>Other</b>					
Net OPEB Obligation	12,941,894	915,737	- <sup>(2)</sup>	13,857,631	-
Net Pension Liability	24,702,647	8,075,351	- <sup>(2)</sup>	32,777,998	-
Accumulated Compensated Absences	1,294,137	1,659,398	(1,398,656)	1,554,879	932,927
Total Other	<u>38,938,678</u>	<u>10,650,486</u>	<u>(1,398,656)</u>	<u>48,190,508</u>	<u>932,927</u>
<b>Total Governmental Activities Long-Term Obligations</b>	<u>\$ 138,024,125</u>	<u>\$ 10,983,523</u>	<u>\$ (5,467,100)</u>	<u>\$ 143,540,548</u>	<u>\$ 5,242,339</u>

(1) Accreted Interest

(2) OPEB Obligation and Pension Liability are typically liquidated by the General Fund, Citywide Park Assessment District Fund, Fleet Maintenance Fund, Facilities Maintenance Fund and Information Services Fund.

**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 refunding 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 Recognized Obligation Payment Schedule (ROPS) and approved by the DOF. As of June 30, 2017, the Successor Agency listed this debt obligation on its ROPS and the DOF has approved its inclusion for each applicable ROPS period through June 30, 2018. 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 \$20,307,469 remaining share of debt service on the bonds, which is scheduled to occur in 2032. For FY 2016/17, gross tax revenue available to be distributed to the Successor Agency totaled \$7,232,616, which represented coverage of 5.33 times \$1,356,125 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
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	1,130,000	785,550	1,915,550
2022	1,185,000	724,781	1,909,781
2023-2027	6,910,000	2,638,625	9,548,625
2028-2032	7,330,000	902,976	8,232,976
<b>Total</b>	<b>\$ 19,610,000</b>	<b>\$ 7,742,458</b>	<b>\$ 27,352,458</b>

**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	Total
2018	\$ 490,000	\$ 490,000
2019	515,000	515,000
2020	540,000	540,000
2021	570,000	570,000
2022	595,000	595,000
2023-2027	3,455,000	3,455,000
2028-2031	3,445,000	3,445,000
Subtotal	9,610,000	\$ 9,610,000
Future Accretion	(3,397,211)	
<b>Total</b>	<b>\$ 6,212,789</b>	

**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 2009 A&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 previously, 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 ROPS and approved by the DOF. As of June 30, 2017, the Successor Agency listed this debt obligation on its ROPS and the DOF has approved its inclusion for each applicable ROPS period through June 30, 2018.

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

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

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 2016/17 was \$1,051,497.

Year Ending June 30	Principal	Interest	Total
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	1,265,000	2,969,078	4,234,078
2022	1,320,000	2,886,861	4,206,861
2023-2027	7,515,000	12,959,051	20,474,051
2028-2032	9,485,000	9,831,237	19,316,237
2033-2037	12,070,000	5,753,985	17,823,985
2038-2040	8,780,000	1,028,901	9,808,901
<b>Total</b>	<b>\$ 43,945,000</b>	<b>\$ 44,785,945</b>	<b>\$ 88,730,945</b>

**2015 Lease Financing**

On December 17, 2015, the Authority issued \$11,515,000 in a private placement to Capital One Public Funding, LLC. to finance the acquisition and construction of a new Library and a Municipal Service Center, along with other public capital improvements. Total annual debt service payments, including interest at 3.25%, range from \$108,113 to \$792,031.

Year Ending June 30	Principal	Interest	Total
2018	\$ 435,000	\$ 356,281	\$ 791,281
2019	450,000	341,900	791,900
2020	465,000	327,031	792,031
2021	480,000	311,675	791,675
2022	495,000	295,831	790,831
2023-2027	2,720,000	1,223,625	3,943,625
2028-2032	3,190,000	744,413	3,934,413
2033-2036	2,945,000	195,244	3,140,244
<b>Total</b>	<b>\$ 11,180,000</b>	<b>\$ 3,796,000</b>	<b>\$ 14,976,000</b>



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

**ii. Notes Payable**

**Successor Agency Payment Plan**

In an effort to balance its budget, the State of California adopted ABx1 26 on June 28, 2011, amended by Assembly Bill 1484 (AB 1484) on June 27, 2012. This legislation suspended all new redevelopment activities and dissolved redevelopment agencies as of February 1, 2012. The City of Brentwood elected to become the Successor Agency to the former Brentwood Redevelopment Agency on January 10, 2012.

Section 34179.5 of AB 1484 required all successor agencies to hire a licensed accountant, approved by the County Auditor-Controller, to conduct two Due Diligence Reviews (DDR) to determine the balances available to be redistributed to other taxing entities. The two DDRs were focused on 1) the Low and Moderate Income Housing Fund, and 2) Other Funds and Accounts.

The Low and Moderate Income Housing Fund DDR determined that an unobligated balance of \$4,072,553 was available for redistribution and the Successor Agency remitted this amount to the Contra Costa County Auditor Controller in February 2013. The Other Funds and Accounts DDR determined that the unobligated balance was \$0, and the Successor Agency filed the DDR report with the DOF. The DOF, during their review of the DDR, determined that transfers made pursuant to pre-existing contracts and construction commitments were invalid and adjusted the DDR accordingly, issuing a DDR demand of \$14,955,931.

In response to the \$14,955,931 DDR demand, the City and Successor Agency filed suit against the DOF claiming, among other things, that 1) the DOF's DDR determination violated Proposition 22, which added Article XIII, Sections 24(b) and 25(a)(7) to the California Constitution and prohibits the Legislature from reallocating tax increment; 2) at the time the transfers were made by the former Redevelopment Agency the transfers were legally valid and made pursuant to enforceable obligations and third party contracts; 3) the transfers were for the payment of goods and services which were broadly exempted from reversal as defined in California Health and Safety Code Section 34179.5(b)(3); and 4) the DOF's enforcement of its final determination was unconstitutional. The City and Successor Agency's legal challenge was ultimately unsuccessful and legal remedies were exhausted when the California Supreme Court declined to hear the case on September 16, 2015.

On December 9, 2015 the City, as Successor Agency, entered into a ten-year interest free payment plan with the DOF to pay the DDR demand of \$14,955,931. The total annual payments range from \$357,796 to \$1,826,938.



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

Year Ending June 30	Principal	Interest	Total
2018	\$ 1,294,412	\$ -	\$ 1,294,412
2019	1,376,499	-	1,376,499
2020	1,460,783	-	1,460,783
2021	1,548,919	-	1,548,919
2022	1,638,690	-	1,638,690
2023-2026	6,063,014	-	6,063,014
<b>Total</b>	<b>\$ 13,382,317</b>	<b>\$ -</b>	<b>\$ 13,382,317</b>

**iii. 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 Pension Liability and Net OPEB Obligation can be found in Note #9 and Note #11, respectively.

**iv. Accumulated Compensated Absences**

The long-term compensated absences balances as of June 30, 2017 were:

Governmental	\$ 621,952
Business-Type	\$ 182,599

**B. BUSINESS-TYPE ACTIVITIES**

	Balance July 1, 2016	Additions	Payments Adjustments	Balance June 30, 2017	Amounts Due Within One Year
<b>Bonds</b>					
Water Revenue Bonds Series 2008	\$ 2,845,000	\$ -	\$ (1,385,000)	\$ 1,460,000	\$ 1,460,000
Water Revenue Refunding Bonds Series 2014	42,810,000	-	-	42,810,000	1,550,000
Net Bond Premium	5,546,034	-	(252,092)	5,293,942	-
Total Bonds	51,201,034	-	(1,637,092)	49,563,942	3,010,000
<b>Notes Payable</b>					
State Water Resources Loan (Wastewater)	14,875,763	-	(2,012,772)	12,862,991	2,049,105
Total Notes Payable	14,875,763	-	(2,012,772)	12,862,991	2,049,105
<b>Other</b>					
Purchase of Capacity Rights	5,011,860	-	(1,670,620)	3,341,240	1,670,620
Net OPEB Obligation	4,054,106	154,263	-	4,208,369	-
Net Pension Liability	7,727,540	2,349,093	-	10,076,633	-
Accumulated Compensated Absences	405,042	605,824	(554,367)	456,499	273,900
Total Other	17,198,548	3,109,180	(2,224,987)	18,082,741	1,944,520
<b>Total Business-Type Activities Long-Term Obligations</b>	<b>\$ 83,275,345</b>	<b>\$ 3,109,180</b>	<b>\$ (5,874,851)</b>	<b>\$ 80,509,674</b>	<b>\$ 7,003,625</b>

**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, 2017 is \$1,460,000, with future payments for these bonds as follows:

<b>Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2018	\$ 1,460,000	\$ 83,950	\$ 1,543,950
<b>Total</b>	<b>\$ 1,460,000</b>	<b>\$ 83,950</b>	<b>\$ 1,543,950</b>

**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, 2017. Total annual debt service payments, including interest at rates from 3.0 to 5.0%, range from \$1,966,100 to \$3,517,350. The principal balance at June 30, 2017 is \$42,810,000. Future payments for these bonds are as follows:

<b>Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	1,775,000	1,739,100	3,514,100
2022	1,860,000	1,650,350	3,510,350
2023-2027	10,135,000	6,760,250	16,895,250
2028-2032	9,675,000	4,579,800	14,254,800
2033-2037	11,805,000	2,434,100	14,239,100
2038	2,710,000	135,500	2,845,500
<b>Total</b>	<b>\$ 42,810,000</b>	<b>\$ 22,992,900</b>	<b>\$ 65,802,900</b>

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

The Authority has pledged future Net Water Revenues through 2038 to repay the 2008 Water Revenue Bonds and 2014 Water Revenue Refunding Bonds. The bond coverage requirement is that 1) the Adjusted Annual Net Water Revenues equal at least 125% of the annual principal and interest payments on the bonds or 2) the Net Operating Revenues equal at least 100% of the annual principal and interest payments on the bonds, whichever is higher. Adjusted Annual Net Water Revenues is defined as Water income and revenue less maintenance and operation costs adjusted by any transfers to or from the Rate Stabilization Fund. Net Operating Revenues is defined as the Adjusted Annual Net Water Revenues less net impact fees and credits received. In FY 2016/17, \$982,000 was transferred from the Rate Stabilization Fund to meet the bond covenant debt coverage requirements. The Water Fund's principal and interest paid in the current year was \$3,511,225, Net Operating Revenues were \$3,511,234 and Adjusted Annual Net Water Revenues were \$5,468,104.

**ii. Notes Payable and Other**

**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, 2017, the City's gross repayment obligation totaled \$13,687,770 and is being reported in the accompanying financial statement net of the unamortized discount of \$824,779. During FY 2016/17, the City repaid \$2,012,772 on the obligation and amortized \$268,523 of the discount which was reported as interest expense.

<b>Year Ending</b>			
<b>June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	2,162,085	119,210	2,281,295
2022	2,201,113	80,182	2,281,295
2023	2,240,846	40,449	2,281,295
<b>Total</b>	<b>\$ 12,862,991</b>	<b>\$ 824,779</b>	<b>\$ 13,687,770</b>



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

**Purchase of Capacity Rights**

In February 2015, the City entered into a third amendatory agreement with CCWD to purchase capacity rights in the Rock Slough conveyance facilities for diversion and delivery of the City's water supply. The capacity buy-in amount of \$8,353,100 is to be paid to CCWD in five equal, interest-free annual payments. As of June 30, 2017, three installment payments have been made with two annual payments, of \$1,670,620 each, remaining to be paid in FY 2017/18 and FY 2018/19, totaling \$3,341,240.

**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
<b>Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2005 A&amp;B (Refinancing of CFP 2002-1)</b> • 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	\$ 11,492,000
<b>Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2006 A&amp;B (Refinancing of CFP 2003-1 &amp; 2004-1)</b> • Dated January 11, 2007 • Annual debt service payments, including interest at 3.63 % to 5.00 %, range from \$825,608 to \$1,905,000	27,725,000
<b>City of Brentwood - Limited Obligation Improvement Bonds, Randy Way Sewer Line</b> • Dated August 7, 2007 • Annual debt service payments, including interest at 3.95 % to 5.20 %, range from \$53,123 to \$58,060 • Final payment due September 2037	700,000
<b>Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2012 A (Refinancing of CFP's 96-1, 98-1 and 99-1)</b> • 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	13,340,000
<b>Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2014 A&amp;B (Refinancing of CFP's 94-1, 2000-1, 2005-1 and 2006-1)</b> • 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	67,690,000
<b>Total Assessment District Debt</b>	<b>\$ 120,947,000</b>

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

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

- Net Investment In Capital Assets and Capacity Rights – 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 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.

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, 2017 are summarized on the following page:

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

	<b>Miscellaneous Plan</b>		
	<b>Tier 1</b>	<b>Tier 2</b>	<b>Tier 3</b>
	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 - 63	52 - 67
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	18.258%	18.258%	18.258%
COLA	5.00%	2.00%	2.00%
Final Average Compensation Period	One Year	Three Years	Three Years

**b. Employees Covered**

At the June 30, 2016 actuarial valuation date, the most recent valuation available, the following inactive employees were covered by the benefit terms:

	<b>Miscellaneous Plan</b>			<b>Total</b>
	<b>Tier 1</b>	<b>Tier 2</b>	<b>Tier 3</b>	
Inactive Employees or Beneficiaries Currently Receiving Benefits	143	-	-	143
Inactive Employees Entitled to but not yet Receiving Benefits	130	-	-	130
<b>Total</b>	<b>273</b>	<b>-</b>	<b>-</b>	<b>273</b>

At June 30, 2017, the following active employees were covered by the benefit terms:

	<b>Miscellaneous Plan</b>			<b>Total</b>
	<b>Tier 1</b>	<b>Tier 2</b>	<b>Tier 3</b>	
Active Employees	136	43	39	218

**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.

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

**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, 2016, using an annual actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 using standard update procedures. A summary of principal assumptions and methods used to determine the Net Pension Liability is shown in Note #9D.

**iii. Changes in Net Pension Liability**

The table below shows the changes in Net Pension Liability recognized over the measurement period.

	<b>Miscellaneous Plan</b>		
	<b>Increase (Decrease)</b>		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
<b>Balance at June 30, 2015</b>	\$ 103,157,066	\$ 81,082,764	\$ 22,074,302
<b>Changes in the year:</b>			
Service Cost	3,290,164	-	3,290,164
Interest on the Total Pension Liability	7,977,448	-	7,977,448
Differences Between Actual and Expected Experience	1,001,785	-	1,001,785
Contribution - Employer	-	3,437,164	(3,437,164)
Contribution - Employee	-	1,370,153	(1,370,153)
Net Investment Income	-	437,912	(437,912)
Benefit Payments, Including Refunds of Employee Contributions	(3,047,166)	(3,047,166)	-
Administrative Expense	-	(49,416)	49,416
<b>Net Changes</b>	<u>9,222,231</u>	<u>2,148,647</u>	<u>7,073,584</u>
<b>Balance at June 30, 2016</b>	<u>\$ 112,379,297</u>	<u>\$ 83,231,411</u>	<u>\$ 29,147,886</u>

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

The table on the following page presents the Net Pension Liability, calculated using the discount rate of 7.65%, as well as what the Net Pension Liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.65%) or 1 percentage-point higher (8.65%) than the current rate.



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

	<u>Miscellaneous Plan</u>	
1% Decrease		6.65%
Net Pension Liability	\$	46,736,135
Current Discount Rate		7.65%
Net Pension Liability	\$	29,147,886
1% Increase		8.65%
Net Pension Liability	\$	14,770,200

**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, 2017, the City recognized pension expense for the Miscellaneous Plan of \$3,705,125. At June 30, 2017 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	\$ 3,480,381	\$ -
Differences Between Actual and Expected Experience	763,265	(162,800)
Changes in Assumptions	-	(1,112,104)
Net Differences Between Projected and Actual Earnings on Plan Investments	4,613,323	-
<b>Total</b>	<u>\$ 8,856,969</u>	<u>\$ (1,274,904)</u>

Deferred Outflows of Resources related to contributions subsequent to the measurement date in the amount of \$3,480,381 will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2018. Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized as pension expense on the following page:

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

<b>Miscellaneous Plan</b>	
<b>Fiscal Year Ended June 30</b>	<b>Annual Amortization</b>
2018	\$ 398,796
2019	398,794
2020	2,091,075
2021	1,213,019
2022	-
Thereafter	-

**v. Payable to the Miscellaneous Plan**

At June 30, 2017, the City reported a payable of \$211,753 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2017.

**C. SAFETY PLAN**

**i. General Information About the Safety Plan**

The City's Safety Plan is part of the public agency cost-sharing multiple-employer defined benefit pension plan (PERF C), which is administered by CalPERS. PERF C consists of a miscellaneous pool and a safety pool (also referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. The employer participates in one cost-sharing multiple-employer defined benefit pension plan regardless of the number of rate plans the employer sponsors. The City sponsors three rate plans within the safety risk pool.

**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.

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, 2017, are summarized on the following page:

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

	<b>Safety Plan</b>		
	<b>Tier 1</b>	<b>Tier 2</b>	<b>Tier 3</b>
	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	21.628%	16.656%	12.082%
COLA	5.00%	2.00%	2.00%
Final Average Compensation Period	One Year	Three Years	Three Years

Beginning in FY 2015/16, CalPERS collects employer contributions for the cost-sharing plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability and side fund. The dollar amounts are billed on a monthly basis. In-lieu of making monthly payments, an annual lump-sum prepayment option is also available. The City's required lump-sum contribution for the unfunded liability and side fund was \$489,642 in FY 2016/17.

**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, 2017, the contributions to the Safety Plan were \$1,915,780 for the employer paid contributions.

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

As of June 30, 2017, the City reported Net Pension Liabilities for its proportionate share of the Net Pension Liability of the Safety Plan of \$13,706,745.

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

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, 2016, 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, 2015 rolled forward to June 30, 2016 using standard update 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, 2015 and 2016 was as follows:

<u>Proportionate Share of Net Pension Liability</u>	<u>Safety Plan</u>
Proportion - June 30, 2015	0.25133%
Proportion - June 30, 2016	0.26465%
Change - Increase (Decrease)	0.01332%

For the year ended June 30, 2017 the City recognized pension expense of \$1,901,020 for the Safety Plan. At June 30, 2017 the Safety Plan reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	<u>Safety Plan</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension Contributions Subsequent to Measurement Date	\$ 1,915,780	\$ -
Differences Between Actual and Expected Experience	-	(159,319)
Changes in Assumptions	-	(699,281)
Change in the Employer's Proportion and Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	-	(620,951)
Net Differences Between Projected and Actual Earnings on Plan Investments	3,781,194	-
<b>Total</b>	<u>\$ 5,696,974</u>	<u>\$ (1,479,551)</u>

Deferred Outflows of Resources related to contributions subsequent to the measurement date in the amount of \$1,915,780 will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2018. Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized as pension expense, as summarized on the following page.

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

<b>Safety Plan</b>	
<b>Fiscal Year Ended June 30</b>	<b>Annual Amortization</b>
2018	\$ (21,202)
2019	84,422
2020	1,457,984
2021	780,439
2022	-
Thereafter	-

**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 7.65%, 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 (6.65%) or 1 percentage-point higher (8.65%) than the current rate.

<b>Safety Plan</b>	
1% Decrease	6.65%
Net Pension Liability	\$ 21,680,087
Current Discount Rate	7.65%
Net Pension Liability	\$ 13,706,745
1% Increase	8.65%
Net Pension Liability	\$ 7,161,448

**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, 2017, the City reported a payable of \$86,404 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2017.

**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, 2016 total pension liabilities were based on the following actuarial methods and assumptions:

	<u>Safety and Miscellaneous Plans</u>
Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	3.0%
Investment Rate of Return <sup>(1)</sup>	7.65%
Mortality Rate Table <sup>(2)</sup>	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 rate table used is based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.

Mortality rates include 5 years of projected mortality improvement using the Society of Actuaries Scale AA.

All other actuarial assumptions used in the June 30, 2015 valuation were based on the results of a January 2014 CalPERS 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.

**ii. Safety and Miscellaneous Plans Changes of Assumptions**

There were no changes of assumptions between those used for the June 30, 2015 and June 30, 2016 measurement dates.

**iii. Safety and Miscellaneous Plans Discount Rate**

The discount rate used to measure the total pension liability was 7.65%. 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.

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

Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.65% 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.

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.

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 pension plan investment expense and inflation.

<u>Asset Class</u>	<u>Current Target Allocation</u>	<u>Real Return Years 1 - 10<sup>(1)</sup></u>	<u>Real Return Years 11+<sup>(2)</sup></u>
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	20.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	10.0%	6.83%	6.95%
Real Estate	10.0%	4.50%	5.13%
Infrastructure and Forestland	2.0%	4.50%	5.09%
Liquidity	1.0%	-0.55%	-1.05%
<b>Total</b>	<u>100.0%</u>		

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

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

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

**iv. Subsequent Events**

In December 2016, CalPERS' Board of Directors voted to lower the discount rate used in its actuarial valuations from 7.5% to 7.0% over three fiscal years, beginning in FY 2017/18. The change in the discount rate will affect the contribution rates for employers beginning in FY 2018/19, and result in increases to employers' normal costs and unfunded actuarial liabilities.

**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 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, 2017 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 retired prior to July 1, 2012, provides for a maximum monthly coverage amount of \$1,492.94 for miscellaneous retirees and \$1,549.69 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 \$1,500.00 for safety retirees. There will be no future increases in the maximum coverage amount for miscellaneous retirees until the Kaiser employee-only monthly medical insurance rate exceeds \$1,326.63. There will be no future increases in the maximum coverage amount for safety retirees until the Kaiser employee-only monthly medical insurance rate 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 \$128 per month. This amount is set annually by PEMHCA.

Currently 120 retirees, 73 of whom are in Tier 1 and 47 of whom are in Tier 2, are receiving these benefits. During FY 2016/17, benefit payments of \$1,452,627, and pre-funding contributions of \$2,488,373, were recognized for post-retirement health care.

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, at P.O. Box 942703, Sacramento, CA 94229-2703.

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

**B. FUNDING POLICY**

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

The City 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 \$7,986,006. The City's current policy is to increase pre-funding annually until 85% of the full ARC is reached in FY 2017/18. There are no employee contributions. For FY 2016/17, the City paid \$1,452,627 for pay-as-you-go retiree healthcare Plan benefits and \$2,488,373 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 \$9,175,922 as of June 30, 2017, which partially reduced the Unfunded Actuarial Accrued Liability (UAAL).

**C. ANNUAL OPEB COST AND NET OPEB OBLIGATION**

The following table, which is based on the actuarial valuation as of June 30, 2015, 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	\$ 5,512,000
Interest on Net OPEB Obligation	1,091,000
Adjustment to Annual Required Contribution	<u>(1,592,000)</u>
Annual OPEB Cost (Expense)	5,011,000
Contributions (Benefit Payments)	(1,452,627)
Contributions (Trust Pre-Funding)	<u>(2,488,373)</u>
Total Contributions	<u>(3,941,000)</u>
Increase in Net OPEB Obligation	1,070,000
Net OPEB Obligation – July 1, 2016	16,996,000
Net OPEB Obligation – June 30, 2017	<u>\$ 18,066,000</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
6/30/2015	\$ 4,035,001	62.5%	\$ 15,749,000
6/30/2016	\$ 4,189,000	70.2%	\$ 16,996,000
6/30/2017	\$ 5,011,000	78.6%	\$ 18,066,000

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

**D. FUNDING STATUS AND FUNDING PROGRESS**

The funded status of the Plan as of June 30, 2015, the Plan's most recent actuarial valuation date, is summarized below:

Actuarial Accrued Liability	\$ 46,307,000
Actuarial Value of Plan Assets	4,464,000
Unfunded Actuarial Accrued Liability	<u>\$ 41,843,000</u>
Funded Ratio	
(Actuarial Value of Plan Assets/Actuarial Accrued Liability)	10%
Covered Payroll (Active Plan Members)	\$ 24,014,000
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll	174%

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, 2015 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included select and ultimate investment rates of return equal to 6.42% for FY 2016/17 and increasing in FY 2017/18 to 6.76% based on the City's funding policy. The method for calculating these rates used an assumed 7.25% discount rate for the portion of the full ARC pre-funded in the CERBT and an assumed 4.00% discount rate for the portion of the full ARC not pre-funded. Premiums were assumed to increase with a pre-Medicare medical cost increase rate of 7.00% for Health Maintenance Organizations (HMOs) and Preferred Provider Organizations (PPOs) for 2017 premiums over 2016 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 24 years, on a closed basis, from June 30, 2015.

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

To comply with newly revised Actuarial Standard of Practice No. 6 (ASOP 6), the June 30, 2015 actuarial valuation includes an implicit subsidy liability. This liability was not calculated in prior actuarial reports because of the former "community rating" exemption for employers participating in large pooled health plans like CalPERS. When premiums for retirees are determined using a blend of active employee and retiree experience, it creates an implicit subsidy to the retirees, since retiree healthcare costs are generally higher than active employees. ASOP 6 effectively requires most public agencies to calculate an implicit subsidy liability whenever their retirees participate in the group medical plans, but only pay the same premiums as active employees. ASOP 6 is effective for all actuarial valuations with a measurement date on or after March 31, 2015.

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

**A. REDEVELOPMENT AGENCY DISSOLUTION**

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. The Brentwood Oversight Board was established on April 11, 2012. The activities of the Successor Agency are subject to review and approval of the Oversight Board.

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.

Section 34179.5 of AB 1484 required all successor agencies to hire a licensed accountant, approved by the County Auditor-Controller, to conduct two Due Diligence Reviews (DDR) to determine the balances available to be redistributed to other taxing entities. The two DDRs were focused on 1) the Low and Moderate Income Housing Fund, and 2) Other Funds and Accounts. The Low and Moderate Income Housing Fund DDR determined that an unobligated balance of \$4,072,553 was available for redistribution, and the Successor Agency remitted this amount to the Contra Costa County Auditor Controller in February 2013. The Other Funds and Accounts DDR determined that the unobligated balance was \$0, and the Successor Agency filed the DDR report with the DOF. The DOF, during their review of the DDR, determined that transfers made pursuant to pre-existing contracts and construction commitments were invalid and adjusted the DDR accordingly, issuing a DDR demand of \$14,955,931.



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

On December 9, 2015, the City, as Successor Agency, entered into a ten-year interest free payment plan with the DOF to pay the DDR demand of \$14,955,931, as discussed in Note #6, Long-Term Obligations. By entering into the Payment Plan with the DOF the Successor Agency has completed its statutory requirements of the DDR process and the DOF has provided the Successor Agency a Finding of Completion.

As of June 30, 2017, 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, 2017.

**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, 2017.

	<u>Balance</u> <u>June 30, 2016</u>	<u>Payments</u> <u>Adjustments</u>	<u>Balance</u> <u>June 30, 2017</u>	<u>Amounts Due</u> <u>Within One Year</u>
CIP 2012 Revenue Refunding Bonds	\$ 14,900,000	\$ (620,000)	\$ 14,280,000	\$ 655,000
2009 Civic Center Project Lease Revenue Bonds	11,848,684	(284,210)	11,564,474	296,053
<b>Total</b>	<u>\$ 26,748,684</u>	<u>\$ (904,210)</u>	<u>\$ 25,844,474</u>	<u>\$ 951,053</u>

**i. Bonds**

**Capital Improvement Revenue Refunding Bonds Series 2012**

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 refunding 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.

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

The Successor Agency to the Brentwood Redevelopment Agency has pledged future tax revenues for the repayment of a portion of the bonds. Following the dissolution of the Brentwood Redevelopment Agency, the Successor Agency is allocated funds for payment of obligations listed on the Successor Agency's 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 June 30, 2018. 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 \$20,307,469 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 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 June 30, 2018. The City has recorded a receivable for the debt obligations of the Successor Agency, as detailed in Note #4. The pledge of future tax revenues end upon repayment of the Successor Agency's \$23,350,250 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 on the following page:

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

Year Ending June 30	Principal	Interest	Total
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	1,097,895	1,374,145	2,472,040
2022	1,152,368	1,311,825	2,464,193
2023-2027	6,652,632	5,508,901	12,161,533
2028-2032	8,461,053	3,361,544	11,822,597
2033-2037	3,176,316	1,514,207	4,690,523
2038-2040	2,310,525	270,764	2,581,289
<b>Total Payments Due</b>	<b>\$ 25,844,474</b>	<b>\$ 17,813,245</b>	<b>\$ 43,657,719</b>

**C. PLEGGED 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 \$43,657,719 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 2016/17, gross tax increment available to be distributed to the Successor Agency was \$7,232,616, which represents coverage of 290% of the FY 2016/17 debt service requirements.

**D. COMMITMENTS AND CONTINGENCIES**

**i. State Approval of Enforceable Obligations**

The Successor Agency prepares a ROPS annually which contains all proposed expenditures for the subsequent twelve-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.

**ii. State Asset Transfer Review**

In addition to the DDR process discussed in Note #12A, 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. On July 10, 2015 the State Controller's Office determined that \$14,992,790

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

of cash and revenue and \$1,327,129 of land/building assets, transferred between January 1, 2011 and January 31, 2012, were unallowable and ordered these assets to be returned to the Successor Agency. As discussed in Note #12A and Note #6, the City entered into a repayment plan in the amount of \$14,955,931. Following the initial communication in July 2015, the State Controller's Office has made no further demands for the return of assets to the Successor Agency.

**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, 2017 which is likely to have a material adverse effect on the financial position of the City.

**B. STATE AND FEDERAL GRANTS**

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

**C. DEVELOPER IMPACT 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 will construct 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, 2017, was \$3,981,337, after a total of \$3,192,362 was used as credits and an additional \$313,661 was added by agreements during FY 2016/17. The accounting for the amounts due are not recorded as indebtedness since the payments (use of the credits) are contingent upon the collection of development fees from building growth which has not yet occurred.

**D. CONSTRUCTION COMMITMENTS**

As of June 30, 2017, the City had several commitments with respect to unfinished capital projects. Outstanding commitments with respect to unfinished major capital projects are on the following page:



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

<u>Project Name</u>	<u>Outstanding Commitments</u>
Creekside Park Playground Replacement	\$ 302,778
John Muir Parkway Extension - Phase II	216,499
Library - New Construction	8,712,840
Police CAD/RMS System	241,224
Police Dispatch Center	323,571
Wastewater Treatment Plant - Phase II Expansion	2,271,846
<b>Total</b>	<u><u>\$ 12,068,758</u></u>

**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, Wastewater Treatment Plant and Brentwood Family Aquatic Complex. 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 at the Police Department site, Wastewater Treatment Plant site and Brentwood Family Aquatic Complex became operational July 2015, September 2016 and November 2016 respectively. The agreements include options for the City to purchase the systems at the end of the 6<sup>th</sup>, 10<sup>th</sup> and 20<sup>th</sup> 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 \$0.3 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.

**Budgetary Comparison Schedule, General Fund**  
**For Year Ended June 30, 2017**

	Budget Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 19,787,167	\$ 20,151,066	\$ 21,496,490	\$ 1,345,424
Licenses	661,642	661,642	702,443	40,801
Permits and Fines	5,132,125	5,132,125	6,686,821	1,554,696
Uses of Money and Property	416,789	416,789	234,704	(182,085)
Intergovernmental	3,829,552	3,965,653	4,683,506	717,853
Franchises	1,529,182	1,529,182	1,487,179	(42,003)
Charges for Other Services	499,909	499,909	561,815	61,906
Charges to Other Funds	7,512,053	7,512,053	7,538,724	26,671
Fees and Other Revenues	1,767,315	1,783,315	1,787,913	4,598
<b>Total Revenues</b>	<b>41,135,734</b>	<b>41,651,734</b>	<b>45,179,595</b>	<b>3,527,861</b>
<b>EXPENDITURES</b>				
Current:				
General Government	7,695,650	7,730,150	6,633,141	1,097,009
Public Safety	23,200,961	23,182,708	21,417,144	1,765,564
Community Development	4,970,049	5,145,798	4,368,437	777,361
Engineering	3,502,392	3,502,392	3,227,631	274,761
Public Works	3,319,904	3,319,904	3,213,775	106,129
Parks and Recreation	5,758,391	5,794,791	5,576,169	218,622
Community Services	645,917	692,017	536,357	155,660
Debt Service:				
Principal	1,215,819	1,215,819	1,215,818	1
<b>Total Expenditures</b>	<b>50,309,083</b>	<b>50,583,579</b>	<b>46,188,472</b>	<b>4,395,107</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(9,173,349)</b>	<b>(8,931,845)</b>	<b>(1,008,877)</b>	<b>7,922,968</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	12,191,142	9,200,548	9,520,696	320,148
Transfers Out	(3,639,503)	(7,652,826)	(7,652,826)	-
<b>Total Other Financing Sources (Uses)</b>	<b>8,551,639</b>	<b>1,547,722</b>	<b>1,867,870</b>	<b>320,148</b>
<b>Net Change in Fund Balances</b>	<b>\$ (621,710)</b>	<b>\$ (7,384,123)</b>	<b>858,993</b>	<b>\$ 8,243,116</b>
<b>Fund Balance, Beginning of Year</b>			<b>22,546,910</b>	
<b>Fund Balance, End of Year</b>			<b>\$ 23,405,903</b>	

**NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION**

Budgets for governmental funds are prepared in accordance with Generally Accepted Accounting Principles for the United States of America. Through the budget, the City Council sets the direction of the City, allocates its resources and establishes its priorities. The annual budget, which covers the period from July 1 to June 30, establishes the foundation for effective financial planning by providing resource planning, performance measures and controls which permit the evaluation and adjustment of the City's performance.

The City's budget is prepared and based on four expenditure categories: personnel services, supplies and services, internal service and capital outlay. These are considered operational in nature and reflect recurring costs. Capital improvement projects include asset acquisitions, facilities, systems and infrastructure improvements typically over \$10,000 and/or those items "outside" of the normal operational budget. These reflect one-time costs.

The City collects and records revenue and expenditures for Governmental Funds and Proprietary Funds. The City's budget reflects an organization that is committed to delivering excellent public services that meet the needs of the community by continually striving to meet the following goals:

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

**Miscellaneous Plan**  
**Schedule of Changes in the Net Pension Liability and Related Ratios**  
**During the Measurement Period**  
**Last 10 Years <sup>(1)</sup>**

Measurement Period	2013/14	2014/15	2015/16
<b>Total Pension Liability</b>			
Service Cost	\$ 3,353,880	\$ 3,211,232	\$ 3,290,164
Interest on Total Pension Liability	6,770,097	7,308,678	7,977,448
Differences Between Expected and Actual Experience	-	(304,364)	1,001,785
Changes in Assumptions	-	(2,079,150)	-
Changes in Benefits	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(2,206,639)	(2,590,999)	(3,047,166)
<b>Net Change in Total Pension Liability</b>	7,917,338	5,545,397	9,222,231
<b>Total Pension Liability - Beginning</b>	89,694,331	97,611,669	103,157,066
<b>Total Pension Liability - Ending (a)</b>	\$ 97,611,669	\$ 103,157,066	\$ 112,379,297
<b>Plan Fiduciary Net Position</b>			
Contributions - Employer <sup>(2)</sup>	\$ 3,057,063	\$ 2,781,741	\$ 3,437,164
Contributions - Employee	1,024,271	1,314,854	1,370,153
Net Investment Income <sup>(3)</sup>	11,435,505	1,744,327	437,912
Benefit Payments	(2,206,639)	(2,590,999)	(3,047,166)
Plan to Plan Resource Movement	-	(32,597)	-
Administrative Expense	-	(91,288)	(49,416)
<b>Net Change in Plan Fiduciary Net Position</b>	13,310,200	3,126,038	2,148,647
<b>Plan Fiduciary Net Position - Beginning</b>	64,646,526	77,956,726	81,082,764
<b>Plan Fiduciary Net Position - Ending (b)</b>	\$ 77,956,726	\$ 81,082,764	\$ 83,231,411
Net Pension Liability - Ending (a)-(b)	\$ 19,654,943	\$ 22,074,302	\$ 29,147,886
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.86%	78.60%	74.06%
Covered Payroll	\$ 16,622,216	\$ 16,773,838	\$ 17,716,086
Net Pension Liability as Percentage of Covered Payroll	118.25%	131.60%	164.53%

(1) Fiscal Year 2014/15 was the first year of implementation, which had a measurement period of 2013/14.

(2) Includes \$288,013 and \$5,063 of employee contributions paid by the employer for FY 2013/14 and FY 2014/15, respectively.

(3) Net of administrative expenses for FY 2013/14.

**Notes to Schedule:**

**Benefit Changes:** There were no changes in benefits.

**Changes in Assumptions:**

**FY 2014/15:** GASB 68, paragraph 68 states that the long long-term expected rate of return should be determined net of pension plan investment expense, but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense. All other assumptions for the June 30, 2014 measurement date were the same as those used for the June 30, 2015 measurement date.

**FY 2015/16:** None

**Miscellaneous Plan  
Schedule of Contributions  
Last 10 Years <sup>(1)</sup>**

	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>
Actuarially Determined Contribution (ADC)	\$ 2,786,805	\$ 3,061,100	\$ 3,480,381
Contributions in Relation to the Actuarially Determined Contributions	(2,786,805)	(3,061,100)	(3,480,381)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	<u>\$ 16,773,838</u>	<u>\$ 17,716,086</u>	<u>\$ 19,133,306</u>
Contributions as a Percentage of Covered Payroll	16.61%	17.28%	18.19%

(1) Fiscal Year 2014/15 was the first year of implementation.

**Notes to Schedule:**

**Methods and assumptions used to determine contribution rates:**

Valuation Date	<u>06/30/2012</u>	<u>06/30/2013</u>	<u>06/30/2014</u>
ADC for Fiscal Year	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>
Actuarial Cost Method	Entry age normal	Entry age normal	Entry age normal
Amortization Method	Level percent of payroll	Level percent of payroll	Level percent of payroll
Average Remaining Period	26 years as of the valuation date	N/A	N/A
Asset Valuation Method	15-Year Smoothed Market	Market Value	Market Value
Inflation	2.75%	2.75%	2.75%
Salary Increases	Varies by Entry Age and Service	Varies by Entry Age and Service	Varies by Entry Age and Service
Payroll Growth	3.00%	3.00%	3.00%
Investment Rate of Return	7.50%, net of investment and administrative expenses, including inflation	7.50%, net of investment and administrative expenses, including inflation	7.50%, net of investment and administrative expenses, including inflation
Retirement Age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.	The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.
Source	Actuarial Valuation as of June 30, 2012	Actuarial Valuation as of June 30, 2013	Actuarial Valuation as of June 30, 2014

**Safety Plan**  
**Schedule of Proportionate Share of the Net Pension Liability**  
**Last 10 Years <sup>(1)</sup>**

Measurement Period	2013/14	2014/15	2015/16
<b>Safety Plan</b>			
Proportion of the Net Pension Liability	0.2421%	0.2513%	0.2646%
Proportionate Share of the Net Pension Liability	\$ 9,080,048	\$ 10,355,885	\$ 13,706,745
Covered Payroll	\$ 6,151,444	\$ 6,754,286	\$ 7,438,782
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	147.61%	153.32%	184.26%
Plan's Fiduciary Net Position	\$ 39,786,396	\$ 44,008,978	\$ 45,031,490
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	81.42%	80.95%	76.66%

(1) Fiscal Year 2014/15 was the first year of implementation, which had a measurement period of 2013/14.

**Safety Plan**  
**Schedule of Contributions**  
**Last 10 Years <sup>(1)</sup>**

	2014/15	2015/16	2016/17
Actuarially Determined Contribution (ADC)	\$ 1,801,047	\$ 1,777,004	\$ 1,915,780
Contributions in Relation to the Actuarially Determined Contributions	(1,801,047)	(1,777,004)	(1,915,780)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Covered Payroll	\$ 6,754,286	\$ 7,438,782	\$ 7,585,314
Contributions as a Percentage of Covered Payroll	26.67%	23.89%	25.26%

(1) Fiscal Year 2014/15 was the first year of implementation.

***OPEB Schedule of Funding Progress***

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (b)</b>	<b>Unfunded Actuarial Accrued Liability (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>Unfunded Actuarial Accrued Liability as a % of Covered Payroll ((b-a)/c)</b>
6/30/2011	\$ 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%
6/30/2015	\$ 4,464,000	\$ 46,307,000	\$ 41,843,000	9.64%	\$ 24,014,000	174%

***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:

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
6/30/2015	\$ 4,035,001	62.5%	\$ 15,749,000
6/30/2016	\$ 4,189,000	70.2%	\$ 16,996,000
6/30/2017	\$ 5,011,000	78.6%	\$ 18,066,000

**City of Brentwood**

**Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2017**

**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	Roadway Development Impact Fee
<b>ASSETS</b>									
Current Assets:									
Cash and Investments	\$ 141,358	\$ 17,934	\$ 212,826	\$ 291,445	\$ 320,401	\$ 6,243	\$ 555,510	\$ 1,394,751	\$ 7,398,226
Restricted Cash and Investments	-	-	-	-	-	-	-	-	-
Receivables	49	4	4,831	24	78	1	5,613	342	1,613
Prepays	-	-	-	-	-	-	914	-	-
Land Held for Resale	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 141,407</b>	<b>\$ 17,938</b>	<b>\$ 217,657</b>	<b>\$ 291,469</b>	<b>\$ 320,479</b>	<b>\$ 6,244</b>	<b>\$ 562,037</b>	<b>\$ 1,395,093</b>	<b>\$ 7,399,839</b>
<b>LIABILITIES</b>									
Liabilities:									
Accounts Payable and Accrued Liabilities	\$ -	\$ 425	\$ 35,517	\$ -	\$ 60,639	\$ 1	\$ 235,914	\$ 5,761	\$ 1,306
Due to Other Funds	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>425</b>	<b>35,517</b>	<b>-</b>	<b>60,639</b>	<b>1</b>	<b>235,914</b>	<b>5,761</b>	<b>1,306</b>
<b>FUND BALANCES</b>									
Nonspendable	-	-	-	-	-	-	914	-	-
Restricted	141,407	17,513	182,140	291,469	259,840	-	-	-	7,398,533
Committed	-	-	-	-	-	6,243	325,209	1,389,332	-
Unassigned	-	-	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>141,407</b>	<b>17,513</b>	<b>182,140</b>	<b>291,469</b>	<b>259,840</b>	<b>6,243</b>	<b>326,123</b>	<b>1,389,332</b>	<b>7,398,533</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 141,407</b>	<b>\$ 17,938</b>	<b>\$ 217,657</b>	<b>\$ 291,469</b>	<b>\$ 320,479</b>	<b>\$ 6,244</b>	<b>\$ 562,037</b>	<b>\$ 1,395,093</b>	<b>\$ 7,399,839</b>

*Continued*



**City of Brentwood**

**Combining Balance Sheet**  
**Non-Major Governmental Funds (Continued)**  
 June 30, 2017

**Special Revenue Funds (Continued)**

	<b>Parks and Trails Development Impact Fee</b>	<b>Community Facilities Development Impact Fee</b>	<b>Fire Development Impact Fee</b>	<b>Development Impact Fee Administration</b>	<b>Agriculture Land Administration</b>	<b>Agriculture Land Acquisition</b>	<b>Public Art Administration</b>	<b>Public Art Acquisition</b>	<b>Parking In-Lieu</b>
<b>ASSETS</b>									
Current Assets:									
Cash and Investments	\$ 599,972	\$ 716,579	\$ 5,213,815	\$ 627,324	\$ 566,784	\$ 1,216,429	\$ 527,725	\$ 1,783,194	\$ 28,357
Restricted Cash and Investments	-	-	-	-	-	-	-	-	-
Receivables	-	130	1,182	146	129	268	117	394	7
Prepays	-	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 599,972</b>	<b>\$ 716,709</b>	<b>\$ 5,214,997</b>	<b>\$ 627,470</b>	<b>\$ 566,913</b>	<b>\$ 1,216,697</b>	<b>\$ 527,842</b>	<b>\$ 1,783,588</b>	<b>\$ 28,364</b>
<b>LIABILITIES</b>									
Liabilities:									
Accounts Payable and Accrued Liabilities	\$ 162	\$ 773	\$ 469	\$ 58	\$ 314	\$ 106	\$ 46	\$ 156	\$ 3
Due to Other Funds	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>162</b>	<b>773</b>	<b>469</b>	<b>58</b>	<b>314</b>	<b>106</b>	<b>46</b>	<b>156</b>	<b>3</b>
<b>FUND BALANCES</b>									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	599,810	715,936	5,214,528	627,412	566,599	1,216,591	527,796	1,783,432	28,361
Committed	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>599,810</b>	<b>715,936</b>	<b>5,214,528</b>	<b>627,412</b>	<b>566,599</b>	<b>1,216,591</b>	<b>527,796</b>	<b>1,783,432</b>	<b>28,361</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 599,972</b>	<b>\$ 716,709</b>	<b>\$ 5,214,997</b>	<b>\$ 627,470</b>	<b>\$ 566,913</b>	<b>\$ 1,216,697</b>	<b>\$ 527,842</b>	<b>\$ 1,783,588</b>	<b>\$ 28,364</b>

*Continued*

**City of Brentwood**

**Combining Balance Sheet  
Non-Major Governmental Funds (Continued)  
June 30, 2017**

<b>Special Revenue Funds (Continued)</b>										<b>Permanent Fund</b>
<b>Arts Commission</b>	<b>Asset Forfeiture</b>	<b>Abandoned Vehicle Abatement</b>	<b>PEG Media</b>	<b>Parks Advertising</b>	<b>Measure C/J</b>	<b>City Low Income Housing</b>	<b>Landscape and Lighting Assessment Districts</b>	<b>Riparian Mitigation Site Maintenance</b>		
<b>ASSETS</b>										
Current Assets:										
Cash and Investments	\$ -	\$ 33,231	\$ 231	\$ 843,837	\$ 61,295	\$ 123,783	\$ 14,505	\$ 4,854,088	\$	79,479
Restricted Cash and Investments	-	-	-	-	-	-	-	-	-	-
Receivables	1	7	31	194	14	28	3	3,717		18
Prepays	-	-	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	1,040,359	-	-	-
<b>Total Assets</b>	<b>\$ 1</b>	<b>\$ 33,238</b>	<b>\$ 262</b>	<b>\$ 844,031</b>	<b>\$ 61,309</b>	<b>\$ 123,811</b>	<b>\$ 1,054,867</b>	<b>\$ 4,857,805</b>	<b>\$</b>	<b>79,497</b>
<b>LIABILITIES</b>										
Liabilities:										
Accounts Payable and Accrued Liabilities	\$ 1	\$ 3	\$ 12	\$ 77	\$ 3,085	\$ 11	\$ 1	\$ 534,046	\$	7
Due to Other Funds	-	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>1</b>	<b>3</b>	<b>12</b>	<b>77</b>	<b>3,085</b>	<b>11</b>	<b>1</b>	<b>534,046</b>	<b>\$</b>	<b>7</b>
<b>FUND BALANCES</b>										
Nonspendable	-	-	-	-	-	-	-	-	-	80,000
Restricted	-	33,235	250	843,954	-	123,800	1,054,866	4,323,759	-	-
Committed	-	-	-	-	58,224	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	(510)
<b>Total Fund Balances</b>	<b>-</b>	<b>33,235</b>	<b>250</b>	<b>843,954</b>	<b>58,224</b>	<b>123,800</b>	<b>1,054,866</b>	<b>4,323,759</b>	<b>-</b>	<b>79,490</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 1</b>	<b>\$ 33,238</b>	<b>\$ 262</b>	<b>\$ 844,031</b>	<b>\$ 61,309</b>	<b>\$ 123,811</b>	<b>\$ 1,054,867</b>	<b>\$ 4,857,805</b>	<b>\$</b>	<b>79,497</b>

*Continued*

City of Brentwood

**Combining Balance Sheet**  
**Non-Major Governmental Funds (Continued)**  
 June 30, 2017

	Debt Service Funds				Capital Project Funds				
	Capital Improvement Revenue Refunding Bonds Series 2012	General Obligation Bonds Series 2002	2009 Civic Center Project Lease Revenue Bonds	2015 Lease Financing	Roadway Improvements	Community Facilities Improvements	Parks and Trails Improvements	Civic Center Project Lease Revenue Bond Acquisition	Capital Improvement Financing Program 2006-1
<b>ASSETS</b>									
Current Assets:									
Cash and Investments	\$ 55,415	\$ 85,929	\$ 1	\$ 344	\$ 7,260,682	\$ 16,438,336	\$ 1,226,100	\$ -	\$ -
Restricted Cash and Investments	1,439,836	-	3,339,999	-	-	-	-	59,222	2,153,789
Receivables	14,280,000	83	11,564,474	-	8,517	1,818	410	49	-
Prepays	-	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 15,775,251</b>	<b>\$ 86,012</b>	<b>\$ 14,904,474</b>	<b>\$ 344</b>	<b>\$ 7,269,199</b>	<b>\$ 16,440,154</b>	<b>\$ 1,226,510</b>	<b>\$ 59,271</b>	<b>\$ 2,153,789</b>
<b>LIABILITIES</b>									
Liabilities:									
Accounts Payable and Accrued Liabilities	\$ -	\$ 33	\$ -	\$ 344	\$ 1,044,065	\$ 790,592	\$ 36,088	\$ 20	\$ -
Due to Other Funds	-	-	-	-	-	-	784,825	-	-
Unearned Revenue	-	-	-	-	-	-	350,000	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>33</b>	<b>-</b>	<b>344</b>	<b>1,044,065</b>	<b>790,592</b>	<b>1,170,913</b>	<b>20</b>	<b>-</b>
<b>FUND BALANCES</b>									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	15,775,251	85,979	14,904,474	-	6,225,134	15,649,562	55,597	59,251	2,153,789
Committed	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>15,775,251</b>	<b>85,979</b>	<b>14,904,474</b>	<b>-</b>	<b>6,225,134</b>	<b>15,649,562</b>	<b>55,597</b>	<b>59,251</b>	<b>2,153,789</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 15,775,251</b>	<b>\$ 86,012</b>	<b>\$ 14,904,474</b>	<b>\$ 344</b>	<b>\$ 7,269,199</b>	<b>\$ 16,440,154</b>	<b>\$ 1,226,510</b>	<b>\$ 59,271</b>	<b>\$ 2,153,789</b>

Continued

City of Brentwood

**Combining Balance Sheet**  
**Non-Major Governmental Funds (Continued)**  
 June 30, 2017

**Capital Project Funds (Continued)**

	Capital Improvement Financing Program 2005-1	2015 Lease Financing Acquisition	Civic Center Capital Improvement Financing Program	City Capital Improvement Financing Program	Capital Infrastructure	Vineyards Projects	Vineyards Event Center Projects	Total Non- Major Governmental Funds
<b>ASSETS</b>								
Current Assets:								
Cash and Investments	\$ -	\$ -	\$ 1,441,379	\$ 28,223	\$ 4,027,594	\$ 3,121,782	\$ 1,894,872	\$ 63,209,979
Restricted Cash and Investments	4,225,335	5,363,703	-	-	-	-	-	16,581,884
Receivables	-	3	353	-	924	708	436	25,876,716
Prepays	-	-	-	-	-	-	-	914
Land Held for Resale	-	-	-	-	-	-	-	1,040,359
<b>Total Assets</b>	<b>\$ 4,225,335</b>	<b>\$ 5,363,706</b>	<b>\$ 1,441,732</b>	<b>\$ 28,223</b>	<b>\$ 4,028,518</b>	<b>\$ 3,122,490</b>	<b>\$ 1,895,308</b>	<b>\$ 106,709,852</b>
<b>LIABILITIES</b>								
Liabilities:								
Accounts Payable and Accrued Liabilities	\$ -	\$ 1	\$ 140	\$ -	\$ 367	\$ 280	\$ 173	\$ 2,750,996
Due to Other Funds	-	-	-	-	-	-	-	784,825
Unearned Revenue	-	-	-	-	-	-	-	350,000
<b>Total Liabilities</b>	<b>-</b>	<b>1</b>	<b>140</b>	<b>-</b>	<b>367</b>	<b>280</b>	<b>173</b>	<b>3,885,821</b>
<b>FUND BALANCES</b>								
Nonspendable	-	-	-	-	-	-	-	80,914
Restricted	4,225,335	5,363,705	1,441,592	28,223	4,028,151	3,122,210	1,895,135	100,964,619
Committed	-	-	-	-	-	-	-	1,779,008
Unassigned	-	-	-	-	-	-	-	(510)
<b>Total Fund Balances</b>	<b>4,225,335</b>	<b>5,363,705</b>	<b>1,441,592</b>	<b>28,223</b>	<b>4,028,151</b>	<b>3,122,210</b>	<b>1,895,135</b>	<b>102,824,031</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 4,225,335</b>	<b>\$ 5,363,706</b>	<b>\$ 1,441,732</b>	<b>\$ 28,223</b>	<b>\$ 4,028,518</b>	<b>\$ 3,122,490</b>	<b>\$ 1,895,308</b>	<b>\$ 106,709,852</b>

**City of Brentwood**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Non-Major Governmental Funds  
For Year Ended June 30, 2017**

**Special Revenue Funds**

	<b>SB 1186</b>				<b>Economic Development Grant</b>	<b>Infrastructure Improvements</b>	<b>Citywide Park Assessment District</b>	<b>Community Facilities Districts</b>	<b>Roadway Development Impact Fee</b>
	<b>Gas Tax</b>	<b>Disability Access</b>	<b>Police Grants</b>	<b>Other Grants</b>					
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,045,255	\$ -	\$ -
Licenses	-	-	-	-	175,611	-	-	-	-
Uses of Money and Property	25	22	123	-	269	16	-	-	-
Intergovernmental	1,130,783	-	186,571	292,056	-	-	-	-	-
Fees and Other Revenues	-	4,231	-	-	-	-	68,936	4,899,249	4,791,511
<b>Total Revenues</b>	<b>1,130,808</b>	<b>4,253</b>	<b>186,694</b>	<b>292,056</b>	<b>175,880</b>	<b>16</b>	<b>2,114,191</b>	<b>4,899,249</b>	<b>4,791,511</b>
<b>EXPENDITURES</b>									
Current:									
General Government	-	-	-	8,269	-	-	-	-	1,614,560
Public Safety	-	-	127,175	-	-	-	-	-	-
Community Development	-	413	-	-	175,933	6	-	-	-
Parks and Recreation	-	-	-	-	-	-	2,930,092	-	-
Community Services	-	-	-	-	-	-	-	41,346	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>413</b>	<b>127,175</b>	<b>8,269</b>	<b>175,933</b>	<b>6</b>	<b>2,930,092</b>	<b>41,346</b>	<b>1,614,560</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,130,808</b>	<b>3,840</b>	<b>59,519</b>	<b>283,787</b>	<b>(53)</b>	<b>10</b>	<b>(815,901)</b>	<b>4,857,903</b>	<b>3,176,951</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	-	-	-	-	-	-	836,280	1,051,497	10,655
Transfers Out	(1,164,271)	-	(33,106)	(7,597)	-	-	-	(5,837,327)	(526,972)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,164,271)</b>	<b>-</b>	<b>(33,106)</b>	<b>(7,597)</b>	<b>-</b>	<b>-</b>	<b>836,280</b>	<b>(4,785,830)</b>	<b>(516,317)</b>
<b>Net Change in Fund Balances</b>	<b>(33,463)</b>	<b>3,840</b>	<b>26,413</b>	<b>276,190</b>	<b>(53)</b>	<b>10</b>	<b>20,379</b>	<b>72,073</b>	<b>2,660,634</b>
<b>Fund Balance, Beginning of Year</b>	<b>174,870</b>	<b>13,673</b>	<b>155,727</b>	<b>15,279</b>	<b>259,893</b>	<b>6,233</b>	<b>305,744</b>	<b>1,317,259</b>	<b>4,737,899</b>
<b>Fund Balance, End of Year</b>	<b>\$ 141,407</b>	<b>\$ 17,513</b>	<b>\$ 182,140</b>	<b>\$ 291,469</b>	<b>\$ 259,840</b>	<b>\$ 6,243</b>	<b>\$ 326,123</b>	<b>\$ 1,389,332</b>	<b>\$ 7,398,533</b>

*Continued*

City of Brentwood

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds (Continued)**  
 For Year Ended June 30, 2017

**Special Revenue Funds (Continued)**

	Parks and Trails Development Impact Fee	Community Facilities Development Impact Fee	Fire Development Impact Fee	Development Impact Fee Administration	Agriculture Land Administration	Agriculture Land Acquisition	Public Art Administration	Public Art Acquisition	Parking In-Lieu
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses	-	-	-	-	-	-	-	-	-
Uses of Money and Property	55	-	10,083	515	1,467	2,648	602	2,318	71
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	3,001,953	1,210,205	470,957	537,809	45,297	181,189	117,606	377,178	-
<b>Total Revenues</b>	<b>3,002,008</b>	<b>1,210,205</b>	<b>481,040</b>	<b>538,324</b>	<b>46,764</b>	<b>183,837</b>	<b>118,208</b>	<b>379,496</b>	<b>71</b>
<b>EXPENDITURES</b>									
Current:									
General Government	-	109,509	3,865	450,533	35,825	15,580	441	25,612	27
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	2,089,631	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>2,089,631</b>	<b>109,509</b>	<b>3,865</b>	<b>450,533</b>	<b>35,825</b>	<b>15,580</b>	<b>441</b>	<b>25,612</b>	<b>27</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>912,377</b>	<b>1,100,696</b>	<b>477,175</b>	<b>87,791</b>	<b>10,939</b>	<b>168,257</b>	<b>117,767</b>	<b>353,884</b>	<b>44</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	31,650	114,911	3,963,053	-	-	3,901	658	7,147	-
Transfers Out	(171,105)	(919,613)	-	-	-	-	(50,000)	(200,586)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(139,455)</b>	<b>(804,702)</b>	<b>3,963,053</b>	<b>-</b>	<b>-</b>	<b>3,901</b>	<b>(49,342)</b>	<b>(193,439)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>772,922</b>	<b>295,994</b>	<b>4,440,228</b>	<b>87,791</b>	<b>10,939</b>	<b>172,158</b>	<b>68,425</b>	<b>160,445</b>	<b>44</b>
<b>Fund Balance, Beginning of Year</b>	<b>(173,112)</b>	<b>419,942</b>	<b>774,300</b>	<b>539,621</b>	<b>555,660</b>	<b>1,044,433</b>	<b>459,371</b>	<b>1,622,987</b>	<b>28,317</b>
<b>Fund Balance, End of Year</b>	<b>\$ 599,810</b>	<b>\$ 715,936</b>	<b>\$ 5,214,528</b>	<b>\$ 627,412</b>	<b>\$ 566,599</b>	<b>\$ 1,216,591</b>	<b>\$ 527,796</b>	<b>\$ 1,783,432</b>	<b>\$ 28,361</b>

Continued

City of Brentwood

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Non-Major Governmental Funds (Continued)  
 For Year Ended June 30, 2017

	Special Revenue Funds (Continued)								Permanent Fund
	Arts Commission	Asset Forfeiture	Abandoned Vehicle Abatement	PEG Media	Parks Advertising	Measure C/J	City Low Income Housing	Landscape and Lighting Assessment Districts	Riparian Mitigation Site Maintenance
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses	-	-	-	-	-	-	-	-	-
Uses of Money and Property	11	66	184	2,107	155	3,586	36	-	-
Intergovernmental	-	-	-	-	-	888,443	-	-	80,000
Fees and Other Revenues	-	14,933	122,789	-	13,540	-	-	5,926,490	-
<b>Total Revenues</b>	<b>11</b>	<b>14,999</b>	<b>122,973</b>	<b>2,107</b>	<b>13,695</b>	<b>892,029</b>	<b>36</b>	<b>5,926,490</b>	<b>80,000</b>
<b>EXPENDITURES</b>									
Current:									
General Government	5	9,264	-	818	-	6,771	14	-	-
Public Safety	-	-	116	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	16,662	-	-	-	510
Community Services	-	-	-	-	-	-	-	6,736,459	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>5</b>	<b>9,264</b>	<b>116</b>	<b>818</b>	<b>16,662</b>	<b>6,771</b>	<b>14</b>	<b>6,736,459</b>	<b>510</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>6</b>	<b>5,735</b>	<b>122,857</b>	<b>1,289</b>	<b>(2,967)</b>	<b>885,258</b>	<b>22</b>	<b>(809,969)</b>	<b>79,490</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	-	-	-	-	-	15,464	-	-	-
Transfers Out	(4,518)	-	(238,424)	-	-	(1,095,000)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(4,518)</b>	<b>-</b>	<b>(238,424)</b>	<b>-</b>	<b>-</b>	<b>(1,079,536)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(4,512)</b>	<b>5,735</b>	<b>(115,567)</b>	<b>1,289</b>	<b>(2,967)</b>	<b>(194,278)</b>	<b>22</b>	<b>(809,969)</b>	<b>79,490</b>
<b>Fund Balance, Beginning of Year</b>	<b>4,512</b>	<b>27,500</b>	<b>115,817</b>	<b>842,665</b>	<b>61,191</b>	<b>318,078</b>	<b>1,054,844</b>	<b>5,133,728</b>	<b>-</b>
<b>Fund Balance, End of Year</b>	<b>\$ -</b>	<b>\$ 33,235</b>	<b>\$ 250</b>	<b>\$ 843,954</b>	<b>\$ 58,224</b>	<b>\$ 123,800</b>	<b>\$ 1,054,866</b>	<b>\$ 4,323,759</b>	<b>\$ 79,490</b>

Continued

City of Brentwood

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds (Continued)**  
 For Year Ended June 30, 2017

	Debt Service Funds				Capital Project Funds				
	Capital Improvement Revenue Refunding Bonds Series 2012	General Obligation Bonds Series 2002	2009 Civic Center Project Lease Revenue Bonds	2015 Lease Financing	Roadway Improvements	Community Facilities Improvements	Parks and Trails Improvements	Civic Center Project Lease Revenue Bond Acquisition	Capital Improvement Financing Program 2006-1
<b>REVENUES</b>									
Taxes	\$ -	\$ 482,334	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses	-	-	-	-	-	-	-	-	-
Uses of Money and Property	60,412	-	27,422	-	18,133	-	-	19,886	10,200
Intergovernmental	736,125	-	1,905,919	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	-	408,909	7,500	-	-	-
<b>Total Revenues</b>	<b>796,537</b>	<b>482,334</b>	<b>1,933,341</b>	<b>-</b>	<b>427,042</b>	<b>7,500</b>	<b>-</b>	<b>19,886</b>	<b>10,200</b>
<b>EXPENDITURES</b>									
Current:									
General Government	-	-	-	-	1,443,708	164,052	240,888	255	-
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	76,080	6,239	14,116	3,269	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	171,386	3,023,193	193,517	-	-
Debt Service:									
Principal	925,000	445,000	1,080,000	335,000	-	-	-	-	-
Interest and Fiscal Charges	991,688	23,363	3,246,804	368,794	-	-	-	-	-
<b>Total Expenditures</b>	<b>1,992,768</b>	<b>474,602</b>	<b>4,340,920</b>	<b>707,063</b>	<b>1,615,094</b>	<b>3,187,245</b>	<b>434,405</b>	<b>255</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,196,231)</b>	<b>7,732</b>	<b>(2,407,579)</b>	<b>(707,063)</b>	<b>(1,188,052)</b>	<b>(3,179,745)</b>	<b>(434,405)</b>	<b>19,631</b>	<b>10,200</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	716,307	-	3,222,991	707,063	1,587,005	15,613,873	978,897	12,939	-
Transfers Out	(156,456)	-	(1,051,497)	-	(222,130)	(4,905,902)	(100,973)	(7,159,821)	-
<b>Total Other Financing Sources (Uses)</b>	<b>559,851</b>	<b>-</b>	<b>2,171,494</b>	<b>707,063</b>	<b>1,364,875</b>	<b>10,707,971</b>	<b>877,924</b>	<b>(7,146,882)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(636,380)</b>	<b>7,732</b>	<b>(236,085)</b>	<b>-</b>	<b>176,823</b>	<b>7,528,226</b>	<b>443,519</b>	<b>(7,127,251)</b>	<b>10,200</b>
<b>Fund Balance, Beginning of Year</b>	<b>16,411,631</b>	<b>78,247</b>	<b>15,140,559</b>	<b>-</b>	<b>6,048,311</b>	<b>8,121,336</b>	<b>(387,922)</b>	<b>7,186,502</b>	<b>2,143,589</b>
<b>Fund Balance, End of Year</b>	<b>\$ 15,775,251</b>	<b>\$ 85,979</b>	<b>\$ 14,904,474</b>	<b>\$ -</b>	<b>\$ 6,225,134</b>	<b>\$ 15,649,562</b>	<b>\$ 55,597</b>	<b>\$ 59,251</b>	<b>\$ 2,153,789</b>

Continued



**City of Brentwood**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Non-Major Governmental Funds (Continued)  
For Year Ended June 30, 2017**

**Capital Project Funds (Continued)**

	<b>Capital Improvement Financing Program 2005-1</b>	<b>2015 Lease Financing Acquisition</b>	<b>Civic Center Capital Improvement Financing Program</b>	<b>City Capital Improvement Financing Program</b>	<b>Capital Infrastructure</b>	<b>Vineyards Projects</b>	<b>Vineyards Event Center Projects</b>	<b>Total Non- Major Governmental Funds</b>
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,527,589
Licenses	-	-	-	-	-	-	-	175,611
Uses of Money and Property	21,126	40,286	-	27	2,825	5,637	4,599	234,912
Intergovernmental	-	-	-	-	-	-	-	5,219,897
Fees and Other Revenues	-	-	1,263,596	249,782	-	348,295	-	24,061,955
<b>Total Revenues</b>	<b>21,126</b>	<b>40,286</b>	<b>1,263,596</b>	<b>249,809</b>	<b>2,825</b>	<b>353,932</b>	<b>4,599</b>	<b>32,219,964</b>
<b>EXPENDITURES</b>								
Current:								
General Government	289,999	9	6,127	2	3,405	2,790	2,144	4,434,472
Public Safety	-	-	-	-	-	-	-	127,291
Community Development	-	-	-	-	-	-	-	276,056
Parks and Recreation	-	-	-	-	-	-	-	5,036,895
Community Services	-	-	-	-	-	-	-	6,777,805
Capital Outlay	-	-	-	-	-	-	-	3,388,096
Debt Service:								
Principal	-	-	-	-	-	-	-	2,785,000
Interest and Fiscal Charges	-	-	-	-	-	-	-	4,630,649
<b>Total Expenditures</b>	<b>289,999</b>	<b>9</b>	<b>6,127</b>	<b>2</b>	<b>3,405</b>	<b>2,790</b>	<b>2,144</b>	<b>27,456,264</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(268,873)</b>	<b>40,277</b>	<b>1,257,469</b>	<b>249,807</b>	<b>(580)</b>	<b>351,142</b>	<b>2,455</b>	<b>4,763,700</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers In	-	-	775,000	-	1,344,082	-	13,558	31,006,931
Transfers Out	-	(5,971,494)	(1,460,235)	(227,952)	(40,000)	-	(1,447,182)	(32,992,161)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(5,971,494)</b>	<b>(685,235)</b>	<b>(227,952)</b>	<b>1,304,082</b>	<b>-</b>	<b>(1,433,624)</b>	<b>(1,985,230)</b>
<b>Net Change in Fund Balances</b>	<b>(268,873)</b>	<b>(5,931,217)</b>	<b>572,234</b>	<b>21,855</b>	<b>1,303,502</b>	<b>351,142</b>	<b>(1,431,169)</b>	<b>2,778,470</b>
<b>Fund Balance, Beginning of Year</b>	<b>4,494,208</b>	<b>11,294,922</b>	<b>869,358</b>	<b>6,368</b>	<b>2,724,649</b>	<b>2,771,068</b>	<b>3,326,304</b>	<b>100,045,561</b>
<b>Fund Balance, End of Year</b>	<b>\$ 4,225,335</b>	<b>\$ 5,363,705</b>	<b>\$ 1,441,592</b>	<b>\$ 28,223</b>	<b>\$ 4,028,151</b>	<b>\$ 3,122,210</b>	<b>\$ 1,895,135</b>	<b>\$ 102,824,031</b>

**City of Brentwood**

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

**Budgeted Non-Major Governmental Funds**

*For Year Ended June 30, 2017*

	<b>Special Revenue Funds</b>								
	<b>Gas Tax</b>			<b>SB 1186 Disability Access</b>			<b>Police Grants</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses	-	-	-	-	-	-	-	-	-
Uses of Money and Property	1,911	25	(1,886)	89	22	(67)	1,524	123	(1,401)
Intergovernmental	1,160,574	1,130,783	(29,791)	-	-	-	236,237	186,571	(49,666)
Fees and Other Revenues	-	-	-	4,590	4,231	(359)	-	-	-
<b>Total Revenues</b>	<b>1,162,485</b>	<b>1,130,808</b>	<b>(31,677)</b>	<b>4,679</b>	<b>4,253</b>	<b>(426)</b>	<b>237,761</b>	<b>186,694</b>	<b>(51,067)</b>
<b>EXPENDITURES</b>									
Current:									
General Government	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	228,431	127,175	101,256
Community Development	-	-	-	5,150	413	4,737	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,150</b>	<b>413</b>	<b>4,737</b>	<b>228,431</b>	<b>127,175</b>	<b>101,256</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,162,485</b>	<b>1,130,808</b>	<b>(31,677)</b>	<b>(471)</b>	<b>3,840</b>	<b>4,311</b>	<b>9,330</b>	<b>59,519</b>	<b>50,189</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	(1,243,627)	(1,164,271)	79,356	-	-	-	(33,106)	(33,106)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(1,243,627)</b>	<b>(1,164,271)</b>	<b>79,356</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(33,106)</b>	<b>(33,106)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ (81,142)</b>	<b>(33,463)</b>	<b>\$ 47,679</b>	<b>\$ (471)</b>	<b>3,840</b>	<b>\$ 4,311</b>	<b>\$ (23,776)</b>	<b>26,413</b>	<b>\$ 50,189</b>
<b>Fund Balance, Beginning of Year</b>		174,870			13,673			155,727	
<b>Fund Balance, End of Year</b>		<b>\$ 141,407</b>			<b>\$ 17,513</b>			<b>\$ 182,140</b>	

*Continued*

**City of Brentwood**

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

**Budgeted Non-Major Governmental Funds (Continued)**

For Year Ended June 30, 2017

	Special Revenue Funds (Continued)								
	Other Grants			Economic Development Grant			Infrastructure Improvements		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses	-	-	-	189,550	175,611	(13,939)	-	-	-
Uses of Money and Property	67	-	(67)	2,464	269	(2,195)	58	16	(42)
Intergovernmental	3,006,431	292,056	(2,714,375)	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<u>3,006,498</u>	<u>292,056</u>	<u>(2,714,442)</u>	<u>192,014</u>	<u>175,880</u>	<u>(16,134)</u>	<u>58</u>	<u>16</u>	<u>(42)</u>
<b>EXPENDITURES</b>									
Current:									
General Government	8,270	8,269	1	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	200,300	175,933	24,367	50	6	44
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<u>8,270</u>	<u>8,269</u>	<u>1</u>	<u>200,300</u>	<u>175,933</u>	<u>24,367</u>	<u>50</u>	<u>6</u>	<u>44</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>2,998,228</u>	<u>283,787</u>	<u>(2,714,441)</u>	<u>(8,286)</u>	<u>(53)</u>	<u>8,233</u>	<u>8</u>	<u>10</u>	<u>2</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	(3,006,431)	(7,597)	2,998,834	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(3,006,431)</u>	<u>(7,597)</u>	<u>2,998,834</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>\$ (8,203)</u>	<u>276,190</u>	<u>\$ 284,393</u>	<u>\$ (8,286)</u>	<u>(53)</u>	<u>\$ 8,233</u>	<u>\$ 8</u>	<u>10</u>	<u>\$ 2</u>
<b>Fund Balance, Beginning of Year</b>		15,279			259,893			6,233	
<b>Fund Balance, End of Year</b>		<u>\$ 291,469</u>			<u>\$ 259,840</u>			<u>\$ 6,243</u>	

*Continued*

**City of Brentwood**

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

**Budgeted Non-Major Governmental Funds (Continued)**

For Year Ended June 30, 2017

	<b>Special Revenue Funds (Continued)</b>								
	<b>Citywide Park Assessment District</b>			<b>Community Facilities Districts</b>			<b>Roadway Development Impact Fee</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>									
Taxes	\$ 2,020,236	\$ 2,045,255	\$ 25,019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses	-	-	-	-	-	-	-	-	-
Uses of Money and Property	3,517	-	(3,517)	21,293	-	(21,293)	29,020	-	(29,020)
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	59,725	68,936	9,211	4,897,446	4,899,249	1,803	2,930,145	4,791,511	1,861,366
<b>Total Revenues</b>	<u>2,083,478</u>	<u>2,114,191</u>	<u>30,713</u>	<u>4,918,739</u>	<u>4,899,249</u>	<u>(19,490)</u>	<u>2,959,165</u>	<u>4,791,511</u>	<u>1,832,346</u>
<b>EXPENDITURES</b>									
Current:									
General Government	-	-	-	-	-	-	1,661,560	1,614,560	47,000
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	2,933,667	2,930,092	3,575	-	-	-	-	-	-
Community Services	-	-	-	57,900	41,346	16,554	-	-	-
<b>Total Expenditures</b>	<u>2,933,667</u>	<u>2,930,092</u>	<u>3,575</u>	<u>57,900</u>	<u>41,346</u>	<u>16,554</u>	<u>1,661,560</u>	<u>1,614,560</u>	<u>47,000</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(850,189)</u>	<u>(815,901)</u>	<u>34,288</u>	<u>4,860,839</u>	<u>4,857,903</u>	<u>(2,936)</u>	<u>1,297,605</u>	<u>3,176,951</u>	<u>1,879,346</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	836,280	836,280	-	1,052,064	1,051,497	(567)	25,510	10,655	(14,855)
Transfers Out	-	-	-	(5,837,327)	(5,837,327)	-	(527,300)	(526,972)	328
<b>Total Other Financing Sources (Uses)</b>	<u>836,280</u>	<u>836,280</u>	<u>-</u>	<u>(4,785,263)</u>	<u>(4,785,830)</u>	<u>(567)</u>	<u>(501,790)</u>	<u>(516,317)</u>	<u>(14,527)</u>
<b>Net Change in Fund Balances</b>	<u>\$ (13,909)</u>	<u>20,379</u>	<u>\$ 34,288</u>	<u>\$ 75,576</u>	<u>72,073</u>	<u>\$ (3,503)</u>	<u>\$ 795,815</u>	<u>2,660,634</u>	<u>\$ 1,864,819</u>
<b>Fund Balance, Beginning of Year</b>		305,744			1,317,259			4,737,899	
<b>Fund Balance, End of Year</b>		<u>\$ 326,123</u>			<u>\$ 1,389,332</u>			<u>\$ 7,398,533</u>	

*Continued*

**City of Brentwood**

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

**Budgeted Non-Major Governmental Funds (Continued)**

For Year Ended June 30, 2017

	<b>Special Revenue Funds (Continued)</b>								
	<b>Parks and Trails Development Impact Fee</b>			<b>Community Facilities Development Impact Fee</b>			<b>Fire Development Impact Fee</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses	-	-	-	-	-	-	-	-	-
Uses of Money and Property	-	55	55	15,140	-	(15,140)	40,190	10,083	(30,107)
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	1,755,157	3,001,953	1,246,796	810,592	1,210,205	399,613	307,159	470,957	163,798
<b>Total Revenues</b>	<u>1,755,157</u>	<u>3,002,008</u>	<u>1,246,851</u>	<u>825,732</u>	<u>1,210,205</u>	<u>384,473</u>	<u>347,349</u>	<u>481,040</u>	<u>133,691</u>
<b>EXPENDITURES</b>									
Current:									
General Government	-	-	-	128,647	109,509	19,138	7,300	3,865	3,435
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	2,117,871	2,089,631	28,240	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<u>2,117,871</u>	<u>2,089,631</u>	<u>28,240</u>	<u>128,647</u>	<u>109,509</u>	<u>19,138</u>	<u>7,300</u>	<u>3,865</u>	<u>3,435</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(362,714)</u>	<u>912,377</u>	<u>1,275,091</u>	<u>697,085</u>	<u>1,100,696</u>	<u>403,611</u>	<u>340,049</u>	<u>477,175</u>	<u>137,126</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	1,042	31,650	30,608	2,397	114,911	112,514	3,962,000	3,963,053	1,053
Transfers Out	(171,105)	(171,105)	-	(919,834)	(919,613)	221	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(170,063)</u>	<u>(139,455)</u>	<u>30,608</u>	<u>(917,437)</u>	<u>(804,702)</u>	<u>112,735</u>	<u>3,962,000</u>	<u>3,963,053</u>	<u>1,053</u>
<b>Net Change in Fund Balances</b>	<u>\$ (532,777)</u>	<u>772,922</u>	<u>\$ 1,305,699</u>	<u>\$ (220,352)</u>	<u>295,994</u>	<u>\$ 516,346</u>	<u>\$ 4,302,049</u>	<u>4,440,228</u>	<u>\$ 138,179</u>
<b>Fund Balance, Beginning of Year</b>		(173,112)			419,942			774,300	
<b>Fund Balance, End of Year</b>		<u>\$ 599,810</u>			<u>\$ 715,936</u>			<u>\$ 5,214,528</u>	

*Continued*

**City of Brentwood**

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

**Budgeted Non-Major Governmental Funds (Continued)**

For Year Ended June 30, 2017

	<b>Special Revenue Funds (Continued)</b>								
	<b>Development Impact Fee Administration</b>			<b>Agriculture Land Administration</b>			<b>Agriculture Land Acquisition</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses	-	-	-	-	-	-	-	-	-
Uses of Money and Property	2,120	515	(1,605)	4,709	1,467	(3,242)	5,868	2,648	(3,220)
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	342,497	537,809	195,312	-	45,297	45,297	-	181,189	181,189
<b>Total Revenues</b>	<b>344,617</b>	<b>538,324</b>	<b>193,707</b>	<b>4,709</b>	<b>46,764</b>	<b>42,055</b>	<b>5,868</b>	<b>183,837</b>	<b>177,969</b>
<b>EXPENDITURES</b>									
Current:									
General Government	451,500	450,533	967	47,452	35,825	11,627	35,700	15,580	20,120
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>451,500</b>	<b>450,533</b>	<b>967</b>	<b>47,452</b>	<b>35,825</b>	<b>11,627</b>	<b>35,700</b>	<b>15,580</b>	<b>20,120</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(106,883)</b>	<b>87,791</b>	<b>194,674</b>	<b>(42,743)</b>	<b>10,939</b>	<b>53,682</b>	<b>(29,832)</b>	<b>168,257</b>	<b>198,089</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	-	-	-	-	-	-	-	3,901	3,901
Transfers Out	-	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,901</b>	<b>3,901</b>
<b>Net Change in Fund Balances</b>	<b>\$ (106,883)</b>	<b>87,791</b>	<b>\$ 194,674</b>	<b>\$ (42,743)</b>	<b>10,939</b>	<b>\$ 53,682</b>	<b>\$ (29,832)</b>	<b>172,158</b>	<b>\$ 201,990</b>
<b>Fund Balance, Beginning of Year</b>		<b>539,621</b>			<b>555,660</b>			<b>1,044,433</b>	
<b>Fund Balance, End of Year</b>		<b>\$ 627,412</b>			<b>\$ 566,599</b>			<b>\$ 1,216,591</b>	

*Continued*

**City of Brentwood**

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

**Budgeted Non-Major Governmental Funds (Continued)**

For Year Ended June 30, 2017

	Special Revenue Funds (Continued)								
	Public Art Administration			Public Art Acquisition			Parking In-Lieu		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses	-	-	-	-	-	-	-	-	-
Uses of Money and Property	2,328	602	(1,726)	9,969	2,318	(7,651)	263	71	(192)
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	43,615	117,606	73,991	174,460	377,178	202,718	-	-	-
<b>Total Revenues</b>	<u>45,943</u>	<u>118,208</u>	<u>72,265</u>	<u>184,429</u>	<u>379,496</u>	<u>195,067</u>	<u>263</u>	<u>71</u>	<u>(192)</u>
<b>EXPENDITURES</b>									
Current:									
General Government	2,500	441	2,059	27,842	25,612	2,230	28,050	27	28,023
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<u>2,500</u>	<u>441</u>	<u>2,059</u>	<u>27,842</u>	<u>25,612</u>	<u>2,230</u>	<u>28,050</u>	<u>27</u>	<u>28,023</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>43,443</u>	<u>117,767</u>	<u>74,324</u>	<u>156,587</u>	<u>353,884</u>	<u>197,297</u>	<u>(27,787)</u>	<u>44</u>	<u>27,831</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	18	658	640	4,800	7,147	2,347	-	-	-
Transfers Out	(50,000)	(50,000)	-	(200,600)	(200,586)	14	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(49,982)</u>	<u>(49,342)</u>	<u>640</u>	<u>(195,800)</u>	<u>(193,439)</u>	<u>2,361</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>\$ (6,539)</u>	<u>68,425</u>	<u>\$ 74,964</u>	<u>\$ (39,213)</u>	<u>160,445</u>	<u>\$ 199,658</u>	<u>\$ (27,787)</u>	<u>44</u>	<u>\$ 27,831</u>
<b>Fund Balance, Beginning of Year</b>		<u>459,371</u>			<u>1,622,987</u>			<u>28,317</u>	
<b>Fund Balance, End of Year</b>		<u>\$ 527,796</u>			<u>\$ 1,783,432</u>			<u>\$ 28,361</u>	

Continued

City of Brentwood

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

**Budgeted Non-Major Governmental Funds (Continued)**

For Year Ended June 30, 2017

	Special Revenue Funds (Continued)								
	Arts Commission			Asset Forfeiture			Abandoned Vehicle Abatement		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses	-	-	-	-	-	-	-	-	-
Uses of Money and Property	-	11	11	305	66	(239)	1,014	184	(830)
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	27,492	14,933	(12,559)	113,000	122,789	9,789
<b>Total Revenues</b>	<u>-</u>	<u>11</u>	<u>11</u>	<u>27,797</u>	<u>14,999</u>	<u>(12,798)</u>	<u>114,014</u>	<u>122,973</u>	<u>8,959</u>
<b>EXPENDITURES</b>									
Current:									
General Government	5	5	-	30,050	9,264	20,786	-	-	-
Public Safety	-	-	-	-	-	-	200	116	84
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<u>5</u>	<u>5</u>	<u>-</u>	<u>30,050</u>	<u>9,264</u>	<u>20,786</u>	<u>200</u>	<u>116</u>	<u>84</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(5)</u>	<u>6</u>	<u>11</u>	<u>(2,253)</u>	<u>5,735</u>	<u>7,988</u>	<u>113,814</u>	<u>122,857</u>	<u>9,043</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	(4,800)	(4,518)	282	-	-	-	(245,000)	(238,424)	6,576
<b>Total Other Financing Sources (Uses)</b>	<u>(4,800)</u>	<u>(4,518)</u>	<u>282</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(245,000)</u>	<u>(238,424)</u>	<u>6,576</u>
<b>Net Change in Fund Balances</b>	<u>\$ (4,805)</u>	<u>(4,512)</u>	<u>\$ 293</u>	<u>\$ (2,253)</u>	<u>5,735</u>	<u>\$ 7,988</u>	<u>\$ (131,186)</u>	<u>(115,567)</u>	<u>\$ 15,619</u>
<b>Fund Balance, Beginning of Year</b>		4,512			27,500			115,817	
<b>Fund Balance, End of Year</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>33,235</u>	<u>-</u>	<u>\$ -</u>	<u>250</u>	<u>-</u>

Continued



City of Brentwood

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

**Budgeted Non-Major Governmental Funds (Continued)**

For Year Ended June 30, 2017

	Special Revenue Funds (Continued)								
	PEG Media			Parks Advertising			Measure C/J		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses	-	-	-	-	-	-	-	-	-
Uses of Money and Property	7,805	2,107	(5,698)	498	155	(343)	529	3,586	3,057
Intergovernmental	-	-	-	-	-	-	832,800	888,443	55,643
Fees and Other Revenues	-	-	-	19,000	13,540	(5,460)	-	-	-
<b>Total Revenues</b>	<u>7,805</u>	<u>2,107</u>	<u>(5,698)</u>	<u>19,498</u>	<u>13,695</u>	<u>(5,803)</u>	<u>833,329</u>	<u>892,029</u>	<u>58,700</u>
<b>EXPENDITURES</b>									
Current:									
General Government	25,900	818	25,082	-	-	-	6,900	6,771	129
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	19,200	16,662	2,538	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<u>25,900</u>	<u>818</u>	<u>25,082</u>	<u>19,200</u>	<u>16,662</u>	<u>2,538</u>	<u>6,900</u>	<u>6,771</u>	<u>129</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(18,095)</u>	<u>1,289</u>	<u>19,384</u>	<u>298</u>	<u>(2,967)</u>	<u>(3,265)</u>	<u>826,429</u>	<u>885,258</u>	<u>58,829</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	-	-	-	-	-	-	-	15,464	15,464
Transfers Out	-	-	-	-	-	-	(1,095,000)	(1,095,000)	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,095,000)</u>	<u>(1,079,536)</u>	<u>15,464</u>
<b>Net Change in Fund Balances</b>	<u>\$ (18,095)</u>	<u>1,289</u>	<u>\$ 19,384</u>	<u>\$ 298</u>	<u>(2,967)</u>	<u>\$ (3,265)</u>	<u>\$ (268,571)</u>	<u>(194,278)</u>	<u>\$ 74,293</u>
<b>Fund Balance, Beginning of Year</b>		842,665			61,191			318,078	
<b>Fund Balance, End of Year</b>		<u>\$ 843,954</u>			<u>\$ 58,224</u>			<u>\$ 123,800</u>	

Continued

**City of Brentwood**

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

**Budgeted Non-Major Governmental Funds (Continued)**

For Year Ended June 30, 2017

	Special Revenue Funds (Continued)						Permanent Fund		
	City Low Income Housing			Landscape and Lighting Assessment Districts			Riparian Mitigation Site Maintenance		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses	-	-	-	-	-	-	-	-	-
Uses of Money and Property	10,319	36	(10,283)	40,488	-	(40,488)	1,000	-	(1,000)
Intergovernmental	-	-	-	-	-	-	80,000	80,000	-
Fees and Other Revenues	-	-	-	5,906,104	5,926,490	20,386	-	-	-
<b>Total Revenues</b>	<u>10,319</u>	<u>36</u>	<u>(10,283)</u>	<u>5,946,592</u>	<u>5,926,490</u>	<u>(20,102)</u>	<u>81,000</u>	<u>80,000</u>	<u>(1,000)</u>
<b>EXPENDITURES</b>									
Current:									
General Government	8,200	14	8,186	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	511	510	1
Community Services	-	-	-	7,805,530	6,736,459	1,069,071	-	-	-
<b>Total Expenditures</b>	<u>8,200</u>	<u>14</u>	<u>8,186</u>	<u>7,805,530</u>	<u>6,736,459</u>	<u>1,069,071</u>	<u>511</u>	<u>510</u>	<u>1</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>2,119</u>	<u>22</u>	<u>(2,097)</u>	<u>(1,858,938)</u>	<u>(809,969)</u>	<u>1,048,969</u>	<u>80,489</u>	<u>79,490</u>	<u>(999)</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	(1,000)	-	1,000
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,000)</u>	<u>-</u>	<u>1,000</u>
<b>Net Change in Fund Balances</b>	<u>\$ 2,119</u>	<u>22</u>	<u>\$ (2,097)</u>	<u>\$ (1,858,938)</u>	<u>(809,969)</u>	<u>\$ 1,048,969</u>	<u>\$ 79,489</u>	<u>79,490</u>	<u>\$ 1</u>
<b>Fund Balance, Beginning of Year</b>		1,054,844			5,133,728			-	
<b>Fund Balance, End of Year</b>		<u>\$ 1,054,866</u>			<u>\$ 4,323,759</u>		<u>\$ 79,490</u>		

*Continued*

City of Brentwood

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

**Budgeted Non-Major Governmental Funds (Continued)**

For Year Ended June 30, 2017

	Capital Project Funds								
	Civic Center Project Lease Revenue Bond Acquisition			2015 Lease Financing Acquisition			Civic Center Capital Improvement Financing Program		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses	-	-	-	-	-	-	-	-	-
Uses of Money and Property	53,586	19,886	(33,700)	96	40,286	40,190	13,062	-	(13,062)
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	-	-	-	1,330,923	1,263,596	(67,327)
<b>Total Revenues</b>	<u>53,586</u>	<u>19,886</u>	<u>(33,700)</u>	<u>96</u>	<u>40,286</u>	<u>40,190</u>	<u>1,343,985</u>	<u>1,263,596</u>	<u>(80,389)</u>
<b>EXPENDITURES</b>									
Current:									
General Government	6,000	255	5,745	50	9	41	6,853	6,127	726
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<u>6,000</u>	<u>255</u>	<u>5,745</u>	<u>50</u>	<u>9</u>	<u>41</u>	<u>6,853</u>	<u>6,127</u>	<u>726</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>47,586</u>	<u>19,631</u>	<u>(27,955)</u>	<u>46</u>	<u>40,277</u>	<u>40,231</u>	<u>1,337,132</u>	<u>1,257,469</u>	<u>(79,663)</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	7,477	12,939	5,462	21,694	-	(21,694)	775,000	775,000	-
Transfers Out	(7,159,821)	(7,159,821)	-	(5,971,494)	(5,971,494)	-	(1,460,236)	(1,460,235)	1
<b>Total Other Financing Sources (Uses)</b>	<u>(7,152,344)</u>	<u>(7,146,882)</u>	<u>5,462</u>	<u>(5,949,800)</u>	<u>(5,971,494)</u>	<u>(21,694)</u>	<u>(685,236)</u>	<u>(685,235)</u>	<u>1</u>
<b>Net Change in Fund Balances</b>	<u>\$ (7,104,758)</u>	<u>(7,127,251)</u>	<u>\$ (22,493)</u>	<u>\$ (5,949,754)</u>	<u>(5,931,217)</u>	<u>\$ 18,537</u>	<u>\$ 651,896</u>	<u>572,234</u>	<u>\$ (79,662)</u>
<b>Fund Balance, Beginning of Year</b>		<u>7,186,502</u>			<u>11,294,922</u>			<u>869,358</u>	
<b>Fund Balance, End of Year</b>		<u>\$ 59,251</u>			<u>\$ 5,363,705</u>			<u>\$ 1,441,592</u>	

Continued

**City of Brentwood**

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

**Budgeted Non-Major Governmental Funds (Continued)**

For Year Ended June 30, 2017

	<b>Capital Project Funds (Continued)</b>								
	<b>City Capital Improvement Financing Program</b>			<b>Capital Infrastructure</b>			<b>Vineyards Projects</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses	-	-	-	-	-	-	-	-	-
Uses of Money and Property	926	27	(899)	14,200	2,825	(11,375)	19,839	5,637	(14,202)
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	249,782	249,782	-	-	-	-	96,692	348,295	251,603
<b>Total Revenues</b>	<b>250,708</b>	<b>249,809</b>	<b>(899)</b>	<b>14,200</b>	<b>2,825</b>	<b>(11,375)</b>	<b>116,531</b>	<b>353,932</b>	<b>237,401</b>
<b>EXPENDITURES</b>									
Current:									
General Government	200	2	198	7,400	3,405	3,995	5,290	2,790	2,500
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>200</b>	<b>2</b>	<b>198</b>	<b>7,400</b>	<b>3,405</b>	<b>3,995</b>	<b>5,290</b>	<b>2,790</b>	<b>2,500</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>250,508</b>	<b>249,807</b>	<b>(701)</b>	<b>6,800</b>	<b>(580)</b>	<b>(7,380)</b>	<b>111,241</b>	<b>351,142</b>	<b>239,901</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	-	-	-	1,326,381	1,344,082	17,701	-	-	-
Transfers Out	(229,003)	(227,952)	1,051	(40,000)	(40,000)	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(229,003)</b>	<b>(227,952)</b>	<b>1,051</b>	<b>1,286,381</b>	<b>1,304,082</b>	<b>17,701</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ 21,505</b>	<b>21,855</b>	<b>\$ 350</b>	<b>\$ 1,293,181</b>	<b>1,303,502</b>	<b>\$ 10,321</b>	<b>\$ 111,241</b>	<b>351,142</b>	<b>\$ 239,901</b>
<b>Fund Balance, Beginning of Year</b>		6,368			2,724,649			2,771,068	
<b>Fund Balance, End of Year</b>		<b>\$ 28,223</b>			<b>\$ 4,028,151</b>			<b>\$ 3,122,210</b>	

*Continued*

**City of Brentwood**

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

**Budgeted Non-Major Governmental Funds (Continued)**

For Year Ended June 30, 2017

	<b>Capital Project Funds (Continued)</b>		
	<b>Vineyards Event Center Projects</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Licenses	-	-	-
Uses of Money and Property	17,224	4,599	(12,625)
Intergovernmental	-	-	-
Fees and Other Revenues	-	-	-
<b>Total Revenues</b>	<u>17,224</u>	<u>4,599</u>	<u>(12,625)</u>
<b>EXPENDITURES</b>			
Current:			
General Government	2,145	2,144	1
Public Safety	-	-	-
Community Development	-	-	-
Parks and Recreation	-	-	-
Community Services	-	-	-
<b>Total Expenditures</b>	<u>2,145</u>	<u>2,144</u>	<u>1</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>15,079</u>	<u>2,455</u>	<u>(12,624)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	6,936	13,558	6,622
Transfers Out	<u>(1,447,182)</u>	<u>(1,447,182)</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(1,440,246)</u>	<u>(1,433,624)</u>	<u>6,622</u>
<b>Net Change in Fund Balances</b>	<u>\$ (1,425,167)</u>	<u>(1,431,169)</u>	<u>\$ (6,002)</u>
<b>Fund Balance, Beginning of Year</b>		<u>3,326,304</u>	
<b>Fund Balance, End of Year</b>		<u>\$ 1,895,135</u>	

City of Brentwood

**Combining Statement of Net Position**  
**All Internal Service Funds**  
 June 30, 2017

	Emergency Preparedness	Information Services	Equipment Replacement	Information Systems Replacement	Facilities Replacement	Tuition
<b>ASSETS</b>						
Current Assets:						
Cash and Investments	\$ -	\$ 1,245,758	\$ 7,923,070	\$ 893,069	\$ 4,674,107	\$ 70,026
Receivables	-	240	1,757	176	1,050	17
Inventories	-	-	-	-	-	-
Prepays	-	2,799	-	-	-	-
Due from Other Funds	-	-	-	-	-	-
Total Current Assets	-	1,248,797	7,924,827	893,245	4,675,157	70,043
Non-Current Assets:						
Capital Assets						
Depreciable	-	-	14,920,617	-	-	-
Less: Accumulated Depreciation and Amortization	-	-	(9,098,171)	-	-	-
Total Capital Assets, Net of Accumulated Depreciation and Amortization	-	-	5,822,446	-	-	-
Total Non-Current Assets	-	-	5,822,446	-	-	-
<b>Total Assets</b>	-	1,248,797	13,747,273	893,245	4,675,157	70,043
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Related to Pensions	-	512,079	-	-	-	-
<b>Total Deferred Outflows of Resources</b>	-	512,079	-	-	-	-
<b>LIABILITIES</b>						
Current Liabilities:						
Accounts Payable and Accrued Liabilities	-	3,933	1,453	56,934	87,426	2,912
Compensated Absences Payable	-	68,605	-	-	-	-
Total Current Liabilities	-	72,538	1,453	56,934	87,426	2,912
Non-Current Liabilities Due in More Than One Year:						
Net OPEB Obligation	-	612,032	-	-	-	-
Net Pension Liability	-	1,731,479	-	-	-	-
Compensated Absences Payable	-	45,737	-	-	-	-
Total Non-Current Liabilities	-	2,389,248	-	-	-	-
<b>Total Liabilities</b>	-	2,461,786	1,453	56,934	87,426	2,912
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Related to Pensions	-	76,267	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	-	76,267	-	-	-	-
<b>NET POSITION</b>						
Net Investment in Capital Assets and Capacity Rights	-	-	5,822,446	-	-	-
Unrestricted	-	(777,177)	7,923,374	836,311	4,587,731	67,131
<b>Total Net Position</b>	\$ -	\$ (777,177)	\$ 13,745,820	\$ 836,311	\$ 4,587,731	\$ 67,131

Continued

**Combining Statement of Net Position**  
**All Internal Service Funds (Continued)**  
**June 30, 2017**

	Fleet Maintenance Services	Facilities Maintenance Services	Parks and LLAD Replacement	Insurance	Pension/Other Post-Employment Benefits Obligation	Totals
<b>ASSETS</b>						
Current Assets:						
Cash and Investments	\$ 307,635	\$ 1,025,062	\$ 13,521,726	\$ 600,863	\$ 25,396,205	\$ 55,657,521
Receivables	45	200	2,984	110	5,133	11,712
Inventories	32,440	-	-	-	-	32,440
Prepays	2,769	1,722	-	-	331,641	338,931
Due from Other Funds	-	-	-	-	784,825	784,825
Total Current Assets	<u>342,889</u>	<u>1,026,984</u>	<u>13,524,710</u>	<u>600,973</u>	<u>26,517,804</u>	<u>56,825,429</u>
Non-Current Assets:						
Capital Assets						
Depreciable	-	-	-	-	-	14,920,617
Less: Accumulated Depreciation and Amortization	-	-	-	-	-	(9,098,171)
Total Capital Assets, Net of Accumulated Depreciation and Amortization	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,822,446</u>
Total Non-Current Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,822,446</u>
<b>Total Assets</b>	<u>342,889</u>	<u>1,026,984</u>	<u>13,524,710</u>	<u>600,973</u>	<u>26,517,804</u>	<u>62,647,875</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Related to Pensions	183,444	271,187	-	-	-	966,710
<b>Total Deferred Outflows of Resources</b>	<u>183,444</u>	<u>271,187</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>966,710</u>
<b>LIABILITIES</b>						
Current Liabilities:						
Accounts Payable and Accrued Liabilities	44,143	41,751	14,637	10,150	-	263,339
Compensated Absences Payable	16,492	33,038	-	-	-	118,135
Total Current Liabilities	<u>60,635</u>	<u>74,789</u>	<u>14,637</u>	<u>10,150</u>	<u>-</u>	<u>381,474</u>
Non-Current Liabilities Due in More Than One Year:						
Net OPEB Obligation	267,800	429,860	-	-	-	1,309,692
Net Pension Liability	644,273	930,259	-	-	-	3,306,011
Compensated Absences Payable	10,995	22,025	-	-	-	78,757
Total Non-Current Liabilities	<u>923,068</u>	<u>1,382,144</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,694,460</u>
<b>Total Liabilities</b>	<u>983,703</u>	<u>1,456,933</u>	<u>14,637</u>	<u>10,150</u>	<u>-</u>	<u>5,075,934</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Related to Pensions	30,356	49,679	-	-	-	156,302
<b>Total Deferred Inflows of Resources</b>	<u>30,356</u>	<u>49,679</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>156,302</u>
<b>NET POSITION</b>						
Net Investment in Capital Assets and Capacity Rights Unrestricted	-	-	-	-	-	5,822,446
Unrestricted	(487,726)	(208,441)	13,510,073	590,823	26,517,804	52,559,903
<b>Total Net Position</b>	<u>\$ (487,726)</u>	<u>\$ (208,441)</u>	<u>\$ 13,510,073</u>	<u>\$ 590,823</u>	<u>\$ 26,517,804</u>	<u>\$ 58,382,349</u>

**City of Brentwood**

**Combining Statement of Revenues, Expenses and Changes in Fund Net Position**  
**All Internal Service Funds**  
**For Year Ended June 30, 2017**

	Emergency Preparedness	Information Services	Equipment Replacement	Information Systems Replacement	Facilities Replacement	Tuition
<b>Operating Revenues:</b>						
Charges for Services	\$ -	\$ 2,271,619	\$ 1,701,862	\$ 1,074,624	\$ 912,113	\$ -
Other Income	-	62,752	765	382	-	-
<b>Total Operating Revenues</b>	<b>-</b>	<b>2,334,371</b>	<b>1,702,627</b>	<b>1,075,006</b>	<b>912,113</b>	<b>-</b>
<b>Operating Expenses:</b>						
Personnel Services	-	1,665,350	-	-	-	-
Repairs and Maintenance	-	93,149	-	-	223,403	-
Materials, Supplies and Services	-	412,269	129,671	640,219	41,799	11,224
Depreciation and Amortization	-	-	1,293,323	-	-	-
<b>Total Operating Expenses</b>	<b>-</b>	<b>2,170,768</b>	<b>1,422,994</b>	<b>640,219</b>	<b>265,202</b>	<b>11,224</b>
<b>Operating Income (Loss)</b>	<b>-</b>	<b>163,603</b>	<b>279,633</b>	<b>434,787</b>	<b>646,911</b>	<b>(11,224)</b>
<b>Non-Operating Revenues (Expenses):</b>						
Interest Income	16,346	3,138	25,897	531	7,883	237
Gain or (Loss) on Disposal of Capital Assets	-	-	47,311	-	-	-
<b>Total Non-Operating Revenues (Expenses)</b>	<b>16,346</b>	<b>3,138</b>	<b>73,208</b>	<b>531</b>	<b>7,883</b>	<b>237</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>16,346</b>	<b>166,741</b>	<b>352,841</b>	<b>435,318</b>	<b>654,794</b>	<b>(10,987)</b>
Transfers In	208	13,455	118,357	10,264	904	-
Transfers Out	(2,916,990)	-	(500,000)	(260,000)	(29,811)	-
<b>Change in Net Position</b>	<b>(2,900,436)</b>	<b>180,196</b>	<b>(28,802)</b>	<b>185,582</b>	<b>625,887</b>	<b>(10,987)</b>
<b>Net Position, Beginning of Year</b>	<b>2,900,436</b>	<b>(957,373)</b>	<b>13,774,622</b>	<b>650,729</b>	<b>3,961,844</b>	<b>78,118</b>
<b>Net Position, End of Year</b>	<b>\$ -</b>	<b>\$ (777,177)</b>	<b>\$ 13,745,820</b>	<b>\$ 836,311</b>	<b>\$ 4,587,731</b>	<b>\$ 67,131</b>

*Continued*



**City of Brentwood**

**Combining Statement of Revenues, Expenses and Changes in Fund Net Position**  
**All Internal Service Funds (Continued)**  
**For Year Ended June 30, 2017**

	<b>Fleet Maintenance Services</b>	<b>Facilities Maintenance Services</b>	<b>Parks and LLAD Replacement</b>	<b>Insurance</b>	<b>Pension/Other Post-Employment Benefits Obligation</b>	<b>Totals</b>
<b>Operating Revenues:</b>						
Charges for Services	\$ 1,360,162	\$ 1,890,968	\$ 2,194,255	\$ 1,044,877	\$ 3,825,000	\$ 16,275,480
Other Income	6,746	-	-	7,597	-	78,242
<b>Total Operating Revenues</b>	<b>1,366,908</b>	<b>1,890,968</b>	<b>2,194,255</b>	<b>1,052,474</b>	<b>3,825,000</b>	<b>16,353,722</b>
<b>Operating Expenses:</b>						
Personnel Services	641,109	921,263	-	-	-	3,227,722
Repairs and Maintenance	12,499	76,739	240,408	-	-	646,198
Materials, Supplies and Services	708,655	704,261	237,187	1,105,876	4,010,737	8,001,898
Depreciation and Amortization	-	-	-	-	-	1,293,323
<b>Total Operating Expenses</b>	<b>1,362,263</b>	<b>1,702,263</b>	<b>477,595</b>	<b>1,105,876</b>	<b>4,010,737</b>	<b>13,169,141</b>
<b>Operating Income (Loss)</b>	<b>4,645</b>	<b>188,705</b>	<b>1,716,660</b>	<b>(53,402)</b>	<b>(185,737)</b>	<b>3,184,581</b>
<b>Non-Operating Revenues (Expenses):</b>						
Interest Income	1,173	4,030	25,248	-	60,020	144,503
Gain or (Loss) on Disposal of Capital Assets	-	-	-	-	-	47,311
<b>Total Non-Operating Revenues (Expenses)</b>	<b>1,173</b>	<b>4,030</b>	<b>25,248</b>	<b>-</b>	<b>60,020</b>	<b>191,814</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>5,818</b>	<b>192,735</b>	<b>1,741,908</b>	<b>(53,402)</b>	<b>(125,717)</b>	<b>3,376,395</b>
Transfers In	4,401	6,335	637,555	-	3,998,466	4,789,945
Transfers Out	-	(250,000)	(928,292)	-	(57,634)	(4,942,727)
<b>Change in Net Position</b>	<b>10,219</b>	<b>(50,930)</b>	<b>1,451,171</b>	<b>(53,402)</b>	<b>3,815,115</b>	<b>3,223,613</b>
<b>Net Position, Beginning of Year</b>	<b>(497,945)</b>	<b>(157,511)</b>	<b>12,058,902</b>	<b>644,225</b>	<b>22,702,689</b>	<b>55,158,736</b>
<b>Net Position, End of Year</b>	<b>\$ (487,726)</b>	<b>\$ (208,441)</b>	<b>\$ 13,510,073</b>	<b>\$ 590,823</b>	<b>\$ 26,517,804</b>	<b>\$ 58,382,349</b>

City of Brentwood

**Combining Statement of Cash Flows**  
**All Internal Service Funds**  
**For Year Ended June 30, 2017**

	<b>Emergency Preparedness</b>	<b>Information Services</b>	<b>Equipment Replacement</b>	<b>Information Systems Replacement</b>	<b>Facilities Replacement</b>	<b>Tuition</b>
<b>Cash Flows from Operating Activities</b>						
Cash Received from Customers/Other Funds	\$ -	\$ 2,271,619	\$ 1,701,862	\$ 1,074,624	\$ 912,113	\$ -
Cash Payments to Suppliers of Goods and Services	(45)	(155,754)	(245,680)	(653,245)	(183,776)	(12,458)
Cash Payments to Employees for Services	-	(1,622,237)	-	-	-	-
Cash Payments for Interfund Services	-	(347,808)	-	-	-	-
Other Receipts	-	62,752	765	382	-	-
<b>Net Cash Provided By (Used for) Operating Activities</b>	<b>(45)</b>	<b>208,572</b>	<b>1,456,947</b>	<b>421,761</b>	<b>728,337</b>	<b>(12,458)</b>
<b>Cash Flows from Non-Capital Financing Activities</b>						
Transfers Received	208	13,455	118,357	10,264	904	-
Transfers Paid	(2,916,990)	-	(500,000)	(260,000)	(29,811)	-
<b>Net Cash Provided By (Used for) Non-Capital Financing Activities</b>	<b>(2,916,782)</b>	<b>13,455</b>	<b>(381,643)</b>	<b>(249,736)</b>	<b>(28,907)</b>	<b>-</b>
<b>Cash Flows from Capital and Related Financing Activities</b>						
Proceeds from Sale of Capital Assets	-	-	67,521	-	-	-
Acquisition and Construction of Capital Assets	-	-	(1,568,791)	-	-	-
<b>Net Cash Provided By (Used for) Capital and Related Financing Activities</b>	<b>-</b>	<b>-</b>	<b>(1,501,270)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash Flows from Investing Activities</b>						
Interest on Investments	16,526	2,936	24,611	394	7,059	225
<b>Net Cash Provided By Investing Activities</b>	<b>16,526</b>	<b>2,936</b>	<b>24,611</b>	<b>394</b>	<b>7,059</b>	<b>225</b>
Net Increase (Decrease) in Cash and Cash Equivalents	(2,900,301)	224,963	(401,355)	172,419	706,489	(12,233)
Cash and Cash Equivalents - Beginning of Year	2,900,301	1,020,795	8,324,425	720,650	3,967,618	82,259
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ -</b>	<b>\$ 1,245,758</b>	<b>\$ 7,923,070</b>	<b>\$ 893,069</b>	<b>\$ 4,674,107</b>	<b>\$ 70,026</b>
<b>Reconciliation of Operating Income to Net Cash Provided By (Used for) Operating Activities:</b>						
Operating Income (Loss)	\$ -	\$ 163,603	\$ 279,633	\$ 434,787	\$ 646,911	\$ (11,224)
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used for) Operating Activities:						
Depreciation and Amortization	-	-	1,293,323	-	-	-
Change in Assets, Liabilities and Deferred Outflows/Inflows of Resources:						
Prepaid Items	-	(11)	-	-	-	-
Accounts Payable and Other Payables	(45)	1,856	(116,009)	(13,026)	81,426	(1,234)
Net OPEB Obligation	-	22,837	-	-	-	-
Net Pension Liability and Deferred Outflows/Inflows of Resources related to Pensions	-	12,844	-	-	-	-
Compensated Absences Payable	-	7,443	-	-	-	-
<b>Net Cash Provided By (Used for) Operating Activities</b>	<b>\$ (45)</b>	<b>\$ 208,572</b>	<b>\$ 1,456,947</b>	<b>\$ 421,761</b>	<b>\$ 728,337</b>	<b>\$ (12,458)</b>

Continued

City of Brentwood

**Combining Statement of Cash Flows**  
**All Internal Service Funds (Continued)**  
**For Year Ended June 30, 2017**

	Fleet Maintenance Services	Facilities Maintenance Services	Parks and LLAD Replacement	Insurance	Pension/Other Post-Employment Benefits Obligation	Totals
<b>Cash Flows from Operating Activities</b>						
Cash Received from Customers/Other Funds	\$ 1,372,818	\$ 1,889,798	\$ 2,194,255	\$ 1,044,877	\$ 3,823,342	\$ 16,285,308
Cash Payments to Suppliers of Goods and Services	(581,558)	(566,827)	(526,233)	(1,101,127)	(4,011,640)	(8,038,343)
Cash Payments to Employees for Services	(636,716)	(900,560)	-	-	(3,812)	(3,163,325)
Cash Payments for Interfund Services	(142,646)	(234,616)	-	-	-	(725,070)
Other Receipts	3,746	-	-	7,597	-	75,242
<b>Net Cash Provided By (Used for) Operating Activities</b>	<b>15,644</b>	<b>187,795</b>	<b>1,668,022</b>	<b>(48,653)</b>	<b>(192,110)</b>	<b>4,433,812</b>
<b>Cash Flows from Non-Capital Financing Activities</b>						
Transfers Received	4,401	6,335	637,555	-	3,998,466	4,789,945
Transfers Paid	-	(250,000)	(928,292)	-	(57,634)	(4,942,727)
<b>Net Cash Provided By (Used for) Non-Capital Financing Activities</b>	<b>4,401</b>	<b>(243,665)</b>	<b>(290,737)</b>	<b>-</b>	<b>3,940,832</b>	<b>(152,782)</b>
<b>Cash Flows from Capital and Related Financing Activities</b>						
Proceeds from Sale of Capital Assets	-	-	-	-	-	67,521
Acquisition and Construction of Capital Assets	-	-	-	-	-	(1,568,791)
<b>Net Cash Provided By (Used for) Capital and Related Financing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,501,270)</b>
<b>Cash Flows from Investing Activities</b>						
Interest on Investments	1,134	3,876	22,936	(78)	56,257	135,876
<b>Net Cash Provided By Investing Activities</b>	<b>1,134</b>	<b>3,876</b>	<b>22,936</b>	<b>(78)</b>	<b>56,257</b>	<b>135,876</b>
Net Increase (Decrease) in Cash and Cash Equivalents	21,179	(51,994)	1,400,221	(48,731)	3,804,979	2,915,636
Cash and Cash Equivalents - Beginning of Year	286,456	1,077,056	12,121,505	649,594	21,591,226	52,741,885
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 307,635</b>	<b>\$ 1,025,062</b>	<b>\$ 13,521,726</b>	<b>\$ 600,863</b>	<b>\$ 25,396,205</b>	<b>\$ 55,657,521</b>
<b>Reconciliation of Operating Income to Net Cash Provided By (Used for) Operating Activities:</b>						
Operating Income (Loss)	\$ 4,645	\$ 188,705	\$ 1,716,660	\$ (53,402)	\$ (185,737)	\$ 3,184,581
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used for) Operating Activities:						
Depreciation and Amortization	-	-	-	-	-	1,293,323
Change in Assets, Liabilities and Deferred Outflows/Inflows of Resources:						
Prepaid Items	9,654	87	-	-	(5,470)	4,260
Accounts Payable and Other Payables	(3,050)	(21,613)	(48,638)	4,749	(903)	(116,487)
Net OPEB Obligation	8,886	2,209	-	-	-	33,932
Net Pension Liability and Deferred Outflows/Inflows of Resources related to Pensions	4,547	6,713	-	-	-	24,104
Compensated Absences Payable	(9,038)	11,694	-	-	-	10,099
<b>Net Cash Provided By (Used for) Operating Activities</b>	<b>\$ 15,644</b>	<b>\$ 187,795</b>	<b>\$ 1,668,022</b>	<b>\$ (48,653)</b>	<b>\$ (192,110)</b>	<b>\$ 4,433,812</b>

**Combining Statement of Fiduciary Assets and Liabilities**  
**Agency Funds**  
**June 30, 2017**

	<b>Assessments</b>	<b>Pass-Through Funds</b>	<b>Asset Seizure</b>	<b>Totals</b>
<b>ASSETS</b>				
Current Assets:				
Cash and Investments	\$ 11,180,050	\$ 2,838,786	\$ 37,198	\$ 14,056,034
Restricted Cash and Investments	4,289,484	-	-	4,289,484
Interest Receivable	2,708	504	8	3,220
<b>Total Current Assets</b>	<b>\$ 15,472,242</b>	<b>\$ 2,839,290</b>	<b>\$ 37,206</b>	<b>\$ 18,348,738</b>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 54,887	\$ 2,839,290	\$ -	\$ 2,894,177
Due to Others	-	-	37,206	37,206
Total Current Liabilities	54,887	2,839,290	37,206	2,931,383
Non-Current Liabilities Due in More Than One Year:				
Due to Bondholders	15,417,355	-	-	15,417,355
Total Non-Current Liabilities	15,417,355	-	-	15,417,355
<b>Total Liabilities</b>	<b>\$ 15,472,242</b>	<b>\$ 2,839,290</b>	<b>\$ 37,206</b>	<b>\$ 18,348,738</b>

## Combining Statement of Changes in Fiduciary Assets and Liabilities

Agency Funds  
For Year Ended June 30, 2017

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
<b>Assessments</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 11,029,161	\$ 28,800,963	\$ 28,650,074	\$ 11,180,050
Restricted Cash and Investments	4,318,413	1,889,523	1,918,452	4,289,484
Interest Receivable	610	40,351	38,253	2,708
<b>Total Assets</b>	<b>\$ 15,348,184</b>	<b>\$ 30,730,837</b>	<b>\$ 30,606,779</b>	<b>\$ 15,472,242</b>
<b>LIABILITIES</b>				
Accounts Payable and Accrued Liabilities	\$ 27,364	\$ 156,153	\$ 128,630	\$ 54,887
Due to Bondholders	15,320,820	27,046,394	26,949,859	15,417,355
<b>Total Liabilities</b>	<b>\$ 15,348,184</b>	<b>\$ 27,202,547</b>	<b>\$ 27,078,489</b>	<b>\$ 15,472,242</b>
<b>Pass-Through Funds</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 2,218,940	\$ 8,474,879	\$ 7,855,033	\$ 2,838,786
Interest Receivable	146	7,513	7,155	504
<b>Total Assets</b>	<b>\$ 2,219,086</b>	<b>\$ 8,482,392</b>	<b>\$ 7,862,188</b>	<b>\$ 2,839,290</b>
<b>LIABILITIES</b>				
Accounts Payable and Accrued Liabilities	\$ 2,219,086	\$ 7,947,498	\$ 7,327,294	\$ 2,839,290
<b>Total Liabilities</b>	<b>\$ 2,219,086</b>	<b>\$ 7,947,498</b>	<b>\$ 7,327,294</b>	<b>\$ 2,839,290</b>
<b>Asset Seizure</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 37,111	\$ 527	\$ 440	\$ 37,198
Interest Receivable	2	127	121	8
<b>Total Assets</b>	<b>\$ 37,113</b>	<b>\$ 654</b>	<b>\$ 561</b>	<b>\$ 37,206</b>
<b>LIABILITIES</b>				
Due to Others	\$ 37,113	\$ 652	\$ 559	\$ 37,206
<b>Total Liabilities</b>	<b>\$ 37,113</b>	<b>\$ 652</b>	<b>\$ 559</b>	<b>\$ 37,206</b>
<b>Total - All Agency Funds</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 13,285,212	\$ 37,276,369	\$ 36,505,547	\$ 14,056,034
Restricted Cash and Investments	4,318,413	1,889,523	1,918,452	4,289,484
Interest Receivable	758	47,991	45,529	3,220
<b>Total Assets</b>	<b>\$ 17,604,383</b>	<b>\$ 39,213,883</b>	<b>\$ 38,469,528</b>	<b>\$ 18,348,738</b>
<b>LIABILITIES</b>				
Accounts Payable and Accrued Liabilities	\$ 2,246,450	\$ 8,103,651	\$ 7,455,924	\$ 2,894,177
Due to Others	37,113	652	559	37,206
Due to Bondholders	15,320,820	27,046,394	26,949,859	15,417,355
<b>Total Liabilities</b>	<b>\$ 17,604,383</b>	<b>\$ 35,150,697</b>	<b>\$ 34,406,342</b>	<b>\$ 18,348,738</b>

**STATISTICAL SECTION CONTENTS**

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

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

## City of Brentwood

## NET POSITION BY COMPONENT

## LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

(Unaudited)

	2008	2009	2010	2011	2012	2013	2014	2015 <sup>(1)</sup>	2016	2017
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 372,951,683	\$ 396,500,516	\$ 387,736,385	\$ 391,780,662	\$ 396,203,826	\$ 451,053,113	\$ 448,914,876	\$ 433,381,298	\$ 434,420,162	\$ 422,791,124
Restricted	80,452,738	84,103,392	90,938,293	71,281,324	55,501,023	50,993,394	55,657,033	71,876,509	79,824,615	95,801,016
Unrestricted	54,508,073	48,649,648	41,892,809	50,583,234	79,793,101	47,881,478	52,762,415	22,429,161	23,264,290	29,172,068
<b>Total Governmental Activities Net Position</b>	<b>\$ 507,912,494</b>	<b>\$ 529,253,556</b>	<b>\$ 520,567,487</b>	<b>\$ 513,645,220</b>	<b>\$ 531,497,950</b>	<b>\$ 549,927,985</b>	<b>\$ 557,334,324</b>	<b>\$ 527,686,968</b>	<b>\$ 537,509,067</b>	<b>\$ 547,764,208</b>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets										
and Capacity Rights	\$ 137,697,679	\$ 151,887,435	\$ 152,324,676	\$ 154,107,936	\$ 155,440,943	\$ 174,173,837	\$ 175,557,744	\$ 179,269,329	\$ 183,270,963	\$ 195,261,914
Restricted	28,721,075	26,202,644	31,503,932	33,796,393	35,030,908	25,789,668	27,579,197	25,172,201	29,240,801	25,362,943
Unrestricted	33,177,282	39,191,354	38,179,045	41,033,910	37,633,231	37,558,177	41,145,016	36,251,098	40,008,359	42,896,575
<b>Total Business-Type Activities Net Position</b>	<b>\$ 199,596,036</b>	<b>\$ 217,281,433</b>	<b>\$ 222,007,653</b>	<b>\$ 228,938,239</b>	<b>\$ 228,105,082</b>	<b>\$ 237,521,682</b>	<b>\$ 244,281,957</b>	<b>\$ 240,692,628</b>	<b>\$ 252,520,123</b>	<b>\$ 263,521,432</b>
<b>Primary Government</b>										
Net Investment in Capital Assets										
and Capacity Rights	\$ 510,649,362	\$ 548,387,951	\$ 540,061,061	\$ 545,888,598	\$ 551,644,769	\$ 625,226,950	\$ 624,472,620	\$ 612,650,627	\$ 616,590,129	\$ 618,053,038
Restricted	109,173,813	110,306,036	122,442,225	105,077,717	90,531,931	76,783,062	83,236,230	97,048,710	103,791,758	121,163,959
Unrestricted	87,685,355	87,841,002	80,071,854	91,617,144	117,426,332	85,439,655	93,907,431	58,680,259	69,647,303	72,068,643
<b>Total Primary Government Net Position</b>	<b>\$ 707,508,530</b>	<b>\$ 746,534,989</b>	<b>\$ 742,575,140</b>	<b>\$ 742,583,459</b>	<b>\$ 759,603,032</b>	<b>\$ 787,449,667</b>	<b>\$ 801,616,281</b>	<b>\$ 768,379,596</b>	<b>\$ 790,029,190</b>	<b>\$ 811,285,640</b>

(1) The City 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)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
General Government	\$ 26,566,890	\$ 14,258,630	\$ 16,337,699	\$ 21,178,861	\$ 14,136,546	\$ 14,092,802	\$ 12,814,102	\$ 13,394,675	\$ 13,973,215	\$ 13,709,033
Public Safety	13,770,801	15,024,872	18,770,435	16,444,355	17,504,773	16,984,814	16,841,404	18,273,959	19,566,435	18,718,910
Community Development	5,581,469	4,871,191	5,688,738	4,614,882	3,330,613	3,486,844	3,897,722	3,815,207	3,980,128	4,386,875
Engineering	2,420,953	2,500,979	2,195,775	2,287,863	2,426,348	2,425,560	2,536,751	2,664,921	2,617,590	2,982,747
Public Works	5,441,455	6,417,940	6,702,090	7,563,837	7,785,203	7,481,326	6,932,406	6,953,406	6,977,557	7,266,573
Parks and Recreation	9,312,868	8,721,904	9,595,992	9,831,303	9,966,107	11,278,035	11,997,081	11,667,358	11,539,064	12,645,111
Community Services	3,728,537	4,771,816	5,665,988	5,193,300	5,507,421	5,979,870	6,077,404	6,180,114	7,056,264	7,300,460
Interest on Long-Term Debt	1,557,776	1,729,621	3,129,383	5,068,172	5,121,265	4,763,277	4,706,190	4,658,130	4,929,385	4,896,060
<b>Total Expenses</b>	<b>68,380,749</b>	<b>58,296,953</b>	<b>68,086,100</b>	<b>72,182,573</b>	<b>65,778,276</b>	<b>66,492,528</b>	<b>65,803,060</b>	<b>67,607,770</b>	<b>70,639,638</b>	<b>71,905,769</b>
<b>Program Revenues</b>										
Charges for Services:										
General Government	4,832,281	5,374,316	6,137,929	7,180,354	7,579,622	9,248,908	7,838,278	8,365,696	8,570,160	9,134,325
Public Safety	611,166	512,853	555,434	498,354	512,727	485,363	511,100	432,433	457,271	418,829
Community Development	2,021,118	870,595	1,204,973	1,112,381	1,273,788	2,436,201	3,392,009	3,481,731	4,035,603	4,297,207
Engineering	2,218,835	1,549,735	1,760,861	1,191,544	1,457,470	1,780,644	2,298,698	2,226,848	2,281,340	2,100,302
Public Works	87,670	84,910	119,960	75,927	39,302	1,250	-	-	-	-
Parks and Recreation	1,128,180	936,023	920,233	962,966	1,061,842	1,173,781	1,256,289	1,338,312	1,357,279	1,463,855
Operating Grants and Contributions	9,868,672	9,594,707	10,547,689	12,109,521	11,266,602	15,474,137	13,854,976	16,226,090	15,810,148	15,741,968
Capital Grants and Contributions	35,633,756	21,356,537	7,393,607	13,903,165	6,384,355	21,785,963	19,212,723	15,319,706	18,683,812	19,008,097
<b>Total Program Revenues</b>	<b>56,401,678</b>	<b>40,279,676</b>	<b>28,640,686</b>	<b>37,034,212</b>	<b>29,575,708</b>	<b>52,386,247</b>	<b>48,364,073</b>	<b>47,390,816</b>	<b>51,195,613</b>	<b>52,164,583</b>
<b>Total Governmental Activities Net Expense</b>	<b>(11,979,071)</b>	<b>(18,017,277)</b>	<b>(39,445,414)</b>	<b>(35,148,361)</b>	<b>(36,202,568)</b>	<b>(14,106,281)</b>	<b>(17,438,987)</b>	<b>(20,216,954)</b>	<b>(19,444,025)</b>	<b>(19,741,186)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Taxes:										
Property Taxes	20,802,069	19,580,300	16,247,078	15,684,496	12,682,260	10,090,453	10,540,496	12,454,027	13,602,591	14,968,042
Sales Tax	4,827,706	4,803,716	5,038,880	5,258,382	5,691,384	6,060,363	6,447,687	6,836,918	7,319,216	8,188,046
Franchise Fees	1,362,484	1,057,537	1,168,412	1,183,245	1,216,589	1,254,136	1,321,089	1,400,350	1,473,443	1,487,179
Real Property Transfer Tax	342,627	298,911	283,407	251,092	257,426	396,148	389,109	452,426	506,626	547,975
Measure C/J, Transient Occupancy Tax	635,411	674,000	676,635	775,964	885,565	960,804	1,036,221	349,683	377,043	396,763
Motor Vehicle Taxes	3,942,089	3,570,432	2,955,583	2,925,219	2,593,907	2,540,474	2,748,701	3,256,924	3,655,028	3,952,928
Investment Earnings	8,191,379	6,821,377	3,456,502	2,256,133	1,626,128	679,229	1,186,001	1,095,957	2,988,030	373,212
Miscellaneous	1,421,715	906,456	848,732	317,681	1,338,025	1,149,975	1,123,910	871,959	1,156,862	352,324
Transfers	144,482	1,645,610	84,116	(426,118)	99,753	(74,087)	52,112	702,328	762,119	(270,142)
Special Items:										
Denial of Transfer of Assets to the City	-	-	-	-	27,664,261	(3,989,500)	-	(12,381,097)	(2,574,834)	-
<b>Total General Revenues and Other Changes in Net Position</b>	<b>41,669,962</b>	<b>39,358,339</b>	<b>30,759,345</b>	<b>28,226,094</b>	<b>54,055,298</b>	<b>19,067,995</b>	<b>24,845,326</b>	<b>15,039,475</b>	<b>29,266,124</b>	<b>29,996,327</b>
<b>Total Governmental Activities Change in Net Position</b>	<b>\$ 29,690,891</b>	<b>\$ 21,341,062</b>	<b>\$ (8,686,069)</b>	<b>\$ (6,922,267)</b>	<b>\$ 17,852,730</b>	<b>\$ 4,961,714</b>	<b>\$ 7,406,339</b>	<b>\$ (5,177,479)</b>	<b>\$ 9,822,099</b>	<b>\$ 10,255,141</b>



## City of Brentwood

## CHANGES IN NET POSITION - BUSINESS-TYPE ACTIVITIES

## LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

(Unaudited)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
Wastewater	\$ 6,734,960	\$ 6,956,281	\$ 7,387,756	\$ 7,706,249	\$ 7,980,916	\$ 8,281,521	\$ 8,356,508	\$ 10,000,905	\$ 10,003,159	\$ 10,328,357
Solid Waste	6,620,638	6,870,616	7,530,880	7,839,662	8,050,319	8,871,904	9,583,321	10,373,325	10,680,780	11,493,599
Water	12,304,859	15,721,076	18,381,997	17,122,586	18,787,680	18,987,430	19,436,134	19,538,589	22,129,063	20,972,101
City Rentals	654,428	248,505	253,241	218,218	182,239	150,179	165,319	174,597	178,558	196,829
Housing	792,055	307,298	419,217	430,024	4,699,623	686,241	831,157	656,778	723,908	797,400
<b>Total Expenses</b>	<b>27,106,940</b>	<b>30,103,776</b>	<b>33,973,091</b>	<b>33,316,739</b>	<b>39,700,777</b>	<b>36,977,275</b>	<b>38,372,439</b>	<b>40,744,194</b>	<b>43,715,468</b>	<b>43,788,286</b>
<b>Program Revenues</b>										
Charges for Services:										
Wastewater	6,966,204	7,666,143	7,936,737	8,333,225	9,388,285	10,891,301	10,979,074	12,002,184	11,663,637	11,261,121
Solid Waste	9,284,062	9,119,685	8,856,687	9,045,607	9,139,494	9,246,212	9,648,049	10,132,236	10,520,115	11,376,482
Water	16,279,479	16,201,887	15,760,490	16,114,907	17,254,244	18,657,623	19,050,072	17,599,064	16,288,609	17,977,213
City Rentals	467,271	421,957	425,832	425,607	435,736	428,869	438,420	476,212	486,477	497,573
Housing	174,368	188,137	175,186	193,610	184,524	196,900	221,519	239,057	265,269	285,418
Operating Grants and Contributions	-	-	-	-	-	-	-	-	918,028	1,024,113
Capital Grants and Contributions	11,971,155	12,590,057	3,996,082	4,635,461	1,629,204	6,679,473	4,082,059	4,382,019	7,414,680	11,863,994
<b>Total Program Revenues</b>	<b>45,142,539</b>	<b>46,187,866</b>	<b>37,151,014</b>	<b>38,748,417</b>	<b>38,031,487</b>	<b>46,100,378</b>	<b>44,419,193</b>	<b>44,830,772</b>	<b>47,556,815</b>	<b>54,285,914</b>
<b>Total Business-Type Activities Net Expense</b>	<b>18,035,599</b>	<b>16,084,090</b>	<b>3,177,923</b>	<b>5,431,678</b>	<b>(1,669,290)</b>	<b>9,123,103</b>	<b>6,046,754</b>	<b>4,086,578</b>	<b>3,841,347</b>	<b>10,497,628</b>
<b>General Revenues and Other Changes in Net Position</b>										
Investment Earnings	3,663,930	3,246,917	1,632,413	1,072,790	935,886	417,783	765,633	719,108	1,759,735	233,539
Transfers	(144,482)	(1,645,610)	(84,116)	426,118	(99,753)	74,087	(52,112)	(702,328)	(762,119)	270,142
<b>Total General Revenues and Other Changes in Net Position</b>	<b>3,519,448</b>	<b>1,601,307</b>	<b>1,548,297</b>	<b>1,498,908</b>	<b>836,133</b>	<b>491,870</b>	<b>713,521</b>	<b>16,780</b>	<b>997,616</b>	<b>503,681</b>
<b>Total Business-Type Activities Change in Net Position</b>	<b>21,555,047</b>	<b>17,685,397</b>	<b>4,726,220</b>	<b>6,930,586</b>	<b>(833,157)</b>	<b>9,614,973</b>	<b>6,760,275</b>	<b>4,103,358</b>	<b>4,838,963</b>	<b>11,001,309</b>
<b>Total Primary Government Change in Net Position</b>	<b>\$ 51,245,938</b>	<b>\$ 39,026,459</b>	<b>\$ (3,959,849)</b>	<b>\$ 8,319</b>	<b>\$ 17,019,573</b>	<b>\$ 14,576,687</b>	<b>\$ 14,166,614</b>	<b>\$ (1,074,121)</b>	<b>\$ 14,661,062</b>	<b>\$ 21,256,450</b>

## City of Brentwood

## FUND BALANCES - GOVERNMENTAL FUNDS

## LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

(Unaudited)

	2008	2009	2010 <sup>(1)</sup>	2011	2012	2013	2014	2015	2016	2017
<b>General Fund</b>										
Reserved	\$ 69,008	\$ 115,603	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	23,942,011	15,469,215	-	-	-	-	-	-	-	-
Nonspendable <sup>(1)</sup>	-	-	69,383	168,127	75,163	302,936	63,693	108,998	68,054	83,944
Restricted <sup>(1)</sup>	-	-	-	-	27,500	74,426	92,426	92,426	92,426	94,464
Committed <sup>(1)</sup>	-	-	600,000	600,000	-	-	-	1,250,000	9,266,345	7,553,950
Assigned <sup>(1)</sup>	-	-	2,200,000	7,667,955	7,676,327	6,522,500	5,083,574	5,137,130	-	-
Unassigned <sup>(1)</sup>	-	-	12,464,539	9,835,437	10,760,980	11,134,823	11,899,800	12,318,912	13,120,085	15,673,545
<b>Total General Fund</b>	<b>\$ 24,011,019</b>	<b>\$ 15,584,818</b>	<b>\$ 15,333,922</b>	<b>\$ 18,271,519</b>	<b>\$ 18,539,970</b>	<b>\$ 18,034,685</b>	<b>\$ 17,139,493</b>	<b>\$ 18,907,466</b>	<b>\$ 22,546,910</b>	<b>\$ 23,405,903</b>
<b>All Other Governmental Funds</b>										
Reserved	\$ 81,456,062	\$ 86,822,877	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, Reported In:										
Special Revenue Funds	6,156,567	8,180,937	-	-	-	-	-	-	-	-
Capital Project Funds	(59,329)	(3,705,510)	-	-	-	-	-	-	-	-
Nonspendable <sup>(1)</sup>	-	-	2,371,064	2,237	1,324	1,310	845	576	889	80,914
Restricted <sup>(1)</sup>	-	-	119,080,851	78,571,539	56,313,736	47,984,618	48,760,112	79,481,499	93,642,510	100,964,619
Committed <sup>(1)</sup>	-	-	4,477,489	3,027,135	4,210,317	5,342,739	6,501,740	7,047,085	6,963,196	1,779,008
Unassigned <sup>(1)</sup>	-	-	(2,586,983)	(2,550,292)	248,829	(2,839,605)	(2,792,828)	(2,421,683)	(561,034)	(510)
<b>Total All Other Governmental Funds</b>	<b>\$ 87,553,300</b>	<b>\$ 91,298,304</b>	<b>\$ 123,342,421</b>	<b>\$ 79,050,619</b>	<b>\$ 60,774,206</b>	<b>\$ 50,489,062</b>	<b>\$ 52,469,869</b>	<b>\$ 84,107,477</b>	<b>\$ 100,045,561</b>	<b>\$ 102,824,031</b>

(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)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>REVENUES</b>										
Taxes	\$ 26,218,592	\$ 24,965,670	\$ 21,892,844	\$ 21,496,574	\$ 18,966,729	\$ 16,925,209	\$ 17,777,969	\$ 20,213,939	\$ 21,926,396	\$ 24,024,079
Licenses	454,678	530,025	494,958	486,963	519,368	550,111	618,161	633,722	826,330	878,054
Permits and Fines	3,311,232	1,699,070	2,419,184	2,695,972	2,866,498	4,460,526	5,920,923	6,264,281	6,806,441	6,686,821
Uses of Money and Property	7,820,815	5,714,526	2,939,018	1,990,331	1,477,010	1,403,814	1,022,233	912,078	1,967,917	469,616
Intergovernmental	8,072,443	6,559,025	6,491,361	7,696,877	6,626,172	11,827,629	8,793,246	8,940,071	8,981,674	9,903,403
Franchises	1,018,540	1,057,537	1,168,412	1,183,245	1,216,589	1,254,136	1,321,089	1,400,350	1,473,443	1,487,179
Charges for Other Services	515,471	407,429	437,338	522,681	409,699	291,411	381,111	306,603	287,150	561,815
Charges to Other Funds	5,293,754	5,507,561	6,101,449	5,887,152	6,362,471	8,063,466	6,577,548	6,705,041	6,811,651	7,538,724
Fees and Other Revenues	16,301,455	12,630,551	12,772,501	13,219,741	15,976,157	18,972,072	22,705,683	25,565,932	27,238,276	25,849,868
<b>Total Revenues</b>	<b>69,006,980</b>	<b>59,071,394</b>	<b>54,717,065</b>	<b>55,179,536</b>	<b>54,420,693</b>	<b>63,748,374</b>	<b>65,117,963</b>	<b>70,942,017</b>	<b>76,319,278</b>	<b>77,399,559</b>
<b>EXPENDITURES</b>										
Current:										
General Government	24,471,337	13,876,807	13,903,858	18,213,011	12,289,354	12,098,061	10,264,133	10,746,924	11,421,015	11,067,613
Public Safety	14,343,676	14,277,133	15,029,062	15,806,664	16,627,126	16,474,881	16,940,288	18,226,275	19,353,959	21,544,435
Community Development	5,756,412	4,803,810	6,530,394	4,658,637	3,218,317	3,545,087	4,075,316	4,083,722	4,323,936	4,644,493
Engineering	2,574,651	2,523,897	2,124,818	2,241,604	2,383,174	2,438,310	2,741,148	2,620,029	2,865,976	3,227,631
Public Works	2,676,479	2,385,896	2,342,121	2,687,175	2,723,127	2,601,282	2,687,875	2,814,945	2,999,793	3,213,775
Parks and Recreation	8,191,336	7,039,392	7,387,946	7,782,777	7,673,881	9,161,386	10,194,471	9,858,227	9,550,815	10,613,064
Community Services	3,739,616	4,777,007	5,668,438	5,199,083	5,510,055	5,987,718	6,088,686	6,192,471	7,073,130	7,314,162
Capital Outlay	11,795,273	11,417,725	9,534,182	28,347,984	18,649,014	5,791,055	1,487,631	2,353,631	3,834,624	3,388,096
Debt Service:										
Principal	967,369	1,003,379	2,412,705	1,085,407	1,075,000	1,770,000	1,835,000	1,910,000	2,717,796	4,000,818
Interest and Fiscal Charges	1,354,955	1,515,337	2,902,943	4,795,892	4,849,723	4,541,152	4,490,392	4,428,429	4,681,817	4,630,649
<b>Total Expenditures</b>	<b>75,871,104</b>	<b>63,620,383</b>	<b>67,836,467</b>	<b>90,818,234</b>	<b>74,998,771</b>	<b>64,408,932</b>	<b>60,683,821</b>	<b>63,355,772</b>	<b>68,822,861</b>	<b>73,644,736</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(6,864,124)</b>	<b>(4,548,989)</b>	<b>(13,119,402)</b>	<b>(35,638,698)</b>	<b>(20,578,078)</b>	<b>(660,558)</b>	<b>4,434,142</b>	<b>7,586,245</b>	<b>7,496,417</b>	<b>3,754,823</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Bond Issuance	-	-	48,000,000	-	-	-	-	-	11,515,000	-
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	19,712,817	19,833,305	89,614,732	71,012,558	18,534,332	18,611,255	18,163,542	17,062,601	32,528,893	40,527,627
Transfers Out	(19,053,054)	(19,965,513)	(92,831,281)	(75,401,036)	(16,777,751)	(21,084,678)	(21,512,069)	(19,620,633)	(31,962,782)	(40,644,987)
<b>Total Other Financing Sources (Uses)</b>	<b>659,763</b>	<b>(132,208)</b>	<b>44,912,623</b>	<b>(5,715,507)</b>	<b>1,033,587</b>	<b>(2,473,423)</b>	<b>(3,348,527)</b>	<b>(2,558,032)</b>	<b>12,081,111</b>	<b>(117,360)</b>
<b>Net Change in Fund Balances before extraordinary items</b>	<b>\$ (6,204,361)</b>	<b>\$ (4,681,197)</b>	<b>\$ 31,793,221</b>	<b>\$ (41,354,205)</b>	<b>\$ (19,544,491)</b>	<b>\$ (3,133,981)</b>	<b>\$ 1,085,615</b>	<b>\$ 5,028,213</b>	<b>\$ 19,577,528</b>	<b>\$ 3,637,463</b>
<b>EXTRAORDINARY ITEMS</b>										
Assets Transferred to Successor Agency	-	-	-	-	(7,438,601)	(3,989,500)	-	-	-	-
Assets Transferred from Successor Agency	-	-	-	-	5,308,182	-	-	-	-	-
<b>Total Extraordinary Items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,130,419)</b>	<b>(3,989,500)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ (6,204,361)</b>	<b>\$ (4,681,197)</b>	<b>\$ 31,793,221</b>	<b>\$ (41,354,205)</b>	<b>\$ (21,674,910)</b>	<b>\$ (7,123,481)</b>	<b>\$ 1,085,615</b>	<b>\$ 5,028,213</b>	<b>\$ 19,577,528</b>	<b>\$ 3,637,463</b>
<b>Debt Service as a percentage of noncapital expenditures</b>	3.62%	4.82%	9.12%	5 - 4.41%	10.51%	10.77%	10.69%	10.39%	11.39%	12.29%

## City of Brentwood

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

<b>Fiscal Year</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Other Property</b>	<b>Less: Tax-Exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>
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	7,405,957,267	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%
2016	6,752,719,003	681,242,924	44,844,527	630,262,779	191,001,081	7,918,068,152	1.0055%
2017	7,325,221,995	732,682,891	49,905,838	651,999,580	199,761,692	8,560,048,612	1.0054%

**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 <sup>(1)</sup>		
	Basic Rate	General Obligation Debt Service	Total Direct Tax Rate	Liberty Union High School District	Brentwood Union School District	Other Districts
2008	1.00%	0.0032%	1.0032%	0.0276%	0.0470%	0.0660%
2009	1.00%	0.0039%	1.0039%	0.0289%	0.0587%	0.0757%
2010	1.00%	0.0054%	1.0054%	0.0376%	0.0682%	0.0998%
2011	1.00%	0.0060%	1.0060%	0.0390%	0.0715%	0.1022%
2012	1.00%	0.0068%	1.0068%	0.0386%	0.0688%	0.1074%
2013	1.00%	0.0072%	1.0072%	0.0364%	0.0685%	0.1049%
2014	1.00%	0.0068%	1.0068%	0.0328%	0.0639%	0.1085%
2015	1.00%	0.0059%	1.0059%	0.0273%	0.0522%	0.1033%
2016	1.00%	0.0055%	1.0055%	0.0237%	0.0447%	0.0931%
2017	1.00%	0.0054%	1.0054%	0.0217%	0.0698%	0.0697%

**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 2017			Fiscal Year 2008		
	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	\$ 80,355,928	1	0.94%	\$ -	-	-
Sand Creek Crossing LLC	50,444,700	2	0.59%	57,841,763	4	0.71%
DS Lone Tree Plaza LLC	42,731,644	3	0.50%	58,967,878	3	0.72%
John Muir Mt Diablo Health	39,136,192	4	0.46%	34,113,889	6	0.42%
CA Towncentre Owner LLC	26,400,000	5	0.31%	-	-	-
Trilogy Vineyards LLC	25,068,918	6	0.29%	88,706,367	2	1.09%
Tri Pointe Homes Inc.	23,951,400	7	0.28%	-	-	-
Seecon Built Homes Inc	23,826,120	8	0.28%	-	-	-
Brentwood Arbor Ridge LP	23,150,241	9	0.27%	20,199,147	9	0.25%
Shea Homes LP	23,076,998	10	0.27%	-	-	-
Barrington Estates LLC	-	-	-	104,081,434	1	1.28%
Richmond American Home of CA	-	-	-	36,557,261	5	0.45%
Prestige Homes LP	-	-	-	30,585,583	7	0.38%
Towncentre Professional	-	-	-	24,716,543	8	0.30%
McViking LLC	-	-	-	18,270,464	10	0.22%
<b>Total</b>	<b>\$ 358,142,141</b>		<b>4.19%</b>	<b>\$ 474,040,329</b>		<b>5.82%</b>

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 <sup>(1)</sup>	Collected Within the Fiscal Year of the Levy <sup>(2)</sup>	
		Amount	Percentage of Levy
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%
2016	13,602,591	13,602,591	100.00%
2017	14,968,042	14,968,042	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)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Apparel Stores	\$ 18,290	\$ 24,627	\$ 38,865	\$ 41,433	\$ 43,872	\$ 47,782	\$ 51,009	\$ 49,524	\$ 53,502	\$ 57,143
Food Stores	38,950	41,689	44,121	42,134	42,881	44,710	46,829	47,983	50,251	50,026
Eating and Drinking Establishments	49,450	50,980	58,853	64,109	70,917	80,693	84,531	100,497	112,715	120,253
Building Materials	60,287	53,169	47,048	51,067	55,213	57,644	64,725	63,693	72,414	80,502
Auto Dealers and Supplies	57,183	33,284	39,949	43,762	41,466	39,996	43,202	54,180	68,267	76,852
Service Stations	85,806	103,954	77,494	86,144	100,906	105,065	104,865	106,658	94,021	90,449
Other Retail Stores	92,255	103,163	111,769	115,702	120,480	126,723	134,417	131,494	143,394	152,268
All Other Outlets	93,659	92,659	88,465	91,820	103,895	111,150	124,413	136,218	159,019	168,056
<b>Total</b>	<b>\$ 495,880</b>	<b>\$ 503,525</b>	<b>\$ 506,564</b>	<b>\$ 536,171</b>	<b>\$ 579,630</b>	<b>\$ 613,763</b>	<b>\$ 653,991</b>	<b>\$ 690,247</b>	<b>\$ 753,583</b>	<b>\$ 795,549</b>
City Direct Sales Tax Rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

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

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



**City of Brentwood**

**DIRECT AND OVERLAPPING SALES TAX RATES**

**LAST TEN FISCAL YEARS**

(Unaudited)

Fiscal Year	City Direct Rate	Contra Costa County	State	Total
2008	1.00%	1.00%	6.25%	8.25%
2009	1.00%	1.00%	7.25% <sup>(1)</sup>	9.25%
2010	1.00%	1.00%	7.25%	9.25%
2011	1.00%	1.00%	6.25% <sup>(1)</sup>	8.25%
2012	1.00%	1.00%	6.25%	8.25%
2013	1.00%	1.00%	6.50% <sup>(2)</sup>	8.50%
2014	1.00%	1.00%	6.50%	8.50%
2015	1.00%	1.00%	6.50%	8.50%
2016	1.00%	1.00%	6.50%	8.50%
2017	1.00%	1.00%	6.25% <sup>(2)</sup>	8.25%

**Source:** State Board of Equalization

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

*(1) April 1, 2009 the State increased the State Rate 1%. The 1% increase expired July 1, 2011.*

*(2) On January 1, 2013 the State rate was increased by .25%. The increase expired January 1, 2017.*

## City of Brentwood

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

(Unaudited)

2017		2008	
Tax Remitter <sup>(1)</sup>	Business Category	Tax Remitter <sup>(1)</sup>	Business Category
Ace Hardware	Building Materials	Ace Hardware	Building Materials
Arco AM PM	Service Stations	Arco AM PM Mini Mart	Service Stations
AT&T Mobility	Electronics/Appliance Stores	Babies R Us	Specialty Stores
Best Buy	Electronics/Appliance Stores	Best Buy	Electronics/Appliance Stores
Big B Lumber	Building Materials	Big B Lumber	Building Materials
Bill Brandt Ford	New Motor Vehicle Dealers	Bill Brandt Ford	New Motor Vehicle Dealers
BJs Restaurant & Brewhouse	Casual Dining	Brentwood Dodge Chrysler Jeep	New Motor Vehicle Dealers
Brentwood Ready Mix	Contractors	Brentwood Service Station	Service Stations
Chevron	Service Stations	Chevron	Service Stations
Circle K Gas	Service Stations	Dallas Shanks Chevron	Service Stations
Colonial Energy	Service Stations	Devi Oil	Service Stations
Dallas Shanks Chevron	Service Stations	Home Depot	Building Materials
Home Depot	Building Materials	Home Goods	Home Furnishings
Home Goods	Home Furnishings	Hurtados Auto Sales	Used Automotive Dealers
Jeffery Way Shell	Service Stations	Kohl's	Department Stores
Kohl's	Department Stores	Longs	Drug Stores
Los Primos 2	Used Automotive Dealers	Michael's Arts & Crafts	Art/Gift/Novelty Stores
Oakley Petro	Service Stations	Quick Stop	Service Stations
Ross	Family Apparel	Raley's	Grocery Stores
Safeway	Grocery Stores	Ross	Family Apparel
TJ Maxx	Family Apparel	Safeway	Grocery Stores
Ulta Beauty	Specialty Stores	TJ Maxx	Family Apparel
Verizon Wireless	Electronics/Appliance Stores	Tower Mart	Service Stations
Walgreens	Drug Stores	Walgreens	Drug Stores
Winco Foods	Grocery Stores	Winco Foods	Grocery Stores
<b>Percent of Fiscal Year Total Paid by Top 25 Accounts = 48.69%</b>		<b>Percent of Fiscal Year Total Paid by Top 25 Accounts = 57.63%</b>	

Source: HdL Coren &amp; 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 <sup>(1)</sup>**  
**LAST TEN FISCAL YEARS**  
(Unaudited)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Type of Customer</b>										
Residential	\$ 7,967,434	\$ 7,771,514	\$ 7,298,520	\$ 7,559,361	\$ 8,018,220	\$ 9,104,775	\$ 9,204,133	\$ 8,207,427	\$ 5,556,876	\$ 7,604,905
Commercial	1,535,388	1,353,079	1,243,055	1,270,571	1,351,106	1,505,393	1,536,426	1,465,084	1,156,292	1,563,242
Industrial	308,275	594,218	474,029	502,181	496,542	588,820	544,326	566,740	429,897	467,446
Government	828,672	1,062,688	1,129,991	1,000,586	1,001,728	1,278,646	1,371,209	919,019	726,120	933,648
<b>Total</b>	<b>\$ 10,639,769</b>	<b>\$ 10,781,499</b>	<b>\$ 10,145,595</b>	<b>\$ 10,332,699</b>	<b>\$ 10,867,596</b>	<b>\$ 12,477,634</b>	<b>\$ 12,656,094</b>	<b>\$ 11,158,270</b>	<b>\$ 7,869,185</b>	<b>\$ 10,569,241</b>

**Source:** City of Brentwood Finance and Information Systems Department, Utility Billing

(1) Billing period from July 1 to June 30

## City of Brentwood

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 <sup>(1)</sup>
<b>Monthly Base Rate</b>										
5/8" or 3/4" meter	\$ 16.46	\$ 16.95	\$ 17.46	\$ 17.99	\$ 18.53	\$ 19.08	\$ 19.65	\$ 20.24	\$ 20.85	\$ 21.61
1" meter	24.69	25.43	26.19	26.98	27.79	28.62	29.48	30.36	31.27	29.83
1 1/2" meter	49.38	50.86	52.39	53.96	55.58	57.24	58.96	60.73	62.55	50.39
2" meter	82.30	84.77	87.31	89.93	92.63	95.40	98.26	101.21	104.25	75.07
3" meter	148.13	152.58	157.16	161.87	166.73	171.73	176.88	182.19	187.65	153.21
4" meter	213.97	220.39	227.00	233.81	240.83	248.05	255.49	263.16	271.05	268.36
6" meter	444.40	457.74	471.47	485.61	500.18	515.19	530.65	546.57	562.96	543.89
<b>Consumption Charge (per 1,000 gallons = 1 unit)</b>										
<b>Residential Tiers</b>										
Tier 1: Units 1-10	\$ 2.58	\$ 2.65	\$ 2.73	\$ 2.81	\$ 2.90	\$ 2.99	\$ 3.08	\$ 3.17	\$ 3.27	
Tier 1: Units 1-5										\$ 2.49
Tier 2: Units 11-20	3.07	3.16	3.26	3.35	3.45	3.56	3.67	3.78	3.89	4.96
Tier 2: Units 6-14										
Tier 3: Units 21-30	3.68	3.79	3.90	4.02	4.14	4.26	4.39	4.52	4.66	5.93
Tier 3: Units 15-20										
Tier 4: Units 31+	4.28	4.41	4.55	4.68	4.82	4.97	5.12	5.27	5.43	6.52
Tier 4: Units 21+										
<b>Non Residential Tiers</b>										
Tier 1: Units 1-10	\$ 2.58	\$ 2.65	\$ 2.73	\$ 2.81	\$ 2.90	\$ 2.99	\$ 3.08	\$ 3.17	\$ 3.27	
Tier 1: Units 1-5										\$ 2.31
Tier 2: Units 11+	3.07	3.16	3.26	3.35	3.45	3.56	3.67	3.78	3.89	4.60
Tier 2: Units 6+										
<b>Non Potable</b>										
Tier 1: Units 1+	\$ 0.95	\$ 0.98	\$ 1.01	\$ 1.04	\$ 1.07	\$ 1.10	\$ 1.13	\$ 1.17	\$ 1.20	\$ 1.31

(1) On April 12, 2016 City Council adopted Ordinance No. 969 accepting and approving a water rate study and adopting revised monthly user charges for water service which revised the existing tier structure by reducing the number of units of consumption for each tier as well as revising the unit rates. Monthly base rate and consumption charge increases, averaging 9% for each increase, became effective June 1, 2016 and July 1, 2017.

Source: City of Brentwood Finance and Information Systems Department, Utility Billing

## City of Brentwood

## RATIOS OF OUTSTANDING DEBT BY TYPE

## LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year	Governmental Activities							Capital Leases (Internal Service)
	2002 General Obligation Bonds	2001 CIP Revenue Bonds	2012 CIP Revenue Refunding Bonds	2009 Civic Center Project Lease Revenue Bonds	2015 Lease Financing	Notes Payable		
2008	\$ 6,479,059	\$ 28,370,000	\$ -	\$ -	\$ -	\$ 1,626,491	\$ -	
2009	6,513,343	27,645,000	-	-	-	1,528,112	-	
2010	6,534,783	26,890,000	-	48,266,660	-	75,407	-	
2011	6,544,040	26,110,000	-	48,122,355	-	-	-	
2012	6,536,845	-	25,300,013	48,118,049	-	-	555,313	
2013	6,513,998	-	24,381,693	47,488,554	-	-	277,656	
2014	6,471,288	-	23,454,317	46,839,438	-	-	-	
2015	6,409,559	-	22,505,053	46,170,132	-	-	-	
2016	6,324,752	-	21,521,734	45,125,826	11,515,000	14,598,135	-	
2017	6,212,789	-	20,533,414	44,041,520	11,180,000	13,382,317	-	

Fiscal Year	Business-Type Activities							Total Primary Government	Percentage of Personal Income <sup>(2)</sup>	Per Capita <sup>(2)</sup>
	2008 Water Revenue Bonds	2014 Water Revenue Bonds	Water Revenue Bonds	Wastewater Revenue Bonds	State Water Resources Loan (Wastewater)	Notes Payable <sup>(1)</sup>				
2008	\$ -	\$ -	\$ 7,664,643	\$ 1,970,357	\$ 29,744,923	\$ 8,441,719	\$ 84,297,192	4.74%	\$ 1,762	
2009	52,036,844	-	-	-	28,000,554	7,691,719	123,415,572	6.59%	2,483	
2010	51,782,179	-	-	-	26,224,698	7,432,445	167,206,172	9.06%	3,279	
2011	51,507,514	-	-	-	24,416,786	7,432,445	164,133,140	10.58%	3,190	
2012	50,432,849	-	-	-	22,576,240	7,358,875	160,878,184	10.74%	3,092	
2013	49,313,184	-	-	-	20,702,469	7,382,250	156,059,804	10.03%	2,925	
2014	48,138,519	-	-	-	18,794,875	7,062,578	150,761,015	9.05%	2,750	
2015	4,165,000	48,608,126	-	-	16,852,847	-	144,710,717	8.22%	2,562	
2016	2,845,000	48,356,034	-	-	14,875,763	-	165,162,244	9.16%	2,894	
2017	1,460,000	48,103,942	-	-	12,862,991	-	157,776,973	8.23%	2,684	

**Note:** Details regarding the City's outstanding debt can be found in Note #6.

(1) The City changed its accounting policy related to the payment of future connection fees in the Water Enterprise as the fees are contingent upon future development; therefore the liability has been removed and restated in fiscal year 2014/15.

(2) See Schedule - 19 for personal income and population data.

**City of Brentwood**

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**

**LAST TEN FISCAL YEARS**

(Unaudited)

Fiscal Year	2002 General Obligation Bonds	Less: Amounts Restricted in the Debt Service Fund	Net Total Debt	Percentage of Actual Taxable Value of Property	Per Capita
2008	\$ 6,479,059	\$ 80,661	\$ 6,398,398	0.08%	\$ 134
2009	6,513,343	57,438	6,455,905	0.09%	130
2010	6,534,783	43,842	6,490,941	0.11%	127
2011	6,544,040	39,640	6,504,400	0.11%	126
2012	6,536,845	45,730	6,491,115	0.12%	125
2013	6,513,998	49,753	6,464,245	0.12%	121
2014	6,471,288	61,063	6,410,225	0.11%	117
2015	6,409,559	64,751	6,344,808	0.09%	112
2016	6,324,752	78,247	6,246,505	0.08%	109
2017	6,212,789	85,979	6,126,810	0.07%	104

**Source:** City of Brentwood Finance and Information Systems Department

**Note:** Details regarding the City's outstanding debt can be found in Note #6.

## City of Brentwood

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of June 30, 2017

(Unaudited)

2016-17 Assessed Valuation	\$	8,560,048,612
Redevelopment Incremental Valuation		<u>717,399,322</u>
Adjusted Assessed Valuation	\$	7,842,649,290

	Total Debt 6/30/17	Percentage Applicable <sup>(1)</sup>	City's Share of Debt 6/30/17
<b>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</b>			
Bay Area Rapid Transit	\$ 891,135,000	1.325%	\$ 11,807,539
Contra Costa Community College District	409,580,000	4.704%	19,266,643
Liberty Union High School District	44,100,000	52.804%	23,286,564
Brentwood Union School District	62,234,704	93.444%	58,154,597
Oakley Union School District	16,570,000	0.002%	331
<b>City of Brentwood</b>	<b>6,212,789</b> <sup>(2)</sup>	<b>100.000%</b>	<b>6,212,789</b>
<b>City of Brentwood Community Facilities Districts</b>	<b>18,957,895</b>	<b>100.000%</b>	<b>18,957,895</b>
City of Brentwood 1915 Act Bonds	130,432,249	100.000%	130,432,249
California Statewide Communities Development Authority Assessment Districts	14,434,967	100.000%	14,434,967
East Bay Regional Park District	123,590,000	2.044%	2,526,180
<b>TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>	<b>\$ 1,717,247,604</b>		<b>\$ 285,079,754</b>
<b>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:</b>			
Contra Costa County General Fund Obligations	\$ 222,354,484	4.686%	\$ 10,419,531
Contra Costa County Pension Obligations	185,830,000	4.686%	8,707,994
Contra Costa Community College District Certificates of Participation	430,000	4.704%	20,227
Brentwood Union School District Certificates of Participation	991,253	93.444%	926,266
<b>City of Brentwood General Fund Obligations</b>	<b>56,797,039</b>	<b>100.000%</b>	<b>56,797,039</b>
GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT	<u>\$ 466,402,776</u>		<u>\$ 76,871,057</u>
Less: Contra Costa Obligations Supported From Revenue Funds			3,579,771
NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			<u>\$ 73,291,286</u>
<b>OVERLAPPING TAX INCREMENT DEBT (SUCCESSOR AGENCY)</b>	<b>\$ 25,844,474</b>	<b>100.000%</b>	<b>\$ 25,844,474</b>
<b>TOTAL DIRECT DEBT</b>			<b>\$ 81,967,723</b>
TOTAL GROSS OVERLAPPING DEBT			\$ 305,827,562
TOTAL NET OVERLAPPING DEBT			\$ 302,247,791
GROSS COMBINED TOTAL DEBT			\$ 387,795,285 <sup>(3)</sup>
NET COMBINED TOTAL DEBT			\$ 384,215,514
<b>Ratios to Adjusted Assessed Valuation:</b>			
<b>Total Direct Debt (\$81,967,723)</b> .....	<b>1.05%</b>		
Gross Combined Total Debt .....	4.94%		
Net Combined Total Debt .....	4.90%		

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 \$3,537,813 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)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt Limit	\$ 304,463,523	\$ 277,723,398	\$ 229,124,375	\$ 219,745,734	\$ 209,939,754	\$ 205,468,331	\$ 222,851,159	\$ 264,412,922	\$ 296,927,556	\$ 321,001,823
Total Net Debt Applicable to Limit	6,398,398	6,455,905	6,490,941	6,504,400	6,491,115	6,464,245	6,410,225	6,344,808	6,246,505	6,126,810
<b>Legal Debt Margin</b>	<b>\$ 298,065,125</b>	<b>\$ 271,267,493</b>	<b>\$ 222,633,434</b>	<b>\$ 213,241,334</b>	<b>\$ 203,448,639</b>	<b>\$ 199,004,086</b>	<b>\$ 216,440,934</b>	<b>\$ 258,068,114</b>	<b>\$ 290,681,051</b>	<b>\$ 314,875,013</b>
<b>Total Net Debt Applicable to the Limit as a Percentage of Debt Limit</b>	2.10%	2.32%	2.83%	2.96%	3.09%	3.15%	2.88%	2.40%	2.10%	1.91%

**Legal Debt Margin Calculation for Fiscal Year 2017**

Assessed Value <sup>(1)</sup>	\$ 8,560,048,612
Debt Limit (3.75% of Assessed Value) <sup>(2)</sup>	321,001,823
Debt Applicable to Limit:	
General Obligation Bonds	6,126,810
<b>Total Net Debt Applicable to Limit</b>	<b>6,126,810</b>
<b>Legal Debt Margin</b>	<b>\$ 314,875,013</b>

Source: Contra Costa County Assessor

<sup>(1)</sup> Contra Costa County Auditor/Controller<sup>(2)</sup> State of California Government Code 25 and 43605



## City of Brentwood

**PLEDGED REVENUE COVERAGE**  
**LAST NINE FISCAL YEARS**

(Unaudited)

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

Fiscal Year	Adjusted Annual Water Revenues	Less: Operating Expenses	Adjusted Annual Net Water Revenues	Debt Service		Coverage
				Principal	Interest	
2009 <sup>(1)</sup>	\$ 17,620,443	\$ 11,356,551	\$ 6,263,892	\$ 420,000	\$ 1,858,366	2.75
2010	16,596,134	11,876,489	4,719,645	280,000	2,915,363	1.48
2011	16,674,462	11,336,197	5,338,265	300,000	2,902,763	1.67
2012	18,205,250	12,910,278	5,294,972	1,100,000	2,889,263	1.33
2013	19,761,476	13,153,649	6,607,827	1,145,000	2,839,763	1.66
2014	20,560,857	13,538,409	7,022,448	1,200,000	2,788,237	1.76
2015 <sup>(2)</sup>	18,963,542	14,473,726	4,489,816	1,255,000	1,342,923	1.73
2016 <sup>(3)</sup>	21,206,265	13,999,154	7,207,111	1,320,000	2,192,225	2.05
2017 <sup>(3)</sup>	20,999,938	15,531,834	5,468,104	1,385,000	2,126,225	1.56

**Source:** City of Brentwood Finance and Information Systems Department

**Note:** Details regarding the City's outstanding debt can be found in Note #6. Water revenues include operating revenues, interest income and developer impact fees. Operating expenses do not include depreciation or amortization expenses.

(1) The Water Revenue Bonds were issued in October 2008; therefore, FY 2008/09 is the first reportable year. The obligation of the City to make such payments is a special obligation of the City payable solely from Adjusted Annual 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, FY 2014/15 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 Adjusted Annual Net Water Revenues.

(3) Adjusted Annual Net Water Revenues is defined as Water income and revenue less maintenance and operation costs adjusted by any transfers to or from the Rate Stabilization Fund. In FY 2015/16 and FY 2016/17, \$893,839 and \$982,000 was transferred, respectively, from the Rate Stabilization Fund to meet the bond covenant debt coverage requirements.

## City of Brentwood

**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN CALENDAR YEARS**  
(Unaudited)

Calendar Year	Population <sup>(1)</sup>	Personal Income (In Thousands) <sup>(2)</sup>	Per Capita Personal Income	Median Age <sup>(3)</sup>	School Enrollment	Unemployment Rate
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%
2015	57,072	1,803,371	31,598	36.9	16,923	4.9%
2016	58,784	1,917,154	32,614	37.7	17,116	3.7%

(1) As of January 1 of each year

(2) Based on last available Census and projected post census trends

(3) Totaled from Census Block Groups that overlap City boundaries

**Sources:** California Department of Finance  
US Census Bureau  
Liberty Union High School and Brentwood Union School Districts  
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	2017			2008		
	Employees	Rank	Percent of Total City Employment	Employees	Rank	Percent of Total City Employment
Brentwood Union School District	800-1,000	1	7.22%	600-1,000	1	11.59%
Liberty Union High School District	800-1,000	1	7.22%	400-500	2	6.52%
City of Brentwood	250-500	3	3.01%	250-400	3	5.07%
Safeway Stores, Inc.	250-500	3	3.01%	100-200	9	2.17%
Precision Cabinets	100-250	5	1.40%	200-300	4	3.62%
BJ's Brewhouse	100-250	5	1.40%	-	-	-
Home Depot	100-250	5	1.40%	100-200	5	2.17%
Winco Foods, Inc.	100-250	5	1.40%	100-200	6	2.17%
Walgreen Co.	100-250	5	1.40%	-	-	-
Kohl's	100-250	5	1.40%	-	-	-
Best Buy	100-250	5	1.40%	-	-	-
John Muir	100-250	5	1.40%	-	-	-
Ellison Framing Inc.	100-250	5	1.40%	-	-	-
Raley's	100-250	5	1.40%	100-200	8	2.17%
Town & Country Roofing	100-250	5	1.40%	100-200	7	2.17%
Delta Valley Athletic Club	100-250	5	1.40%	-	-	-
<b>Total</b>	<b>3,300-6,000</b>		<b>37.26%</b>	<b>1,950-3,200</b>		<b>37.65%</b>

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)**

<b>Function/Program</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
General Government	39	39	37	37	38	37	35	34	34	35
Public Safety	78	78	79	79	79	79	83	83	85	95
Community Development	29	27	26	26	24	23	21	20	19	19
Engineering	20	12	12	13	12	13	13	14	14	14
Public Works	20	20	20	23	24	23	24	23	23	23
Parks and Recreation	29	27	27	24	24	24	24	24	25	24
Wastewater	16	17	17	17	17	17	18	18	18	19
Solid Waste	23	23	23	24	24	24	25	26	27	26
Water	23	25	25	25	26	26	26	26	26	26
City Rentals	2	-	-	-	-	-	-	-	-	-
Housing	2	1	1	1	2	1	2	2	2	2
<b>Total</b>	<b>281</b>	<b>269</b>	<b>267</b>	<b>269</b>	<b>270</b>	<b>267</b>	<b>271</b>	<b>270</b>	<b>273</b>	<b>284</b>

**Source:** City of Brentwood Finance and Information Systems Department

## City of Brentwood

## OPERATING INDICATORS BY FUNCTION/PROGRAM

## LAST TEN FISCAL YEARS

(Unaudited)

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General Government</b>										
Single-Family Dwelling Permits Issued	129	31	136	109	175	290	500	451	519	541
Accounts Payable Invoices Processed	15,093	13,695	12,085	10,272	10,885	10,458	10,440	12,023	13,364	13,625
Purchase Orders Issued	382	319	238	280	320	355	291	286	269	279
Checks Issued	16,968	15,043	14,328	14,366	14,047	14,064	13,692	14,299	15,764	15,844
<b>Public Works</b>										
Debris Collected (tons)	2,017	2,047	1,832	2,226	1,995	2,229	2,226	1,890	1,756	1,687
Streetlights Maintenance Requests	834	871	760	806	659	680	713	697	410	424
<b>Police</b>										
Physical Arrests (est.)	1,852	1,603	1,625	1,448	1,745	1,626	1,563	1,679	1,648	1,626
Calls for Service (est.) <sup>(1)</sup>	27,953	32,608	38,922	35,168	37,124	36,781	36,192	39,934	40,661	44,417
Case Files Taken (est.)	6,162	5,941	6,117	5,450	6,044	5,823	5,821	6,133	5,925	6,335
<b>Parks and Recreation</b>										
Total Programs Offered (est.)	2,231	945	832	986	1,053	997	924	852	852	891
Total Participants and Spectators at Events	937,187	749,922	642,612	729,046	605,391	762,312	792,656	896,480	902,480	916,239
<b>Refuse Collection</b>										
Refuse Collected (tons per day)	99	96	95	90	88	93	95	97	102	110
Yard Waste (tons per day)	29	29	31	32	34	35	35	38	35	38
Recyclables Collected (tons per day)	25	22	22	22	22	22	22	23	25	26
Residential Services	14,893	15,263	15,469	15,562	15,907	16,337	16,729	17,245	17,802	18,310
Commercial Services	463	453	459	468	451	468	465	475	487	499
<b>Water</b>										
New Connections	225	39	113	117	125	197	338	467	475	527
Average Daily Production (millions of gallons)	11	10	10	9	9	11	11	10	7	8
Peak Daily Production (millions of gallons)	17	16	16	16	15	16	17	17	18	16
Number of Utility Customers	16,324	16,442	16,769	16,827	16,952	17,120	17,505	18,289	18,785	19,385
<b>Wastewater</b>										
New Connections	225	39	113	119	125	199	338	467	480	529
Average Daily Sewage Treatment (millions of gallons)	4	4	3	3	3	3	4	4	3	4

Source: Various City Departments

(1) Beginning in FY 2009/10, 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	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	-	1	1	1	1	1	1	1	1	1
Patrol Vehicles	52	50	50	51	51	51	52	52	49	49
<b>Parks and Recreation</b>										
Developed Park Acreage <sup>(1)</sup>	256	256	256	256	260	221	223	226	231	234
Play Areas	43	43	45	45	46	48	48	51	52	56
Multi-Use Trails (miles)	16	16	16	16	16	16	17	18	18	19
Multi-Use Ball and Soccer Fields	23	23	23	23	23	23	23	23	19	19
Picnic Tables	276	276	276	276	287	290	292	305	311	331
<b>Refuse Collection</b>										
Collection Trucks	14	14	14	14	14	14	14	16	16	17
<b>Water</b>										
Water Mains (miles)	173	173	184	191	219	256	266	284	287	302
Fire Hydrants	1,869	1,910	1,940	1,945	2,153	2,535	2,588	2,704	2,719	2,841
Number of Wells	9	9	9	9	8	7	7	7	7	7
Number of Reservoirs	6	6	6	6	6	6	6	6	6	6
Storage Capacity (millions of gallons)	19	19	19	19	19	19	19	19	19	19
<b>Wastewater</b>										
Sanitary Sewers (miles)	150	150	150	152	179	202	209	225	226	235
Lift Stations	3	2	2	2	2	2	2	2	2	2
<b>Other Public Works</b>										
Streets (miles)	168	190	190	190	190	192	192	192	192	192
Street Lights	5,299	5,836	5,836	5,836	5,889	5,948	5,957	5,957	6,691	6,693

Source: Various City Departments

(1) Beginning with FY 2012/13, a new map system was implemented with rescaled acreage.

## City of Brentwood

### General Information

(Unaudited)

<b>Date of Incorporation:</b>	January 19, 1948
<b>Forms of Government:</b>	General Law Council-Manager
<b>Fiscal Year Begins:</b>	July 1
<b>Area of City:</b>	14.83 Sq. Miles
<b>Population as of January 2017:</b>	61,055

<b>Municipal Water System</b>	
Number of Wells	7
Number of Reservoirs	6
Storage Capacity (gallons)	19 MG
Average Daily Production	8 MGD
Peak Daily Production	16 MGD
Number of Connections	19,385

<b>Municipal Solid Waste</b>	
Number of Residential Services	18,430
Number of Commercial Services	489

<b>Parks and Recreation</b>	
Developed Park Acreage	233.92 acres
Aquatic Complex	7.5 acres
Skate Park	.50 acres
Play Areas	56
Sunset Park Athletic Complex	38 acres
Veterans Park	10.5 acres

<b>Parks Facilities</b>	
Multi-Use Trails	19.22 miles
Multi-Use Ball and Soccer Fields	19
Tennis Courts	2
Basketball Courts	14
Bocce Ball Courts	6
Volleyball Courts	3
Horseshoe Courts	2
Gazebos	2
Picnic Tables	331
BBQ Areas	30
Restrooms (Permanent)	9

Number of Full-time Equivalent Positions	Year End
284	2017
273	2016
270	2015
271	2014
267	2013
270	2012
269	2011
267	2010
269	2009
281	2008

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

<b>Miles of Streets</b>	
Miles of Streets	192
Miles of Sanitary Sewers	235
Miles of Water Mains	302
Number of Street Lights	6,693

<b>Police Protection</b>	
Sworn Officers	63
Overstaffing	4
Reserves	0
Vehicles	49
Motorcycles	6

<b>Municipal Wastewater System</b>	
Sanitary Lift Stations	2
Number of Connections	18,748
Average Daily Flow	3.59 MGD

<b>East Contra Costa Fire Protection District</b>	
Stations Located in Brentwood	1
Firefighters in Brentwood	10

**Source:** Various City Departments

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

To the Honorable Members of the City Council  
City of Brentwood, California

We have audited, in accordance with the 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, the basic financial statements of the City of Brentwood, California, as of and for the year ended June 30, 2017, and have issued our report thereon dated November 13, 2017. Our report included an emphasis of a matter paragraph disclosing the Redevelopment Agency dissolution and the City's accounting for certain transactions of the former Redevelopment Agency.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



### ***Compliance and Other Matters***

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

We have also issued a separate Memorandum on Internal Control dated November 13, 2017 which is an integral part of our audit and should be read in conjunction with this report.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Mane & Associates*

Pleasant Hill, California  
November 13, 2017