

# Comprehensive Annual Financial Report

## Fiscal Year Ended June 30, 2020



150 City Park Way  
Brentwood, CA 94513



For Fiscal Year Ended June 30, 2020

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December 8, 2020

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 ("the City"), for the fiscal year (FY) ended June 30, 2020. The City 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. 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, 2020.

### **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, 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 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, 2020, the City had an estimated population of 65,118.

The City provides a full range of services including: Police, Public Works, Economic Development, Planning, Building, Community Enrichment, Engineering and Inspection, Parks and Recreation, Housing and General Administrative services. The City also operates public water and wastewater utilities, as well as solid waste 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 onset of the COVID-19 pandemic has cast a tremendous amount of uncertainty over the City's short and intermediate term financial outlook. Although the City relies less on sales, hotel and business license taxes as a percentage of General Fund revenues than most California cities, the impacts were expected to be significant. Fortunately, the fiscal impacts through June 30 have been less severe than originally budgeted. The primary driver of this resilience has been the housing market and development activity. Following a brief slowdown through April, the housing market has strengthened, with values increasing through the summer and into the fall of 2020. Combined with expenditure reductions, government stimulus and increased online consumer spending, the City has thus far avoided significant financial impacts from the pandemic. The stock market recover through the summer also improved the outlook for the City's pension provider, CalPERS, reducing expected stresses in future years. The City remains cautious, however, as many industries remain shut down, or are operating at reduced capacities, and the uncertainty of future government stimulus may result in negative fiscal impacts to the City.

The City experienced a period of growth from the mid 1990's to the mid 2000's in which the population of the City more than tripled. During the recession at the end of the last decade, housing assessed valuation (AV) fell by one-third. Housing values have since recovered, with the City experiencing an average annual AV growth rate of a little over 7.5% for the past three years. The City also issued 2,097 single-family dwelling building permits in the five-year period from FY 2015/16 through FY 2019/20, surpassing internal projections and not slowing down during the pandemic. Revenues, such as property tax, development related fees, and community facilities district revenues are all affected positively from increased development activity either directly from fees received or indirectly due to increased population.

Sales tax revenues have grown at a healthy pace over the past several years and were expected to grow at a more moderate pace in FY 2019/20. Sales tax is one area that has suffered a decline due to COVID-19 impacts on economic activity. Following sales tax growth rates of 7.3% and 1.8% for FYs 2017/18 and FY 2018/19, respectively FY 2019/20 saw a decrease of 4.3%. The City's Strategic Plan continues to put a focus on Economic Development strategies to attract future sources of sales tax revenue and employment opportunities for the community. The Innovation Center @ Brentwood (formerly known as Priority Area 1) Infrastructure Improvements project will construct various infrastructure improvements within the project area including roadways, wet utilities and land acquisition in order to ready this area for development. The City envisions this location emerging as one of the primary future employment centers, offering individuals and businesses access and opportunities to create high-quality jobs across a diverse array of industries.

With continued growth in development and population, demand for services has escalated. City Council had previously approved adding a new Police Department 5<sup>th</sup> geographical beat in the City, which would have provided funding for five new officers and two new dispatchers beginning in FY 19/20. However, in response to the COVID-19 pandemic and the anticipated negative impacts on many of the City's revenue sources, these planned service level increases have been reduced in the operational budget to only include the dispatcher positions.

The City continues to work on addressing upcoming increases in pension contributions. During FY 2018/19, the City Council approved a policy that provides for annual pay downs of pension or retiree medical unfunded liabilities when certain levels of excess reserves are available. In accordance with this policy, an additional pension pay down of \$1.1 million was made in September 2019. In the last two fiscal years, the City has made pension prepayments of \$13.7 million, applied to the City's unfunded pension obligations, to mitigate the impacts of increasing funding requirements in the intermediate term. Additionally, the City has taken steps to address funding required for Other Post-Employment Benefits (OPEB), making significant pre-funding contributions on an annual basis. The City also had a measure of cost certainty over the past two years, continuing into FY 2019/20, as a result of entering into three-year labor agreements with all of its bargaining groups. The labor agreements with the City's bargaining groups expired at the end of FY 2019/20. Due to the COVID-19 pandemic and economic uncertainty, the negotiation process was temporarily paused, and the 2020/21 Fiscal Year has started under the terms of the expired agreements. The City continues to remain vigilant in maintaining its fiscal strength and has maintained an unassigned General Fund balance of at least 30% of the annual operating expenditures.

The historic California drought of 2012 through 2016 created fiscal challenges for the City's Water Enterprise Fund and resulted in significantly reduced revenues during FY 2014/15 and FY 2015/16. In the immediately subsequent years, water usage remained lower than pre-drought averages. The past two fiscal years, however, have shown an uptick in average water usage by residents in the city which has helped the Water Enterprise in meeting its 30% cash reserve goal at the end of FY 2019/20.

In FY 2017/18, a five-year rate study was approved by City Council that set rates for Water, Wastewater and Solid Waste services through FY 2022/23. To address the ongoing impacts of the drought and continued conservation efforts, the Water rate study incorporated updated usage assumptions to determine the rates needed to ensure longer-term fiscal stability of the Water Enterprise. All three studies also included updated assumptions to account for changes in operating costs and capital outlay requirements for increased service level demands and new governmental regulations.

### **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 a General Fund budget for City Council consideration that maintains 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, offsetting increasing pension and retiree medical costs in future years. 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.

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.

### **Strategic Planning**

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 2020, the City Council adopted the FY 2020/21 & FY 2021/22 City of Brentwood Strategic Plan (“Strategic Plan”). The strategic planning process is ongoing with a new planning process beginning every two years to identify the high priority strategic initiatives of the City Council. 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 are built into the City’s Operating Budget and long-term financial models. Since the adoption of the Strategic Plan, certain strategic initiatives have had funding allocations delayed due to the budgetary impacts caused by the COVID-19 pandemic. A Funding Deferred Projects Holding List was created to retain unfunded initiatives to be considered in the future as funds become available. In July of 2020, an amended Strategic Plan, which included those changes, was adopted by City Council.

The Strategic Plan continues to focus on the City’s infrastructure, public safety, parks and recreation opportunities and economic development. Through strong business growth and thoughtful land use and planning, the City will ensure that the quality of life enjoyed by Brentwood residents today will also be enjoyed by future generations.

**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 for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. 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.

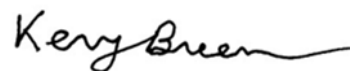
**ACKNOWLEDGEMENTS**

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 & 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,



Tim Ogden  
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, 2019

*Christopher P. Morrill*

Executive Director/CEO



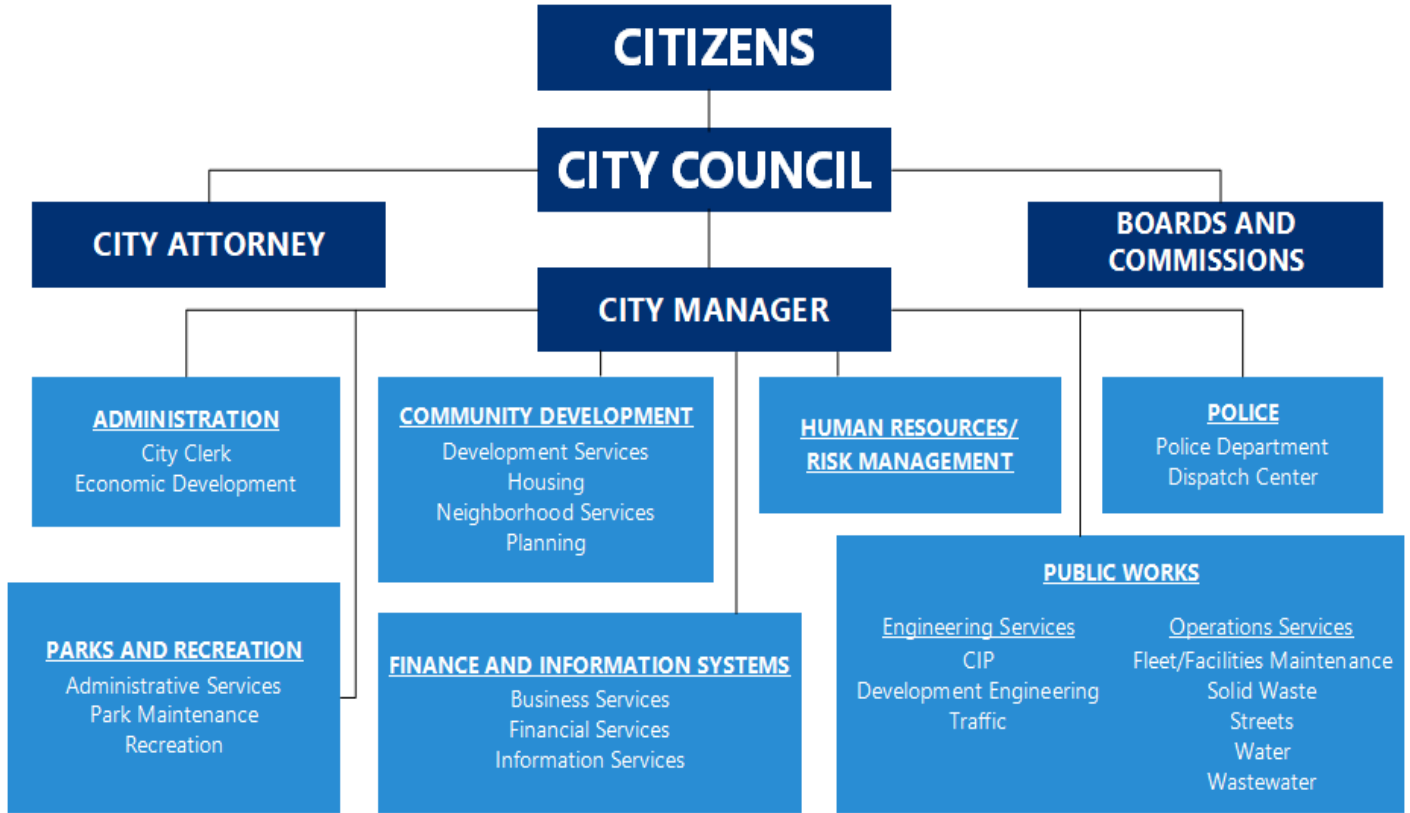
### City Council as of June 30, 2020

Robert Taylor .....Mayor  
Joel Bryant ..... Vice Mayor  
Karen Rarey ..... Council Member  
Johnny Rodriguez ..... Council Member  
Claudette Staton ..... Council Member

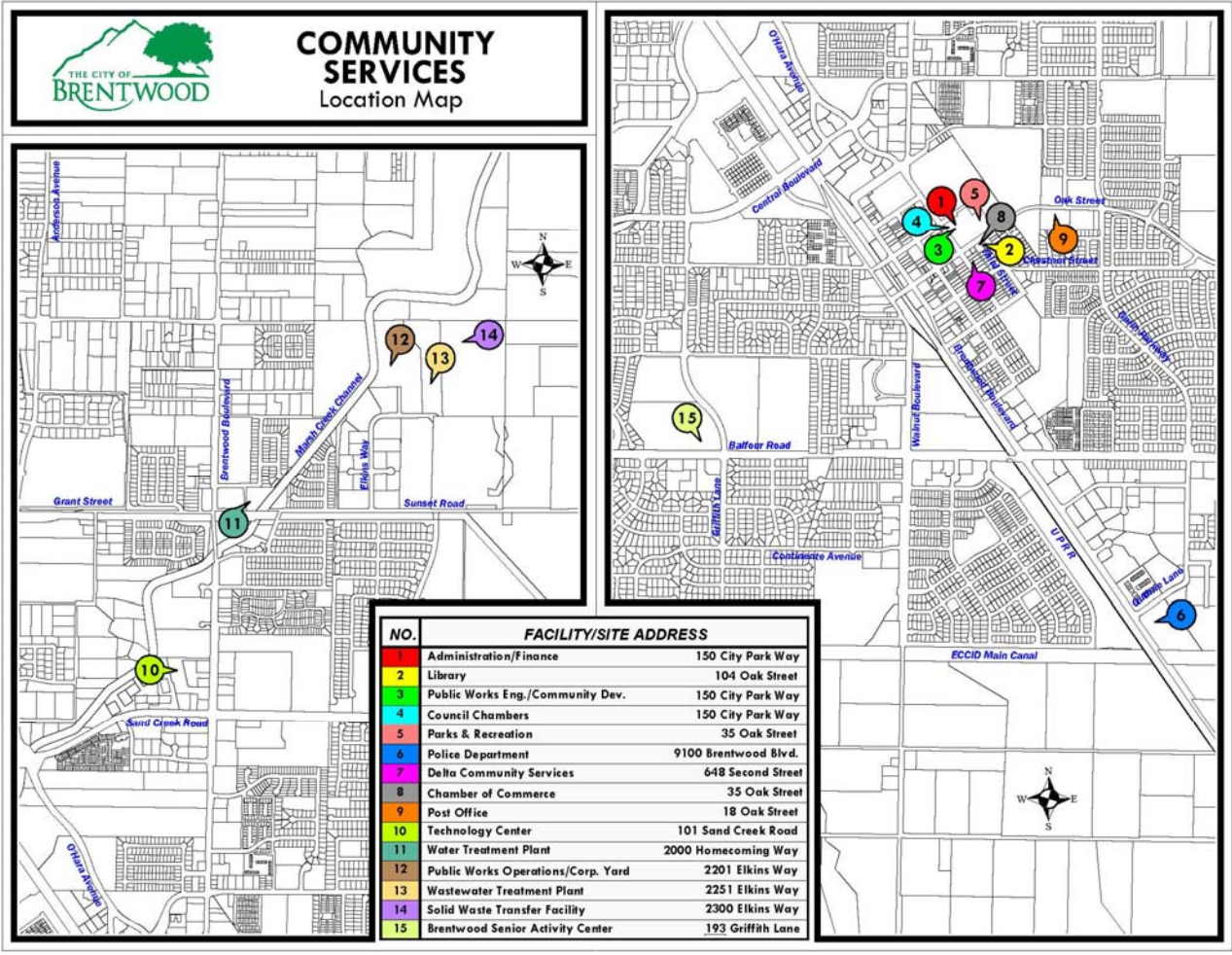
### Executive Team as of June 30, 2020

Tim Ogden.....City Manager  
Damien Brower ..... City Attorney  
Sukari Beshears ..... Director of Human Resources/Risk Manager  
Kerry Breen ..... City Treasurer/Director of Finance and Information Systems  
Terrence Grindall ..... Assistant City Manager  
Tom Hansen .....Chief of Police  
Casey McCann .....Director of Community Development  
Bruce Mulder ..... Director of Parks and Recreation  
Miki Tsubota ..... Director of Public Works/City Engineer

# City 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 recognized by the Arbor Day Foundation as a ***"Tree City USA Community"*** for 2019.

The City maintained designation of a ***Healthy Eating Active Living ("HEAL")*** city.

The City met guidelines to be designated in 2019 as a ***"Bay-Friendly Landscape"*** city.

The City received the ***2019 Northern California Bronze Wellness Award*** from Kaiser Permanente, recognizing the City's contributions in creating a healthy workplace.

The City received the following GFOA award:

- ***"Certificate of Achievement for Excellence in Financial Reporting Fiscal Year 2018/19"***

The City received the CSMFO award for the following:

- ***"Capital Budget Excellence Award Fiscal Year 2019/20"***



## INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council  
City of Brentwood, California

### *Report on the Financial Statements*

We have audited the accompanying 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, 2020, 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, 2020, 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.

## ***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 20, 2020, 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.

*Maze & Associates*

Pleasant Hill, California  
November 20, 2020





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This discussion and analysis of the City of Brentwood's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2020. 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 \$883.4 million. Of this amount, \$92.6 million may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$36.5 million, with an increase of \$16.3 million attributable to governmental activities and an increase of \$20.2 million attributable to business-type activities. The increase in net position from governmental activities is due, in part, to net position increases in the City's Internal Service Funds of \$9.1 million, as the City continues to ensure its replacement funds have adequate funding for future replacement costs. Additionally, there was a reduction in long-term liabilities of \$4.7 million for annual debt principal payments made; an increase of \$8.5 million in capital asset investment, due primarily to contributions from development; and a decrease in Net OPEB Liability of \$2.9 million (including Internal Service Funds), offset by an increase in Deferred Outflows Related to OPEB of \$2.3 million. These increases in net position were offset by a decrease in Deferred Outflows Related to Pensions of \$9.7 million due primarily to the voluntary payment of \$9.5 million to CalPERS in FY 2018/19 being applied to the City's unfunded accrued pension liability in FY 2019/20 and partially offset by a subsequent decrease in Net Pension Liability of \$5.6 million. An additional voluntary payment of \$1.1 million was made in FY 2019/20 to CalPERS to be applied to the City's unfunded pension obligation in FY 2020/21. The increase in net position for business-type activities was due to higher contributions from development and an increase in operational income from rate adjustments and investment fair market value adjustment.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$122.8 million, an increase of \$1.5 million or 1.3%, in comparison to the prior year.
- Enterprise Funds reported a net position of \$316.4 million, an increase of \$20.2 million from the prior fiscal year ending balance. The increase was attributable mainly to the Water Fund (\$9.7 million) and Wastewater Fund (\$8.1 million) net position increases. For both funds, the increases were due mainly to capital asset additions and infrastructure contributions from development, combined with an increase in operational income from rate adjustments and investment fair market value adjustment.
- The City's total long-term obligations decreased by \$19.2 million mainly due to reductions in Net OPEB Liability (\$4.0 million) and Net Pension Liability (\$8.9 million) combined with reductions for annual debt principal payments.
- Internal Service Funds have a net position of \$64.4 million at year-end, which is an increase of \$9.1 million from the prior year. This was due to an increase in the Parks and LLAD Replacement Fund net position (\$5.3 million) as amounts are set aside to be available for future replacement costs. The Equipment Replacement Fund and Facilities Replacement Fund increased \$1.3 million and \$1.2 million, respectively, as the City increases amounts for future asset replacement.

## **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.

Most of the City's basic services are reported in the **Governmental Activities** 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.

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 the **Business-Type Activities** 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 is 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.

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.

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.

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 the **Fiduciary Funds** are used for their intended purposes. The Fiduciary Fund Financial Statements can be found on pages 26 – 27 of this report.

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 31 – 91 of this report.

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 other Major Funds and schedules related to the City's net pension liability, net OPEB liability and contributions. Required Supplementary Information can be found on pages 92 – 99 of this report.

**Combining and Individual Fund Statements and Schedules** for the following can be found on pages 100 – 127 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 \$36.5 million or 4.3%, from \$846.9 million at June 30, 2019 to \$883.3 million at June 30, 2020. 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. Net investment in capital assets and capacity rights increased \$15.6 million and has a balance of \$665.8 million as of June 30, 2020. Although the City's investment in capital assets and capacity rights 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. Restricted net position increased by \$7.5 million, mainly from increases in cash amounts restricted for capital projects in business-type activities. These resources are subject to external restrictions on how they may be used. The restricted net position amount is \$125.0 million as of June 30, 2020. The unrestricted net position balance of \$92.6 million may be used to meet the City's ongoing obligations to citizens and creditors.

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Current Assets	\$ 170,927,284	\$ 162,041,623	\$ 108,411,988	\$ 92,219,669	\$ 279,339,272	\$ 254,261,292
Capital Assets	507,585,968	500,508,799	278,260,456	274,757,323	785,846,424	775,266,122
Other Non-Current Assets	22,850,789	23,895,526	682,010	703,789	23,532,799	24,599,315
<b>Total Assets</b>	<b>701,364,041</b>	<b>686,445,948</b>	<b>387,354,454</b>	<b>367,680,781</b>	<b>1,088,718,495</b>	<b>1,054,126,729</b>
Deferred Outflows of Resources	16,281,496	27,146,653	10,079,790	13,984,765	26,361,286	41,131,418
<b>Total Deferred Outflows of Resources</b>	<b>16,281,496</b>	<b>27,146,653</b>	<b>10,079,790</b>	<b>13,984,765</b>	<b>26,361,286</b>	<b>41,131,418</b>
Current Liabilities	14,542,350	16,500,664	7,666,377	7,054,532	22,208,727	23,555,196
Long-Term Liabilities Outstanding	129,018,988	143,161,933	71,322,744	77,068,108	200,341,732	220,230,041
<b>Total Liabilities</b>	<b>143,561,338</b>	<b>159,662,597</b>	<b>78,989,121</b>	<b>84,122,640</b>	<b>222,550,459</b>	<b>243,785,237</b>
Deferred Inflows of Resources	7,094,611	3,220,858	2,087,522	1,365,237	9,182,133	4,586,095
<b>Total Deferred Inflows of Resources</b>	<b>7,094,611</b>	<b>3,220,858</b>	<b>2,087,522</b>	<b>1,365,237</b>	<b>9,182,133</b>	<b>4,586,095</b>
Net Investment in Capital Assets and Capacity Rights	438,758,759	428,440,973	227,074,648	221,745,108	665,833,407	650,186,081
Restricted	90,068,569	89,830,884	34,893,200	27,643,027	124,961,769	117,473,911
Unrestricted	38,162,260	32,437,289	54,389,753	46,789,534	92,552,013	79,226,823
<b>Total Net Position</b>	<b>\$ 566,989,588</b>	<b>\$ 550,709,146</b>	<b>\$ 316,357,601</b>	<b>\$ 296,177,669</b>	<b>\$ 883,347,189</b>	<b>\$ 846,886,815</b>

**Governmental Activities**

The City's net position from governmental activities increased \$16.3 million or 3.0%, from \$550.7 million to \$567.0 million. As discussed above, the net increase is due to increases in the City's Internal Service Funds as amounts are set aside for future asset replacement costs. Additionally, there was a reduction in long-term liabilities for annual debt principal payments; an increase in net investment in capital assets due primarily to contributions from development; and a decrease in Net OPEB Liability offset by an increase in Deferred Outflows Related to OPEB. These increases in net position were offset by a decrease in Deferred Outflows Related to Pensions of \$9.7 million due, primarily due to the voluntary payment of \$9.5 million to CalPERS in FY 2018/19 being applied to the City's unfunded accrued pension liability in FY 2019/20 and partially offset by a subsequent decrease in Net Pension Liability of \$5.6 million. The City issued 274 single-family building permits during the fiscal year. In comparing results to the prior year, the City received \$1.0 million more in property taxes, reflective of a steady housing market. Sales tax income decreased by \$0.4 million from the prior year primarily due to the slowdown in fourth quarter sales as a result of COVID-19 shelter-in-place restrictions. Investment income was \$0.9 million greater than the prior year due to the fair market value adjustment. Expenses increased only 0.5% from the prior year as City programs and activities





were curtailed and expenses limited to essential purchases in the final quarter of the year, as a result of the COVID-19 pandemic.

**Business-Type Activities**

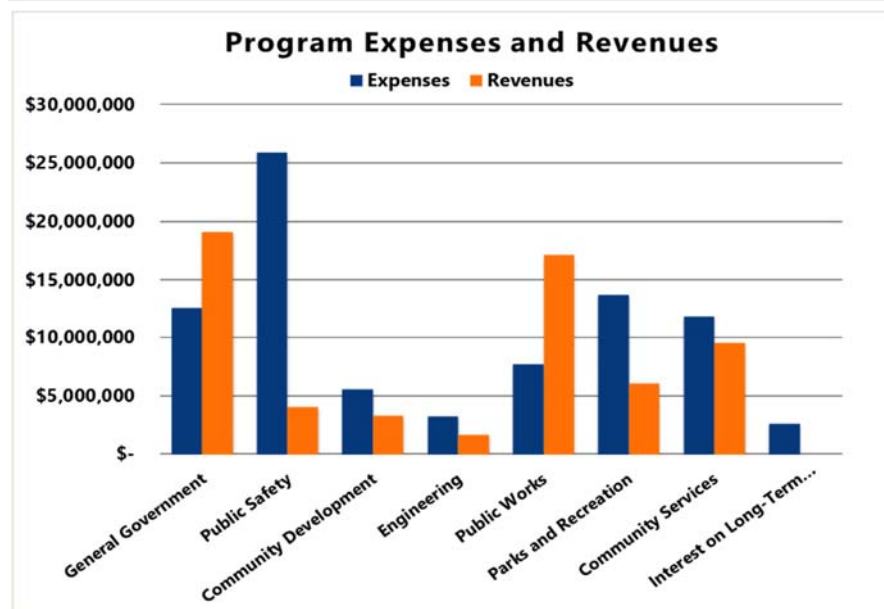
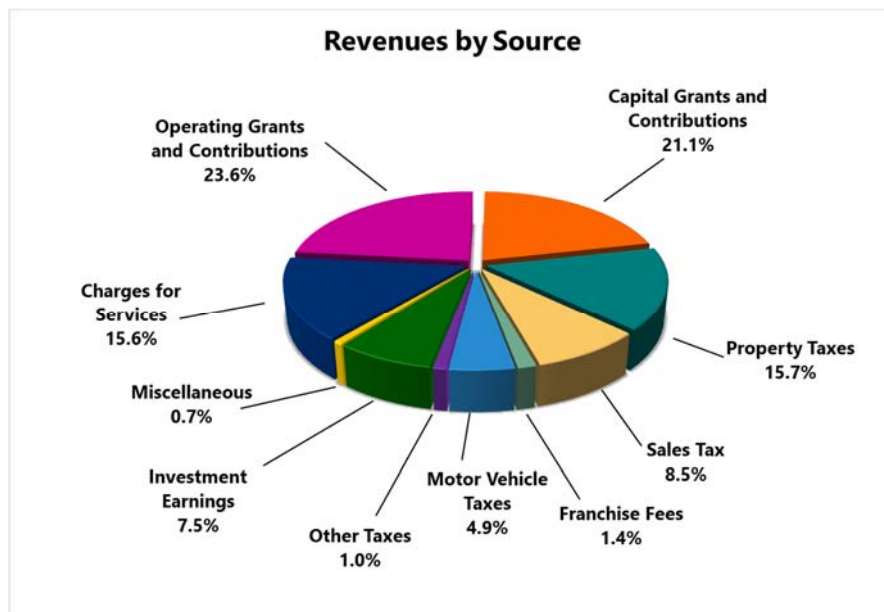
The City's net position from Business-Type activities increased \$20.2 million. Net investment in capital assets increased \$5.3 million as capital assets were acquired and long-term debt continued to be repaid. Revenue from charges for services increased by 6% over the prior year, mainly due to annual rate increases along with a continued rise in water consumption, as drought-related State mandated water conservation ended. Overall revenue increases are due to the increase in charges for services and increased contributions from development. Compared to the prior year, expenses increased 2.4% due primarily to increases in personnel services. Overall, the unrestricted net position was \$54.4 million at the fiscal year-end.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 15,737,844	\$ 17,515,391	\$ 55,038,950	\$ 51,948,621	\$ 70,776,794	\$ 69,464,012
Operating Grants and Contributions	23,907,210	24,098,343	407,651	595,800	24,314,861	24,694,143
Capital Grants and Contributions	21,385,163	16,587,584	7,006,724	4,679,827	28,391,887	21,267,411
<b>General Revenues:</b>						
Taxes:						
Property Taxes	15,911,518	14,936,950	-	-	15,911,518	14,936,950
Sales Tax	8,555,697	8,941,152	-	-	8,555,697	8,941,152
Franchise Fees	1,461,483	1,420,321	-	-	1,461,483	1,420,321
Real Property Transfer Tax	473,351	491,249	-	-	473,351	491,249
Transient Occupancy Tax	505,956	551,122	-	-	505,956	551,122
Motor Vehicle Taxes	4,931,720	4,603,565	-	-	4,931,720	4,603,565
Investment Earnings	7,541,296	6,608,333	4,535,029	3,825,940	12,076,325	10,434,273
Miscellaneous	783,295	641,871	-	-	783,295	641,871
<b>Total Revenues</b>	<b>101,194,533</b>	<b>96,395,881</b>	<b>66,988,354</b>	<b>61,050,188</b>	<b>168,182,887</b>	<b>157,446,069</b>
<b>Expenses:</b>						
General Government	12,657,560	17,523,683	-	-	12,657,560	17,523,683
Public Safety	25,906,048	20,061,724	-	-	25,906,048	20,061,724
Community Development	5,602,306	4,684,855	-	-	5,602,306	4,684,855
Engineering	3,242,751	2,997,431	-	-	3,242,751	2,997,431
Public Works	7,711,732	8,145,779	-	-	7,711,732	8,145,779
Parks and Recreation	13,753,725	14,901,976	-	-	13,753,725	14,901,976
Community Services	11,816,750	8,585,969	-	-	11,816,750	8,585,969
Interest on Long-Term Debt	2,668,343	6,066,532	-	-	2,668,343	6,066,532
Wastewater	-	-	11,152,196	10,314,363	11,152,196	10,314,363
Solid Waste	-	-	13,233,700	12,945,626	13,233,700	12,945,626
Water	-	-	22,950,431	23,019,680	22,950,431	23,019,680
City Rentals	-	-	213,595	275,207	213,595	275,207
Housing	-	-	813,376	683,927	813,376	683,927
<b>Total Expenses</b>	<b>83,359,215</b>	<b>82,967,949</b>	<b>48,363,298</b>	<b>47,238,803</b>	<b>131,722,513</b>	<b>130,206,752</b>
Transfers	(1,554,876)	(8,719,022)	1,554,876	8,719,022	-	-
Change in Net Position	16,280,442	4,708,910	20,179,932	22,530,407	36,460,374	27,239,317
Net Position 7/1	550,709,146	546,000,236	296,177,669	273,647,262	846,886,815	819,647,498
Net Position 6/30	<u>\$ 566,989,588</u>	<u>\$ 550,709,146</u>	<u>\$ 316,357,601</u>	<u>\$ 296,177,669</u>	<u>\$ 883,347,189</u>	<u>\$ 846,886,815</u>

**Governmental Activities**

The cost of all Governmental activities this year was \$83.4 million. Net expenses, as shown in the Statement of Activities and Changes in Net Position found on page 18, were \$22.3 million. A portion of the cost for these activities was paid either by those who directly benefited from the programs (\$15.7 million), by other governments and organizations that subsidized certain programs with operating grants and contributions (\$23.9 million), or capital grants and contributions (\$21.4 million). Overall, the City's governmental program revenues were \$61.0 million.

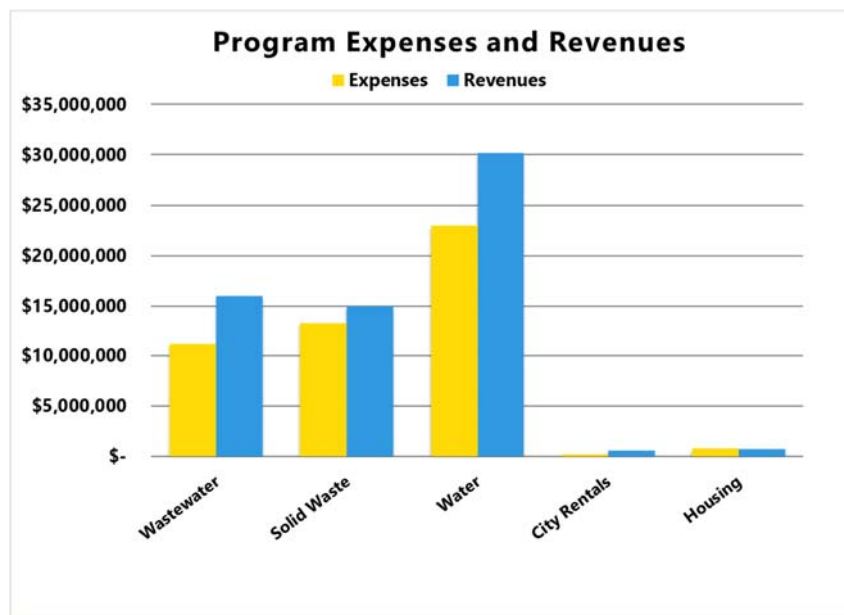
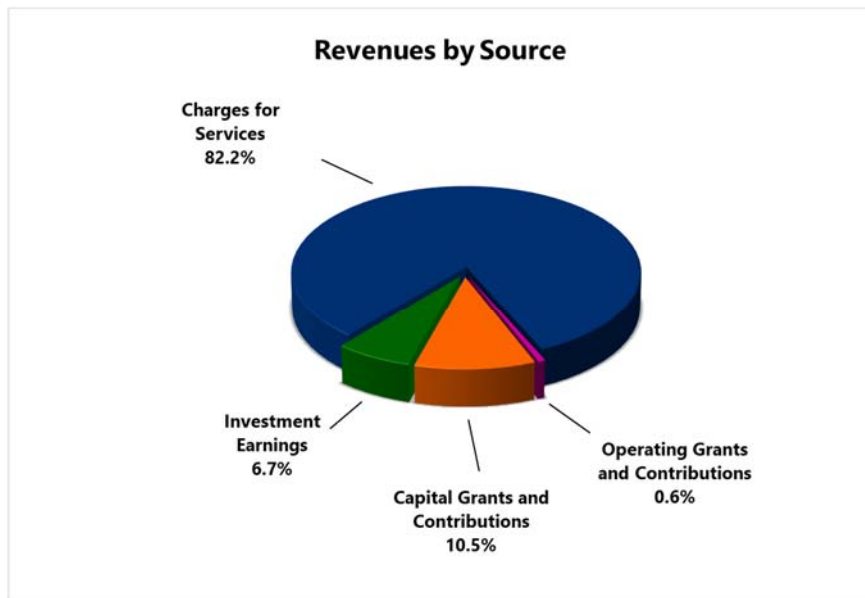
Total resources available during the year to finance governmental operations were \$650.3 million consisting of net position at July 1, 2019 of \$550.7 million, program revenues of \$61.0 million and general revenues and transfers of \$38.6 million. Total governmental activities expenses during the year were \$83.3 million, thus net position increased by \$16.3 million to \$567.0 million.



**Business-Type Activities**

The cost of all Business-Type activities this year was \$48.4 million. As shown in the Statement of Activities and Changes in Net Position, found on page 17, the amounts paid by users of the services were \$55.1 million. Capital grants and contributions totaled \$7.0 million, operating grants and contributions were \$0.4 million and investment earnings were \$4.5 million.

Total resources available during the year to finance Business-Type activities were \$364.8 million, consisting of net position at July 1, 2019 of \$296.2 million, charges for services of \$55.1 million, contributions of \$7.4 million and general revenues and net transfers of \$6.1 million. Total Business-Type activities during the year were \$48.4 million, thus net position increased by \$20.2 million to \$316.4 million.



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

At year-end the City's General Fund had a fund balance of \$30.6 million, an increase of \$0.7 million compared to the prior year. The increase in fund balance is after the effect of transfers to the Pension/OPEB Obligation fund of \$1.2 million, representing the unassigned General Fund balance in excess of the 30% of annual operating appropriations and transfers out set by Policy. Although the unprecedented COVID-19 pandemic brought about reductions in various revenues in the last quarter of the fiscal year, immediate and decisive actions taken by the City Council to prepare the City for the uncertain economic times ahead allowed for the small year-end surplus. These actions included postponement of Police Department service level increases and non-essential spending of the recently adopted Strategic Plan. In addition, the General Fund experienced savings from reduced Parks and Recreation programs and activities and from limiting expenditures to essential purchases.

The Other Grants Fund, which is reported as a Special Revenue Fund, had a decrease in fund balance of \$1.1 million. This decrease was due transfers out of State grant funds that were received in the prior year, for funding of a capital project for the Wastewater Enterprise.

The Measure J Fund, which is reported as a Special Revenue Fund, had an increase in fund balance of \$1.3 million. This increase was primarily due to return of Pavement Management Program (PMP) project funding. Due to the COVID-19 pandemic, the annual PMP could not take place and funding was returned.

The Landscape and Lighting Assessment Districts Fund, which is reported as a Special Revenue Fund, had a decrease in fund balance of \$1.1 million. This decrease was due to an increase in transfers from the Landscape and Lighting Assessment Districts (LLADs) into the Parks/LLAD Replacement fund to provide resources for future asset replacement costs.

The Roadway Improvements Fund, which is reported as a Capital Project Fund, had a decrease in fund balance of \$1.0 million. This decrease was primarily due to expenditures related to the John Muir Parkway Extension – Phase II project, partially offset by project funding transfers.

The Community Facilities Improvements Fund, which is reported as a Capital Project Fund, had a decrease in fund balance of \$1.3 million. This decrease was primarily due to expenditures related to the Citywide Video Management System and Archive, Library – New Construction and City Hall Automatic Transfer Switch projects, partially offset by project funding transfers.

The Capital Infrastructure Fund, which is reported as a Capital Project Fund, had an increase in fund balance of \$2.7 million. This increase was primarily due to a repayment from the East Contra Costa Regional Fee and Financing Authority (ECCRFFA) for funds previously loaned to the John Muir Parkway Extension – Phase II project.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

Comparing the FY 2019/20 original budget (adopted June 2018) General Fund expenditures and transfers out in the amount of \$61,783,320, to the final budget amount of \$64,596,681, there was an increase in budgeted expenditures and transfers out of \$2,813,361. The causes for these increases are summarized below.

During the fiscal year, the total revenues and transfers in for the General Fund were \$57,369,468. This was \$3,649,890 less than budgeted. The total expenditures and transfers out for the General Fund were \$56,639,602. This was \$7,957,079 less than budgeted.

Revenues were under budget due primarily to a transfer from the Pension/OPEB Obligation Fund of \$4.7 million that was not required. This transfer was budgeted to balance General Fund revenues with expenditures. The COVID-19 pandemic impacted activity-based revenues in the final quarter of the fiscal year, resulting in fees and other revenues \$0.4 million under budget. However, development-related revenue was slightly higher than expected in the fiscal year and 274 single-family residential building permits were issued while only 250 were budgeted, resulting in a \$0.5 million surplus in permit revenue during the year. In addition, investment income and fair market value adjustment came in \$1.0 million over the final budget.

On the expenditure side, due to the COVID-19 pandemic and resulting economic uncertainty, the City postponed an increase in staffing and service levels in the Police Department and delayed filling certain vacancies. In addition, due to County shelter-in-place orders, Parks and Recreation programs and activities were curtailed reducing part-time staffing costs from the cancellation of activities and facility rentals. In addition, the City limited expenditures to essential purchases in the final quarter of the year which contributed to expenditures being below budget.

Supplemental changes to the 2019/20 fiscal year General Fund budget were:

- Net increase of \$1,415,023 in personnel costs and \$191,242 in supplies and services due to the authorization of additional staff and changes in staff classifications and applicable one-time costs. This increase was offset by an associated reduction in contractual services and outside legal services of \$173,500
- Net increase of \$475,764 in Strategic Initiative budgets not expended in FY 2018/19 and transferred to the FY 2019/20 budget for continuing implementation of the 2018/19 – 2019/20 Strategic Plan
- Increase of \$125,000 for legal contractual services
- Increase of \$197,000 in Police Department: \$145,000 for costs of compliance with new federal regulations and increased equipment and services costs; \$52,000 for unexpended budget transferred from FY 2018/19 for required radio upgrades
- Increase of \$80,000 in Public Works for pavement management, contractual services and permitting fee increases
- Increase of \$156,500 in Parks and Recreation due to increased program participation
- Increase of \$103,100 in Landscape Operations for contractual services and other supply costs
- Increase of \$85,000 in Community Services contributions





**CAPITAL ASSETS AND LONG-TERM OBLIGATIONS**

**Capital Assets**

The capital assets of the City are used in the performance of the City's functions. At June 30, 2020, capital assets, net of accumulated amortization and depreciation, of the Governmental activities totaled \$507.6 million. Capital assets, net of accumulated amortization and depreciation, of the Business-Type activities totaled \$278.3 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	\$ 1,458,926	\$ 4,799,230
Land	35,122,624	-	35,122,624
Buildings	71,552,572	11,596,147	59,956,425
Infrastructure	484,172,976	120,455,083	363,717,893
Machinery and Equipment	10,335,653	5,752,413	4,583,240
Vehicles	15,910,192	8,981,017	6,929,175
Land Improvements	33,177,078	7,140,840	26,036,238
Work in Progress – CIP and Infrastructure	6,441,143	-	6,441,143
<b>Total Capital Assets – Governmental</b>	<b>\$ 662,970,394</b>	<b>\$ 155,384,426</b>	<b>\$ 507,585,968</b>
<b>Capital Assets – Business-Type:</b>			
Intangible Assets	\$ 18,950,632	\$ 4,698,656	\$ 14,251,976
Land	2,661,597	-	2,661,597
Buildings	30,570,833	8,234,096	22,336,737
Infrastructure	280,838,881	59,976,649	220,862,232
Machinery and Equipment	5,691,602	1,809,861	3,881,741
Land Improvements	11,046,659	3,356,216	7,690,443
Work in Progress – CIP and Infrastructure	6,575,730	-	6,575,730
<b>Total Capital Assets – Business-Type</b>	<b>\$ 356,335,934</b>	<b>\$ 78,075,478</b>	<b>\$ 278,260,456</b>

**Long-Term Obligations**

Debt, considered a liability of Governmental Activities, decreased during the fiscal year by \$13.6 million. \$9.4 million of the decrease was due to decreases in net pension and OPEB liabilities with the remaining decrease due to annual debt service payments on outstanding notes and bonds payable. Per capita debt outstanding decreased from \$2,239 to \$2,083 compared to the prior fiscal year. Debt, considered a liability of Business-Type Activities, decreased by \$5.6 million during the fiscal year. \$3.5 million of the decrease was due to a reduction in net pension and OPEB liabilities with the remaining decrease due to annual debt service payments on outstanding notes and bonds payable exceeded the increase in Notes Payable.

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



	<u>Balance</u> <u>June 30, 2019</u>	<u>Incurred or</u> <u>Issued</u>	<u>Satisfied or</u> <u>Matured</u>	<u>Balance</u> <u>June 30, 2020</u>
<b>Governmental Activities:</b>				
Bonds Payable	\$ 72,067,826	\$ 337,028 <sup>(1)</sup>	\$ 3,577,645	\$ 68,827,209
Notes Payable	10,711,406	-	1,460,783	9,250,623
Net OPEB Liability	27,294,684	-	2,925,426 <sup>(2)</sup>	24,369,258
Net Pension Liability	37,154,511	-	6,449,147 <sup>(2)</sup>	30,705,364
Accumulated Compensated Absences	1,648,223	2,050,677	1,622,768	2,076,132
<b>Total Governmental Activities</b>	<u>\$ 148,876,650</u>	<u>\$ 2,387,705</u>	<u>\$ 16,035,769</u>	<u>\$ 135,228,586</u>
<b>Business-Type Activities:</b>				
Bonds Payable	\$ 44,439,757	\$ -	\$ 1,942,093	\$ 42,497,664
Notes Payable and Other	15,294,551	1,885,641	2,123,749	15,056,443
Net OPEB Liability	10,652,620	-	1,062,044	9,590,576
Net Pension Liability	10,287,234	-	2,410,552	7,876,682
Accumulated Compensated Absences	519,239	681,167	604,246	596,160
<b>Total Business-Type Activities</b>	<u>\$ 81,193,401</u>	<u>\$ 2,566,808</u>	<u>\$ 8,142,684</u>	<u>\$ 75,617,525</u>

(1) Accreted Interest

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

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

The COVID-19 pandemic caused major impacts to the nation beginning in March of 2020. The FY 2020/21 Operating Budget was prepared with a conservative estimate of the potential economic impacts of the crisis, allowing the City to be prepared for difficult fiscal conditions, should they arise.

The key assumptions in the General Fund revenue budget forecast for FY 2020/21 are as follows:

- Estimated negative impacts on revenues from the COVID-19 pandemic of approximately \$4 million.
- Development activity was expected to slow from its current pace, with approximately 175 new residential building permits being issued, a reduction from 274 permits issued in FY 2019/20. Thus far development activity has not slowed during the pandemic.
- Property tax assessed valuations were projected increase by about 3.8%. The recently announced assessed valuation for FY 2020/21 was 2% higher than in the adopted budget due to stronger than expected housing value increases and development activity.
- A 7% decline in sales tax revenues was budgeted, however, more recent projections provided by the City's consultants anticipate a 3.5% reduction in sales tax for the fiscal year.
- Reductions in other activity-based revenue sources such as hotel tax, business license tax and Parks and Recreation program revenues were included in the FY 2020/21 budget.

Outside of FY 2020/21 fourth quarter declines due to the COVID-19 pandemic, in recent years the City has experienced increasing revenues as development activity has exceeded expectations. Healthy development along with continued increases in property values has resulted in growing property tax revenues. Due to the increase in development, the City's population increased 1.2% during calendar year 2019. Population increases are expected to be less than 1% per year over the next several years as development is expected to return to a more moderate pace.

To account for the economic impact on revenues of the COVID-19 pandemic, the following key budgetary expenditure postponements or deferrals were incorporated into the FY 2020/21 budget:

- Planned City Council Strategic Initiative service level increases were removed from the budget, including the annual and one-time costs for a Police Department 5th Beat and Parks and Recreation Master Plan programs and projects. The Strategic Plan was revised in July 2020 to reflect the deferral of these initiatives.
- Amounts paid to the County for additional library operation hours were suspended.
- Personnel costs were reduced by postponing filling existing vacancies.
- Labor agreements with the City's bargaining groups expired at the end of FY 2019/20. Negotiations were temporarily paused and the personnel budgets were prepared using the terms of the expired agreements.

In addition, the following key budgetary expenditure factors were included in the budget:

- Continuation of the City's pre-funding strategy for OPEB, in which the City is funding 85% of the actuarial determined contribution (ADC) annually.
- Expenditures were budgeted to achieve the objectives remaining initiatives in the City's 2020/21 – 2021/22 Strategic Plan.
- The budget maintains the required General Fund reserve of 30% of operating expenditures and transfers.

In the long-term, expenditures are expected to increase for personnel-related costs. The City's Ten-Year General Fund Fiscal Model shows increases in required funding for pension and retiree medical costs. The City has taken several measures to help mitigate future personnel cost increases, including multiple tier levels for pension and retiree medical benefits, a pension pay down policy and a policy to fund 85% of the ADC for OPEB.

With the population growth in recent years, there will be increasing pressure on demands for service. Prior to the pandemic, the City addressed the need for increased service levels by adding nineteen new positions to the General Fund in the last three fiscal years. These new positions include five Police Officer positions for a new Police Department 5<sup>th</sup> Beat. As discussed above, the Police Department 5<sup>th</sup> Beat Strategic Initiative has been postponed.

Although the long-term impacts of the COVID-19 crisis remain unknown, conservative negative impacts have been included in both the 2020/21 Operating Budget and the Ten-Year General Fund Fiscal Model. The City will continue to update the Ten-Year General Fund Fiscal Model as more data is obtained about the impacts of the COVID-19 crisis on the City's revenue and expenditures and report the results on a regular basis to the City Council.

The City is in position to successfully meet future fiscal challenges as a result of strong fiscal policy and leadership by the City Council who have made fiscal sustainability a priority.

### **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).



## Statement of Net Position

June 30, 2020

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current Assets:			
Cash and Investments	\$ 162,280,378	\$ 100,133,396	\$ 262,413,774
Restricted Cash and Investments	4,888,814	538,461	5,427,275
Receivables, Net of Allowance for Doubtful Accounts	1,989,935	7,696,521	9,686,456
Inventories	99,295	-	99,295
Prepays	628,503	43,610	672,113
Land Held for Resale	1,040,359	-	1,040,359
Total Current Assets	<u>170,927,284</u>	<u>108,411,988</u>	<u>279,339,272</u>
Non-Current Assets:			
Long-Term Notes and Loans Receivable	22,850,789	682,010	23,532,799
Capital Assets:			
Land and Work In Progress	41,563,767	9,237,327	50,801,094
Depreciable, Net of Accumulated Depreciation and Amortization	466,022,201	269,023,129	735,045,330
Total Non-Current Assets	<u>530,436,757</u>	<u>278,942,466</u>	<u>809,379,223</u>
<b>Total Assets</b>	<u>701,364,041</u>	<u>387,354,454</u>	<u>1,088,718,495</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount on Refunding Related to OPEB	-	6,368,299	6,368,299
Related to OPEB	3,134,963	1,086,037	4,221,000
Related to Pensions	13,146,533	2,625,454	15,771,987
<b>Total Deferred Outflows of Resources</b>	<u>16,281,496</u>	<u>10,079,790</u>	<u>26,361,286</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	4,400,351	3,257,629	7,657,980
Unearned Revenue	265,999	-	265,999
Deposits Held	3,666,402	113,967	3,780,369
Long-Term Liabilities Due Within One Year	6,209,598	4,294,781	10,504,379
Total Current Liabilities	<u>14,542,350</u>	<u>7,666,377</u>	<u>22,208,727</u>
Non-Current Liabilities Due in More Than One Year:			
Bonds Payable	65,412,209	40,722,664	106,134,873
Notes Payable and Other	7,701,704	12,894,358	20,596,062
Net OPEB Liability	24,369,258	9,590,576	33,959,834
Net Pension Liability	30,705,364	7,876,682	38,582,046
Compensated Absences Payable	830,453	238,464	1,068,917
Total Non-Current Liabilities	<u>129,018,988</u>	<u>71,322,744</u>	<u>200,341,732</u>
<b>Total Liabilities</b>	<u>143,561,338</u>	<u>78,989,121</u>	<u>222,550,459</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to OPEB	2,766,307	957,759	3,724,066
Related to Pensions	4,328,304	1,129,763	5,458,067
<b>Total Deferred Inflows of Resources</b>	<u>7,094,611</u>	<u>2,087,522</u>	<u>9,182,133</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets and Capacity Rights	438,758,759	227,074,648	665,833,407
Restricted for:			
Nonexpendable - Riparian Site Mitigation Endowment	80,000	-	80,000
Expendable:			
Capital Projects	30,123,521	14,162,888	44,286,409
Debt Service	24,439,556	-	24,439,556
Housing	1,056,275	6,942,203	7,998,478
Streets and Roadways	10,380,143	-	10,380,143
Landscape and Lighting Assessment Districts	6,758,014	-	6,758,014
Agricultural/Farmland Mitigation	2,794,051	-	2,794,051
Public Art	3,252,027	-	3,252,027
Development Impact Fee Program	8,675,840	13,769,946	22,445,786
Other Restricted Purposes	2,509,142	18,163	2,527,305
Unrestricted	38,162,260	54,389,753	92,552,013
<b>Total Net Position</b>	<u>\$ 566,989,588</u>	<u>\$ 316,357,601</u>	<u>\$ 883,347,189</u>

City of Brentwood

Statement of Activities and Changes in Net Position

For Year Ended June 30, 2020

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	\$ 12,657,560	\$ 9,018,596	\$ 3,267,996	\$ 6,827,538	\$ 19,114,130	\$ 6,456,570	\$ -	\$ 6,456,570
Public Safety	25,906,048	527,323	3,380,147	194,318	4,101,788	(21,804,260)	-	(21,804,260)
Community Development	5,602,306	3,312,581	-	20,165	3,332,746	(2,269,560)	-	(2,269,560)
Engineering	3,242,751	1,675,369	-	-	1,675,369	(1,567,382)	-	(1,567,382)
Public Works	7,711,732	-	5,047,107	12,102,889	17,149,996	9,438,264	-	9,438,264
Parks and Recreation	13,753,725	1,203,975	2,635,514	2,240,253	6,079,742	(7,673,983)	-	(7,673,983)
Community Services	11,816,750	-	9,576,446	-	9,576,446	(2,240,304)	-	(2,240,304)
Interest on Long-Term Debt	2,668,343	-	-	-	-	(2,668,343)	-	(2,668,343)
<b>Total Governmental Activities</b>	<b>83,359,215</b>	<b>15,737,844</b>	<b>23,907,210</b>	<b>21,385,163</b>	<b>61,030,217</b>	<b>(22,328,998)</b>	<b>-</b>	<b>(22,328,998)</b>
<b>Business-Type Activities</b>								
Wastewater	11,152,196	13,450,041	-	2,557,869	16,007,910	-	4,855,714	4,855,714
Solid Waste	13,233,700	14,975,341	-	-	14,975,341	-	1,741,641	1,741,641
Water	22,950,431	25,719,969	-	4,448,855	30,168,824	-	7,218,393	7,218,393
City Rentals	213,595	562,648	-	-	562,648	-	349,053	349,053
Housing	813,376	330,951	407,651	-	738,602	-	(74,774)	(74,774)
<b>Total Business-Type Activities</b>	<b>48,363,298</b>	<b>55,038,950</b>	<b>407,651</b>	<b>7,006,724</b>	<b>62,453,325</b>	<b>-</b>	<b>14,090,027</b>	<b>14,090,027</b>
<b>Total Primary Government</b>	<b>\$ 131,722,513</b>	<b>\$ 70,776,794</b>	<b>\$ 24,314,861</b>	<b>\$ 28,391,887</b>	<b>\$ 123,483,542</b>	<b>\$ (22,328,998)</b>	<b>\$ 14,090,027</b>	<b>\$ (8,238,971)</b>
General Revenues:								
Taxes:								
Property Taxes						\$ 15,911,518	\$ -	\$ 15,911,518
Sales Tax						8,555,697	-	8,555,697
Franchise Fees						1,461,483	-	1,461,483
Real Property Transfer Tax						473,351	-	473,351
Transient Occupancy Tax						505,956	-	505,956
Motor Vehicle Taxes, In-Lieu, Unrestricted						4,931,720	-	4,931,720
Investment Earnings						7,541,296	4,535,029	12,076,325
Miscellaneous						783,295	-	783,295
Transfers						(1,554,876)	1,554,876	-
<b>Total General Revenues and Transfers</b>						<b>38,609,440</b>	<b>6,089,905</b>	<b>44,699,345</b>
<b>Change in Net Position</b>						<b>16,280,442</b>	<b>20,179,932</b>	<b>36,460,374</b>
<b>Net Position - Beginning of Year</b>						<b>550,709,146</b>	<b>296,177,669</b>	<b>846,886,815</b>
<b>Net Position - End of Year</b>						<b>\$ 566,989,588</b>	<b>\$ 316,357,601</b>	<b>\$ 883,347,189</b>

**City of Brentwood**

**Balance Sheet**

**Governmental Funds**

June 30, 2020

	<u>Special Revenue Fund</u>			
	<u>General Fund</u>	<u>Landscape and Lighting Assessment Districts</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Current Assets:				
Cash and Investments	\$ 35,573,385	\$ 7,476,817	\$ 57,858,466	\$ 100,908,668
Restricted Cash and Investments	-	-	4,888,814	4,888,814
Receivables	1,258,215	5,299	23,767,206	25,030,720
Prepays	89,806	-	1,680	91,486
Due from Other Funds	-	-	434,208	434,208
Land Held for Resale	-	-	1,040,359	1,040,359
<b>Total Assets</b>	<b>\$ 36,921,406</b>	<b>\$ 7,482,116</b>	<b>\$ 87,990,733</b>	<b>\$ 132,394,255</b>
<b>LIABILITIES</b>				
Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 2,073,820	\$ 724,102	\$ 1,307,792	\$ 4,105,714
Due to Other Funds	-	-	1,219,033	1,219,033
Unearned Revenue	265,999	-	-	265,999
Deposits Held	3,665,963	-	439	3,666,402
<b>Total Liabilities</b>	<b>6,005,782</b>	<b>724,102</b>	<b>2,527,264</b>	<b>9,257,148</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue:				
Accounts Receivable	325,878	-	-	325,878
<b>Total Deferred Inflows of Resources</b>	<b>325,878</b>	<b>-</b>	<b>-</b>	<b>325,878</b>
<b>FUND BALANCES</b>				
Nonspendable	89,806	-	81,680	171,486
Restricted	95,930	6,758,014	83,111,715	89,965,659
Committed	11,605,158	-	2,772,858	14,378,016
Unassigned	18,798,852	-	(502,784)	18,296,068
<b>Total Fund Balances</b>	<b>30,589,746</b>	<b>6,758,014</b>	<b>85,463,469</b>	<b>122,811,229</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 36,921,406</b>	<b>\$ 7,482,116</b>	<b>\$ 87,990,733</b>	<b>\$ 132,394,255</b>

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

*June 30, 2020*

**Total Fund Balances - Total Governmental Funds** \$ 122,811,229

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. 500,460,151

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. 64,405,326

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. (5,719,950)

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 (63,107,259)

Notes Payable (9,250,623)

Net OPEB Liabilities (21,373,101)

Deferred Outflows of Resources Related to OPEB 2,797,020

Deferred Inflows of Resources Related to OPEB (2,466,973)

Net Pension Liabilities (27,992,975)

Deferred Outflows of Resources Related to Pensions 12,257,473

Deferred Inflows of Resources Related to Pensions (3,939,262)

Compensated Absences (1,848,001)

Accrued Liabilities (43,467)

**Total Net Position of Governmental Activities** **\$ 566,989,588**



**City of Brentwood**

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

**Governmental Funds**

**For Year Ended June 30, 2020**

	<u>Special Revenue Fund</u>			
	<u>General Fund</u>	<u>Landscape and Lighting Assessment Districts</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Taxes	\$ 25,069,347	\$ -	\$ 6,937,430	\$ 32,006,777
Licenses	682,764	-	170,691	853,455
Permits and Fines	5,407,548	-	-	5,407,548
Uses of Money and Property	1,872,997	327,914	2,874,188	5,075,099
Intergovernmental	5,003,654	-	7,402,832	12,406,486
Franchises	1,461,483	-	-	1,461,483
Charges for Other Services	280,403	-	1,063	281,466
Charges to Other Funds	7,780,455	-	-	7,780,455
Fees and Other Revenues	1,606,963	9,576,446	13,369,179	24,552,588
<b>Total Revenues</b>	<b>49,165,614</b>	<b>9,904,360</b>	<b>30,755,383</b>	<b>89,825,357</b>
<b>EXPENDITURES</b>				
Current:				
General Government	7,301,410	-	2,348,470	9,649,880
Public Safety	24,358,968	-	163,743	24,522,711
Community Development	5,514,184	-	282,082	5,796,266
Engineering	3,417,308	-	-	3,417,308
Public Works	3,721,300	-	-	3,721,300
Parks and Recreation	6,620,407	-	4,661,114	11,281,521
Community Services	939,585	10,962,159	32,777	11,934,521
Capital Outlay	21,894	-	7,689,678	7,711,572
Debt Service:				
Principal	1,460,783	-	3,265,000	4,725,783
Interest and Fiscal Charges	-	-	2,643,960	2,643,960
<b>Total Expenditures</b>	<b>53,355,839</b>	<b>10,962,159</b>	<b>21,086,824</b>	<b>85,404,822</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(4,190,225)</b>	<b>(1,057,799)</b>	<b>9,668,559</b>	<b>4,420,535</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	8,203,854	1,515	16,529,473	24,734,842
Transfers Out	(3,283,763)	-	(24,320,782)	(27,604,545)
<b>Total Other Financing Sources (Uses)</b>	<b>4,920,091</b>	<b>1,515</b>	<b>(7,791,309)</b>	<b>(2,869,703)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>729,866</b>	<b>(1,056,284)</b>	<b>1,877,250</b>	<b>1,550,832</b>
<b>Fund Balance, Beginning of Year</b>	<b>29,859,880</b>	<b>7,814,298</b>	<b>83,586,219</b>	<b>121,260,397</b>
<b>Fund Balance, End of Year</b>	<b>\$ 30,589,746</b>	<b>\$ 6,758,014</b>	<b>\$ 85,463,469</b>	<b>\$ 122,811,229</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, 2020

<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$ 1,550,832
Amounts reported for governmental activities in the Statement of Activities and Changes in Net Position are different because:	
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.	7,711,572
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.	(9,827,372)
The net effect of various miscellaneous transactions involving Capital Assets (e.g. sales, trade-ins and contributions) is to increase net position.	8,484,538
To record the net change in compensated absences in the Statement of Activities and Changes in Net Position.	(404,932)
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.	
This amount represents long-term debt principal repayments	4,725,783
This amount represents the decrease in accrued liabilities	11,302
This amount represents the decrease in Net OPEB Liability	2,586,436
This amount represents the increase in Deferred Outflows related to OPEB	111,926
This amount represents the increase in Deferred Inflows related to OPEB	(2,340,873)
This amount represents the decrease in Net Pension Liability	5,619,057
This amount represents the decrease in Deferred Outflows related to Pensions	(9,715,496)
This amount represents the increase in Deferred Inflows related to Pensions	(1,314,319)
This amount represents accreted interest	(337,028)
This amount represents amortized bond premiums	312,645
Internal Service Funds are used by management to charge the costs of certain activities, such as data processing and fleet management, to individual funds. The net revenue of the Internal Service Funds is reported with Governmental Activities.	<u>9,106,371</u>
<b>Change in Net Position of Governmental Activities</b>	<u><u>\$ 16,280,442</u></u>

City of Brentwood

Statement of Net Position

Proprietary Funds

June 30, 2020

	Business-Type Activities - Enterprise Funds					Totals	Governmental
	Wastewater	Solid Waste	Water	City Rentals	Housing		Activities - Internal Service Funds
<b>ASSETS</b>							
Current Assets:							
Cash and Investments	\$ 48,806,293	\$ 9,329,683	\$ 34,167,858	\$ 239,412	\$ 7,590,150	\$ 100,133,396	\$ 61,371,710
Restricted Cash and Investments	538,461	-	-	-	-	538,461	-
Receivables	2,184,825	1,980,072	3,392,193	98,708	40,723	7,696,521	135,882
Inventories	-	-	-	-	-	-	99,295
Prepays	9,832	11,005	11,375	10,950	448	43,610	537,017
Due from Other Funds	-	-	-	-	-	-	784,825
Total Current Assets	51,539,411	11,320,760	37,571,426	349,070	7,631,321	108,411,988	62,928,729
Non-Current Assets:							
Long-Term Notes Receivable	-	-	-	-	682,010	682,010	-
Capital Assets:							
Land and Work In Progress	6,261,820	254,420	852,091	-	1,868,996	9,237,327	-
Depreciable	118,095,372	14,958,055	211,693,509	-	2,351,671	347,098,607	18,711,421
Less: Accumulated Depreciation and Amortization	(26,808,134)	(2,265,280)	(48,493,697)	-	(508,367)	(78,075,478)	(11,585,604)
Total Capital Assets, Net of Accumulated Depreciation and Amortization	97,549,058	12,947,195	164,051,903	-	3,712,300	278,260,456	7,125,817
Total Non-Current Assets	97,549,058	12,947,195	164,051,903	-	4,394,310	278,942,466	7,125,817
<b>Total Assets</b>	<b>149,088,469</b>	<b>24,267,955</b>	<b>201,623,329</b>	<b>349,070</b>	<b>12,025,631</b>	<b>387,354,454</b>	<b>70,054,546</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred Amount on Refunding	-	-	6,368,299	-	-	6,368,299	-
Related to OPEB	315,361	376,935	373,391	-	20,350	1,086,037	337,943
Related to Pensions	745,207	872,889	931,929	-	75,429	2,625,454	889,060
<b>Total Deferred Outflows of Resources</b>	<b>1,060,568</b>	<b>1,249,824</b>	<b>7,673,619</b>	<b>-</b>	<b>95,779</b>	<b>10,079,790</b>	<b>1,227,003</b>
<b>LIABILITIES</b>							
Current Liabilities:							
Accounts Payable and Accrued Liabilities	1,058,515	630,797	1,553,987	3,498	10,832	3,257,629	251,170
Deposits Held	-	18,163	60,000	-	35,804	113,967	-
Long-Term Debt Due Within One Year	2,162,085	-	1,775,000	-	-	3,937,085	-
Compensated Absences Payable	97,767	120,493	123,937	-	15,499	357,696	136,879
Total Current Liabilities	3,318,367	769,453	3,512,924	3,498	62,135	7,666,377	388,049
Non-Current Liabilities Due in More Than One Year:							
Bonds Payable	-	-	40,722,664	-	-	40,722,664	-
Notes Payable and Other	12,894,358	-	-	-	-	12,894,358	-
Net OPEB Liability	2,502,602	3,373,884	3,465,212	-	248,878	9,590,576	2,996,157
Net Pension Liability	2,169,911	2,643,086	2,831,877	-	231,808	7,876,682	2,712,389
Compensated Absences Payable	65,177	80,329	82,625	-	10,333	238,464	91,252
Total Non-Current Liabilities	17,632,048	6,097,299	47,102,378	-	491,019	71,322,744	5,799,798
<b>Total Liabilities</b>	<b>20,950,415</b>	<b>6,866,752</b>	<b>50,615,302</b>	<b>3,498</b>	<b>553,154</b>	<b>78,989,121</b>	<b>6,187,847</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Related to OPEB	277,007	332,712	329,831	-	18,209	957,759	299,334
Related to Pensions	311,233	379,101	406,180	-	33,249	1,129,763	389,042
<b>Total Deferred Inflows of Resources</b>	<b>588,240</b>	<b>711,813</b>	<b>736,011</b>	<b>-</b>	<b>51,458</b>	<b>2,087,522</b>	<b>688,376</b>
<b>NET POSITION</b>							
Net Investment in Capital Assets and Capacity Rights	82,492,615	12,947,195	127,922,538	-	3,712,300	227,074,648	7,125,817
Restricted for:							
Capital Projects	382,184	-	13,780,704	-	-	14,162,888	-
Special Projects and Programs	13,769,946	18,163	-	-	6,942,203	20,730,312	-
Unrestricted	31,965,637	4,973,856	16,242,393	345,572	862,295	54,389,753	57,279,509
<b>Total Net Position</b>	<b>\$ 128,610,382</b>	<b>\$ 17,939,214</b>	<b>\$ 157,945,635</b>	<b>\$ 345,572</b>	<b>\$ 11,516,798</b>	<b>\$ 316,357,601</b>	<b>\$ 64,405,326</b>

**City of Brentwood**

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

**Proprietary Funds**

**For Year Ended June 30, 2020**

	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	\$ 13,359,991	\$ 14,685,332	\$ 25,616,512	\$ 562,648	\$ 330,951	\$ 54,555,434	\$ 21,328,000
Other Income	90,050	290,009	103,457	-	-	483,516	164,011
<b>Total Operating Revenues</b>	<b>13,450,041</b>	<b>14,975,341</b>	<b>25,719,969</b>	<b>562,648</b>	<b>330,951</b>	<b>55,038,950</b>	<b>21,492,011</b>
<b>Operating Expenses:</b>							
Personnel Services	3,937,962	4,666,627	4,826,855	-	390,529	13,821,973	9,542,672
Repairs and Maintenance	285,139	1,336,480	576,885	51,763	103,612	2,353,879	523,051
Materials, Supplies and Services	5,085,425	7,010,460	12,186,800	161,832	272,202	24,716,719	4,764,875
Depreciation and Amortization	1,704,759	220,133	3,536,291	-	47,033	5,508,216	1,633,072
<b>Total Operating Expenses</b>	<b>11,013,285</b>	<b>13,233,700</b>	<b>21,126,831</b>	<b>213,595</b>	<b>813,376</b>	<b>46,400,787</b>	<b>16,463,670</b>
<b>Operating Income (Loss)</b>	<b>2,436,756</b>	<b>1,741,641</b>	<b>4,593,138</b>	<b>349,053</b>	<b>(482,425)</b>	<b>8,638,163</b>	<b>5,028,341</b>
<b>Non-Operating Revenues (Expenses):</b>							
Interest Income	2,149,102	385,814	1,613,689	7,741	378,683	4,535,029	2,777,532
Developer Fees and Credits	-	-	-	-	407,651	407,651	-
Interest Expense	(138,911)	-	(1,823,600)	-	-	(1,962,511)	-
Gain or (Loss) on Disposal of Capital Assets	-	-	-	-	-	-	153,345
<b>Total Non-Operating Revenues (Expenses)</b>	<b>2,010,191</b>	<b>385,814</b>	<b>(209,911)</b>	<b>7,741</b>	<b>786,334</b>	<b>2,980,169</b>	<b>2,930,877</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>4,446,947</b>	<b>2,127,455</b>	<b>4,383,227</b>	<b>356,794</b>	<b>303,909</b>	<b>11,618,332</b>	<b>7,959,218</b>
Contributions - Impact Fees and Credits	1,473,559	-	1,671,205	-	-	3,144,764	-
Capital Asset Contributions	1,084,310	-	2,777,650	-	-	3,861,960	-
Capital Assets Contributed from (to) Governmental Activities	10,506	10,506	28,016	-	-	49,028	(216,702)
Transfers In	3,422,624	4,858	2,078,145	-	-	5,505,627	2,551,145
Transfers Out	(2,354,337)	(89,091)	(1,253,606)	(302,745)	-	(3,999,779)	(1,187,290)
<b>Change in Net Position</b>	<b>8,083,609</b>	<b>2,053,728</b>	<b>9,684,637</b>	<b>54,049</b>	<b>303,909</b>	<b>20,179,932</b>	<b>9,106,371</b>
<b>Net Position, Beginning of Year</b>	<b>120,526,773</b>	<b>15,885,486</b>	<b>148,260,998</b>	<b>291,523</b>	<b>11,212,889</b>	<b>296,177,669</b>	<b>55,298,955</b>
<b>Net Position, End of Year</b>	<b>\$ 128,610,382</b>	<b>\$ 17,939,214</b>	<b>\$ 157,945,635</b>	<b>\$ 345,572</b>	<b>\$ 11,516,798</b>	<b>\$ 316,357,601</b>	<b>\$ 64,405,326</b>

City of Brentwood

Statement of Cash Flows

Proprietary Funds  
For Year Ended June 30, 2020

	Business-Type Activities - Enterprise Funds					Totals	Governmental
	Wastewater	Solid Waste	Water	City Rentals	Housing		Activities - Internal Service Funds
<b>Cash Flows from Operating Activities</b>							
Cash Received from Customers/Other Funds	\$ 16,460,075	\$ 14,689,152	\$ 25,076,104	\$ 564,023	\$ 352,730	\$ 57,142,084	\$ 21,111,272
Cash Payments to Suppliers of Goods and Services	(5,129,398)	(5,681,257)	(11,131,241)	(203,712)	(323,946)	(22,469,554)	(4,776,339)
Cash Payments to Employees for Services	(3,696,950)	(4,416,072)	(4,490,377)	-	(337,318)	(12,940,717)	(9,207,091)
Cash Payments for Interfund Services	(801,734)	(2,405,866)	(892,006)	(11,267)	(48,433)	(4,159,306)	(615,837)
Other Receipts	90,050	290,009	103,457	-	-	483,516	165,977
<b>Net Cash Provided By (Used for) Operating Activities</b>	<b>6,922,043</b>	<b>2,475,966</b>	<b>8,665,937</b>	<b>349,044</b>	<b>(356,967)</b>	<b>18,056,023</b>	<b>6,677,982</b>
<b>Cash Flows from Non-Capital Financing Activities</b>							
Transfers Received	3,402,242	4,858	2,078,145	-	-	5,485,245	2,551,145
Transfers Paid	(2,354,337)	(89,091)	(1,233,224)	(302,745)	-	(3,979,397)	(1,187,290)
Developer Fees and Credits	-	-	-	-	407,651	407,651	-
<b>Net Cash Provided By (Used for) Non-Capital Financing Activities</b>	<b>1,047,905</b>	<b>(84,233)</b>	<b>844,921</b>	<b>(302,745)</b>	<b>407,651</b>	<b>1,913,499</b>	<b>1,363,855</b>
<b>Cash Flows from Capital and Related Financing Activities</b>							
Proceeds from Notes Payable	1,885,641	-	-	-	-	1,885,641	-
Contributions - Impact Fees and Credits	1,473,559	-	1,671,205	-	-	3,144,764	-
Interest Paid on Debt	(138,911)	-	(1,823,600)	-	-	(1,962,511)	-
Principal Paid on Debt	(2,123,750)	-	(1,690,000)	-	-	(3,813,750)	-
Capital Assets Contributed to Governmental Funds	-	-	-	-	-	-	(216,702)
Proceeds from Sale of Capital Assets	-	-	-	-	-	-	203,393
Acquisition and Construction of Capital Assets	(3,877,927)	-	(1,120,733)	-	-	(4,998,660)	(2,389,483)
<b>Net Cash Provided By (Used for) Capital and Related Financing Activities</b>	<b>(2,781,388)</b>	<b>-</b>	<b>(2,963,128)</b>	<b>-</b>	<b>-</b>	<b>(5,744,516)</b>	<b>(2,402,792)</b>
<b>Cash Flows from Investing Activities</b>							
Interest on Investments	2,164,763	386,733	1,619,073	7,835	380,953	4,559,357	2,790,069
<b>Net Cash Provided By Investing Activities</b>	<b>2,164,763</b>	<b>386,733</b>	<b>1,619,073</b>	<b>7,835</b>	<b>380,953</b>	<b>4,559,357</b>	<b>2,790,069</b>
Net Increase (Decrease) in Cash and Cash Equivalents	7,353,323	2,778,466	8,166,803	54,134	431,637	18,784,363	8,429,114
Cash and Cash Equivalents - Beginning of Year	41,991,431	6,551,217	26,001,055	185,278	7,158,513	81,887,494	52,942,596
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 49,344,754</b>	<b>\$ 9,329,683</b>	<b>\$ 34,167,858</b>	<b>\$ 239,412</b>	<b>\$ 7,590,150</b>	<b>\$ 100,671,857</b>	<b>\$ 61,371,710</b>
<b>Reconciliation of Operating Income to Net Cash Provided By (Used for) Operating Activities:</b>							
Operating Income (Loss)	\$ 2,436,756	\$ 1,741,641	\$ 4,593,138	\$ 349,053	\$ (482,425)	\$ 8,638,163	\$ 5,028,341
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used for) Operating Activities:							
Depreciation and Amortization	1,704,759	220,133	3,536,291	-	47,033	5,508,216	1,633,072
Change in Assets, Liabilities and Deferred Outflows/Inflows of Resources:							
Receivables	3,081,252	(16,628)	(575,269)	7,219	21,779	2,518,353	(68,974)
Prepaid Items	20,099	21,486	35,955	(5,844)	67	71,763	(144,251)
Accounts Payable and Other Payables	(560,568)	259,117	760,438	(1,384)	3,435	461,038	(104,250)
Net OPEB Liability and Deferred Outflows/Inflows of Resources related to OPEB	(40,307)	(48,175)	(47,723)	-	(2,601)	(138,806)	(43,193)
Net Pension Liability and Deferred Outflows/Inflows of Resources related to Pensions	248,576	281,787	364,209	-	45,104	939,676	354,261
Compensated Absences Payable	31,476	15,905	18,898	-	10,641	76,920	22,976
Deposits	-	700	(20,000)	-	-	(19,300)	-
<b>Net Cash Provided By (Used for) Operating Activities</b>	<b>\$ 6,922,043</b>	<b>\$ 2,475,966</b>	<b>\$ 8,665,937</b>	<b>\$ 349,044</b>	<b>\$ (356,967)</b>	<b>\$ 18,056,023</b>	<b>\$ 6,677,982</b>
<b>Noncash Capital Activities:</b>							
Capital Asset Contributions	\$ 1,084,310	\$ -	\$ 2,777,650	\$ -	\$ -	\$ 3,861,960	\$ -
Capital Asset Contributions from Governmental Activities	10,506	10,506	28,016	-	-	49,028	-
Assets Received (Contributed) from (to) Other Funds	20,382	-	(20,382)	-	-	-	-

**City of Brentwood**

**Statement of Fiduciary Net Position**  
**Agency Funds and Private Purpose Trust Fund**  
**June 30, 2020**

	<b>Agency Funds</b>	<b>Private-Purpose Trust Fund - Successor Agency</b>
<b>ASSETS</b>		
Current Assets:		
Cash and Investments	\$ 12,775,876	\$ 2,177,712
Restricted Cash and Investments	3,619,363	-
Interest Receivable	6,761	3,713
Total Current Assets	16,402,000	2,181,425
Non-Current Assets:		
Nondepreciable Capital Assets	-	1,327,129
Total Non-Current Assets	-	1,327,129
<b>Total Assets</b>	16,402,000	3,508,554
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	2,203,026	-
Due to City of Brentwood	40,968	-
Long-Term Liabilities Due Within One Year	-	1,097,895
Total Current Liabilities	2,243,994	1,097,895
Non-Current Liabilities Due in More Than One Year:		
Due to Bondholders	14,158,006	-
Long-Term Liabilities	-	21,752,894
Total Non-Current Liabilities	14,158,006	21,752,894
<b>Total Liabilities</b>	\$ 16,402,000	22,850,789
<b>NET POSITION (DEFICIT)</b>		
Held in Trust for Other Governments		(19,342,235)
<b>Total Net Position (Deficit)</b>		\$ (19,342,235)

City of Brentwood

**Statement of Changes in Fiduciary Net Position**

**Private-Purpose Trust Fund**

**For Year Ended June 30, 2020**

	<u>Private-Purpose Trust Fund - Successor Agency</u>
<b>ADDITIONS</b>	
Property Taxes	\$ 2,638,237
Investment Earnings	28,477
Other	86,753
<b>Total Additions</b>	<u>2,753,467</u>
<b>DEDUCTIONS</b>	
Administrative Expenses	250,000
Interest and Fiscal Agent Expenses	1,434,540
<b>Total Deductions</b>	<u>1,684,540</u>
<b>Change in Net Position</b>	1,068,927
<b>NET POSITION (DEFICIT) HELD IN TRUST</b>	
Net Position (Deficit) - Beginning of Year	(20,411,162)
Net Position (Deficit) - End of Year	<u>\$ (19,342,235)</u>

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

**A. DESCRIPTION OF THE REPORTING ENTITY**

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

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

**Brentwood Infrastructure Financing Authority**

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

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

The Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. The Statement of Activities and Changes in Net Position demonstrates the degree to which direct and indirect expenses, for a given function or segment, are offset by program revenues. Direct expenses are clearly identifiable with a specific function or segment. Indirect expenses are expenses which are allocated based on the City's annual Cost Allocation Plan and Schedule of City Fees. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, 2) operating grants and contributions, including special assessments and 3) capital grants and contributions. Taxes and other items not included among program revenue are reported as general revenues.

Summaries of governmental activities, which are supported by taxes and inter-governmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges. Fiduciary activities of the City are not included in these statements.

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

Separate financial statements are provided for Governmental Funds, Proprietary Funds and Fiduciary Funds even though the latter are excluded from the Government-Wide Financial Statements. Major individual Governmental Funds and major individual Enterprise Funds are reported as separate columns in the Fund Financial Statements section.

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 susceptible to accrual. Only the portion of the special assessments receivable due within the current fiscal period is considered susceptible to accrual as revenue of the current period. All other revenue items are considered 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 that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses. Proprietary Fund types include Enterprise Funds and Internal Service Funds.

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

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 2019/20, the General Fund and Landscape and Lighting Assessment Districts (LLAD), a Special Revenue fund, are major governmental funds. 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, 2107.5 and 2032. The allocations must be spent for street maintenance, construction and a limited amount for engineering.
- Disability Access and Education – This fund accounts for the monies received due to Senate Bill 1186 (SB1186), which requires cities to collect a \$4 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. This fund was closed in FY 2019/20.

**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.
- Asset Forfeiture – This fund accounts for property or funds seized by the Police Department. After a case has been tried, and a guilty verdict is returned, the funds are considered forfeited. Federal funds must be used for narcotic enforcement and crime suppression. State funds must be used for areas related to drug prevention.
- Abandoned Vehicle Abatement – This fund accounts for monies, which can only be used for the abatement, removal and disposal, as public nuisances, of any abandoned, wrecked, dismantled or inoperative vehicles, or parts thereof, from private or public property.

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

- PEG Media – This fund accounts for public, educational and governmental access fees collected from cable operators established per the Municipal Code and franchise agreements.
- 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 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 as follows:

- Riparian Mitigation Site Maintenance Fund – This fund 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, 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.
- 2019 Civic Center Project Lease Revenue Refunding Bonds – This fund accounts for debt service transactions relating to the refinance of the 2009 Civic Center Project Lease Revenue Bonds.
- 2015 Lease Financing – This fund accounts for debt service transactions relating to the 2015 Lease Financing. The bond proceeds were used mainly to finance construction of the new Library and Municipal Service Center.

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

*Capital Project Funds* account for the acquisition and construction of major capital facilities and infrastructure not financed by Proprietary Funds. 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 along with 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.
- Capital Improvement Financing Program 2006-1 – This fund accounts for transactions related to proceeds from assessment bonds and other resources along with 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 along with 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 Committee, this fund accounts for funds to be used for non-residential development related infrastructure projects.
- Vineyards Projects – This fund accounts for transactions related to proceeds from assessment bonds and other resources along with their use to finance infrastructure improvements within the Vineyards development area.
- Vineyards Event Center Projects – This fund accounts for development fees collected for the design and construction of a Vineyards Event Center.

*Proprietary Funds* account for operations financed and operated in a manner similar to private business enterprises. The intent of the City Council is for the costs of providing certain goods or services to the public be financed or recovered primarily through user charges. The City reports the following Enterprise Funds, all of which are reported as major funds:

- Wastewater Enterprise – Accounts for the operation, maintenance and capital improvement projects of the wastewater system. These activities are funded by user charges and impact fees.



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

- Solid Waste Enterprise – Accounts for the operation, maintenance and capital improvement projects of the solid waste system. These activities are funded by user charges.
- Water Enterprise – 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 – Accounts for all City facilities rented and maintained through this fund.
- Housing Enterprise – 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:

- Information Services – To provide a source of funding for the development and coordination of the City's information systems' needs.
- Equipment Replacement – To provide a source of funding for vehicle and equipment replacement.
- Information Systems Replacement – To provide a source of funding for the replacement of information systems such as computers and the phone system.
- Facilities Replacement – To provide a source of funding for repairs or the replacement of City facilities.
- Tuition – To provide a source of funding for expenditures related to continuing education.
- Fleet Maintenance Services – To provide a source of funding for the maintenance of all City vehicles, except for Police Department vehicles.
- Facilities Maintenance Services – To provide a source of funding for maintenance and repairs of City facilities.
- Parks and LLAD Replacement – To provide a source of funding for the replacement of landscaping, equipment and facilities in the citywide parks and 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.

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

*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 with 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 unrealized gains or losses but rather the fair value of those investments as of June 30, 2020.

**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. Prepaid Items and Land Held for Resale**

Certain payments to vendors that reflect costs applicable to future accounting periods 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.

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

**v. Capital Assets**

The City's assets are capitalized using 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 and/or at the contracted developer rate 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 that 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 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.

**vi. Compensated Absences Payable**

The following totals may be accumulated by employees each year:

- A total of 11 to 31 vacation days
- Up to 100 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, the City Attorney 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.

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

With three years of service, Mid-Managers, Department Directors, the City Attorney 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 that 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.

**vii. Property Tax**

Property tax valuations, liens and levies for secured and unsecured property are valued on March 1 of each year. Fifty percent of secured taxes are due on November 1 and February 1 of each fiscal year and are delinquent on December 10 and April 10, respectively. Unsecured property taxes are due on July 1 and delinquent on August 31. Contra Costa County bills and collects the City's property taxes and 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.

**viii. Motor Vehicle Taxes**

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

**ix. Deferred Compensation Plan**

City employees may defer a portion of their compensation under a City sponsored deferred compensation plan created in accordance with Internal Revenue Code Section 457. Under the 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. The assets in the deferred compensation plan are not available to the City's general creditors and accordingly the City does not report any assets or liabilities associated with this plan in the accompanying financial statements.

**x. New Governmental Accounting Standards Board (GASB) Pronouncements**

In November 2016, GASB issued GASB Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (ARO's). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of the statement are effective for reporting periods beginning after June 15, 2019. The City does not have any Asset Retirement Obligations that are within the scope of GASB Statement No. 83.

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

In January 2017, GASB issued GASB Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of the statement are effective for reporting periods beginning after December 15, 2019. The City is in the process of determining the impact GASB Statement No. 84 will have on its financial statements.

In June 2017, GASB issued GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirements of the statement are effective for reporting periods beginning after June 15, 2021. The City is in the process of determining the impact GASB Statement No. 87 will have on its financial statements.

In June 2018, GASB issued GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify the accounting for interest cost incurred before the end of a construction period. The requirements of the statement are effective for reporting periods beginning after December 15, 2020. The City is in the process of determining the impact GASB Statement No. 89 will have on its financial statements.

In August 2018, GASB issued GASB Statement No. 90, *Majority Equity Interests*. The objectives of this Statement are to improve the consistency of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of the statement are effective for reporting periods beginning after December 15, 2019. The City is in the process of determining the impact GASB Statement No. 90 will have on its financial statements.

In May 2019, GASB issued GASB Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of the statement are effective for reporting periods beginning after December 15, 2021. The City is in the process of determining the impact GASB Statement No. 91 will have on its financial statements.

In January 2020, GASB issued GASB Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance. The remaining

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

requirements of the statement are effective for reporting periods beginning after June 15, 2021. The City is in the process of determining the impact GASB Statement No. 92 will have on its financial statements.

In March 2020, GASB issued GASB Statement No. 93, *Replacement of Interbank Offered Rates*. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, as amended, requires a government to terminate hedge accounting when it renegotiates or amends a critical term of a hedging derivative instrument, such as the reference rate of a hedging derivative instrument's variable payment. In addition, in accordance with Statement No. 87, *Leases*, as amended, replacement of the rate on which variable payments depend in a lease contract would require a government to apply the provisions for lease modifications, including remeasurement of the lease liability or lease receivable. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of this Statement, except for paragraphs 11b, 13, and 14 are effective for reporting periods beginning after June 15, 2021. The requirement of this Statement, except for paragraph 11b, are effective for reporting periods beginning after June 15, 2020. The requirement in paragraph 11b is effective for reporting periods ending after December 31, 2021. Earlier application is encouraged. The City is in the process of determining the impact GASB Statement No. 93 will have on its financial statements.

In March 2020, GASB issued GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The requirements of the statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The City is in the process of determining the impact GASB Statement No. 94 will have on its financial statements.

In May 2020, GASB issued GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The requirements of the statement are effective immediately. The City implemented GASB Statement No. 95 for the presentation of the FY 2019/20 financial statements.

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

In May 2020, GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of the statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The City is in the process of determining the impact GASB Statement No. 96 will have on its financial statements.

In June 2020, GASB issued GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*.

The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements in (1) paragraph 4 of this Statement as it applies to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans and (2) paragraph 5 of this Statement are effective immediately. The City does not have such plans, thus there was no significant impact of this Statement in FY 2019/20. The requirements in paragraphs 6-9 of this Statement are effective for fiscal years beginning after June 15, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged and is permitted by certain requirements in the Statement. The City is in the process of determining the remaining impact GASB Statement No. 97 will have on its financial statements.

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

In FY 2019/20, the Infrastructure Improvements Special Revenue Fund was closed.

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

**xii. 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

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

represents consumption of net position that applies to a future period(s). The outflow of resources (expense/expenditure) is recognized, therefore, in the applicable future period(s). The City has three items that qualify for reporting in this category, Deferred Outflows of Resources Related to OPEB, Deferred Outflows of Resources Related to Pensions and Deferred Amount on Refunding. The elements of Deferred Outflows of Resources Related to OPEB are deferred and amortized and will be recognized as a component of OPEB expense in subsequent fiscal years. 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 that applies to a future period(s) and the inflow of resources (revenue) will be recognized in the applicable future period(s). The City has two types of items reported on the Government-Wide Statement of Net Position, which qualify for reporting in this category, deferred inflows of resources related to OPEB and deferred inflows of resources related to pensions. The elements of Deferred Inflows of Resources Related to OPEB are deferred and amortized and will be recognized as a component of OPEB expense in subsequent fiscal years. The elements of Deferred Inflows of Resources Related to Pensions 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.

**xiii. OPEB and Pensions**

For purposes of measuring net OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by California Employers' Retiree Benefit Trust (CERBT) Fund. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

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



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

**xiv. 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 based on the lowest priority level input that is significant to the entire measurement.

**xv. Use of Estimates**

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

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

**Budget Basis of Accounting**

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



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

**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
- 2019 Civic Center Project Lease Revenue Refunding Bonds
- 2015 Lease Financing

**B. DEFICIT FUND EQUITY**

Following is a list of funds that have either a deficit fund or net position balance as of June 30, 2020.

**Special Revenue Funds:**

Community Facilities Development Impact Fee	\$ 434,208
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**Capital Project Funds:**

Parks and Trails Improvements	\$ 68,576
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**Internal Service Funds:**

Information Services	\$ 1,139,691
Fleet Maintenance Services	898,566
Facilities Maintenance Services	634,834

The deficit in the Community Facilities Development Impact Fee Fund is due to pre-funding of capital projects in advance of receiving funding from development. Future Community Facilities Development Impact Fees will be deposited into this fund. The deficit in the Parks and Trails Improvements fund 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.

The deficits in the Internal Service Funds are related to OPEB and Pension liability accruals. In response to increasing Net OPEB Liabilities, the City has implemented a long-term OPEB pre-funding strategy that requires 85% of the Actuarial Determined Contribution (ADC) to be funded annually. The Internal Service Funds will continue to maintain a positive cash balance.

**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, 2020, is shown below. The Parks and Trails Improvements amount is due to timing issues relating to the construction of projects in advance of funding for which the Successor Agency



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

had committed to reimburse the City in the future. The City and Successor Agency are currently seeking potential State reimbursement of this amount. The Community Facilities Development Impact Fee amount is due to pre-funding of capital projects in advance of receiving funding from development. Future development impact fees will be deposited into this fund.

<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
Community Facilities Improvements Capital Project Fund	Community Facilities Development Impact Fee Special Revenue Fund	434,208
	<b>Total</b>	<b>\$ 1,219,033</b>

Interfund Transfers

Fund Description	Non-Major						City Rentals Enterprise	Total Transfers In
	General Fund	Governmental Funds	Internal Service Funds	Wastewater Enterprise	Solid Waste Enterprise	Water Enterprise		
General Fund	\$ -	\$ 8,203,854	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,203,854
Landscape and Lighting Assessment Districts	-	1,515	-	-	-	-	-	1,515
Non-Major Governmental Funds	1,299,312	13,347,307	1,187,290	87,634	79,531	225,654	302,745	16,529,473
Internal Service Funds	1,984,451	223,176	-	289,703	9,560	44,255	-	2,551,145
Wastewater Enterprise	-	2,438,927	-	-	-	983,697	-	3,422,624
Solid Waste Enterprise	-	4,858	-	-	-	-	-	4,858
Water Enterprise	-	101,145	-	1,977,000	-	-	-	2,078,145
<b>Total Transfers Out</b>	<b>\$ 3,283,763</b>	<b>\$ 24,320,782</b>	<b>\$ 1,187,290</b>	<b>\$ 2,354,337</b>	<b>\$ 89,091</b>	<b>\$ 1,253,606</b>	<b>\$ 302,745</b>	<b>\$ 32,791,614</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 schedule below 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	\$ 6,032,218	Provide a subsidy to cover a portion of the costs for Public Safety Services
General Fund	\$ 1,494,884	Gas Tax revenue to subsidize the Street Maintenance Division
Internal Services	\$ 1,174,199	Transfer of unassigned General Fund balance in excess of reserve requirement
Capital Projects	\$ 2,822,500	Provide funding to cover a portion of the costs for the Priority Area 1 Infrastructure Improvements project
Enterprises	\$ 2,432,946	Provide funding to cover a portion of the costs for the Non-Potable Storage Facility project
Enterprises	\$ 1,352,000	Provide funding to cover a portion of the costs for the Downtown Alley Rehabilitation - Diablo Way project
Capital Projects	\$ 672,392	Provide funding to cover a portion of the costs for the John Muir Parkway Extension - Phase II project
Enterprises	\$ 625,000	Provide funding to cover a portion of the costs for the Water and Wastewater SCADA System Upgrade project
Capital Projects	\$ 487,290	Provide funding to cover a portion of the costs for the Citywide Video Management System and Archive project
Capital Projects	\$ 400,000	Provide funding to cover a portion of the costs for the Aquatic Complex Pool Decking project
Capital Projects	\$ 2,362,905	Return prior year funding for the John Muir Parkway Extension - Phase II project
Enterprises	\$ 720,000	Return prior year funding for the Downtown Alley Rehabilitation - South Diablo Way project
General Fund	\$ 417,738	Return prior year funding for the Community Build-Out Plan project

In addition, governmental activities transferred capital assets of \$10,506, \$10,506 and \$28,016 to the Wastewater, Solid Waste and Water Enterprise Funds, respectively.

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

**D. MINIMUM FUND BALANCE POLICIES**

Staff presents 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 adequately provide for contingencies for unseen operating or capital needs or cash flow requirements.

**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 convert to cash and are comprised of prepaid items. Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations or enabling legislation that requires these resources be used only for a specific purpose. Committed fund balances have constraints imposed by a City Council resolution that 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 that 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 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, 2020, are on the following page:



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

	<b>General Fund</b>	<b>Special Revenue Fund Landscape and Lighting Assessment Districts</b>	<b>Other Governmental Funds</b>	<b>Total</b>
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Prepays	\$ 89,806	\$ -	\$ 1,680	\$ 91,486
Riparian Site Mitigation Endowment	-	-	80,000	80,000
<b>Total Nonspendable Fund Balances</b>	<b>89,806</b>	<b>-</b>	<b>81,680</b>	<b>171,486</b>
<b>Restricted for:</b>				
Debt Service	-	-	24,439,556	24,439,556
Community Facilities Projects	-	-	6,194,674	6,194,674
Low Income Housing	-	-	1,056,275	1,056,275
Vineyards Development Projects	-	-	4,839,508	4,839,508
Infrastructure Projects	-	-	3,800,551	3,800,551
Streets and Roadways	-	-	13,365,694	13,365,694
CIFP Projects	-	-	4,108,000	4,108,000
Landscape and Lighting Assessment Districts	-	6,758,014	-	6,758,014
Off Street Parking Facilities in Downtown	-	-	437	437
Agricultural/Farmland Mitigation	-	-	2,794,051	2,794,051
Brentwood Redevelopment Escrow	95,930	-	-	95,930
Fire Facilities	-	-	6,709,860	6,709,860
Public Art	-	-	3,252,027	3,252,027
Development Impact Fee Program	-	-	10,229,793	10,229,793
Drug Prevention Programs	-	-	141,456	141,456
Public Safety	-	-	310,226	310,226
Disability Access and Education	-	-	59,045	59,045
Abandoned Vehicle Abatement	-	-	68,993	68,993
Grants	-	-	810,083	810,083
PEG Media	-	-	926,696	926,696
Riparian Mitigation Site Maintenance	-	-	4,790	4,790
<b>Total Restricted Fund Balances</b>	<b>95,930</b>	<b>6,758,014</b>	<b>83,111,715</b>	<b>89,965,659</b>
<b>Committed to:</b>				
Public Safety	-	-	2,346,187	2,346,187
Successor Agency Payment Plan	7,712,923	-	-	7,712,923
Future Strategic Initiatives	2,714,235	-	-	2,714,235
General Plan Update	500,000	-	-	500,000
Parks Maintenance	-	-	426,671	426,671
Streets and Roadways	678,000	-	-	678,000
<b>Total Committed Fund Balances</b>	<b>11,605,158</b>	<b>-</b>	<b>2,772,858</b>	<b>14,378,016</b>
<b>Unassigned:</b>				
General Fund	18,798,852	-	-	18,798,852
Other Fund Deficit	-	-	(502,784)	(502,784)
<b>Total Unassigned Fund Balances</b>	<b>18,798,852</b>	<b>-</b>	<b>(502,784)</b>	<b>18,296,068</b>
<b>Total Fund Balances</b>	<b>\$ 30,589,746</b>	<b>\$ 6,758,014</b>	<b>\$ 85,463,469</b>	<b>\$ 122,811,229</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 held by outside fiscal agents under the provisions of bond indentures. Each fund type balance in the pool is reflected on the balance sheet as Cash and Investments.

The carrying amounts of the City’s cash deposits were \$3,487,751 at June 30, 2020. The bank balance, before reconciling items, was \$2,771,970. The bank balance is insured for up to \$250,000 and the remaining balance is collateralized for up to 105%, 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 that are insured by the Federal Deposit Insurance Corporation. The City’s cash and investment balances are as follows:

<b>Pooled Deposits:</b>	
Demand Deposits	\$ 3,487,751
Petty Cash	10,550
Investments	282,915,699
<b>Total Cash and Investments</b>	<u><u>\$ 286,414,000</u></u>

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

<b>Cash and Investments:</b>	
Governmental Activities	\$ 162,280,378
Business-Type Activities	100,133,396
Fiduciary Funds	14,953,588
	<u>277,367,362</u>

<b>Restricted Cash and Investments:</b>	
Governmental Activities	4,888,814
Business-Type Activities	538,461
Fiduciary Funds	3,619,363
	<u>9,046,638</u>
<b>Total Cash and Investments</b>	<u><u>\$ 286,414,000</u></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 that 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	Minimum Credit Quality	Maximum Maturity	Maximum Percentage of Portfolio <sup>(1)</sup>	Maximum Investment in One Issuer
Asset-Backed Securities	AA	5 years	20%	5%
Bankers' Acceptances	Top Rating Category	180 days	40%	5%
California Asset Management Program	None	N/A	N/A	N/A
California State, Local Agency and Other State Obligations	A	5 years	30%	None
Commercial Paper	Top Rating Category	270 days	25%	5% <sup>(2)</sup>
Insured Savings Account	None	N/A	N/A	N/A
State of California's Local Agency Investment Fund	None	N/A	\$65M/Account	\$65M/Account
Medium-Term Notes	A	5 years	30%	5%
Money Market Funds	Top Rating Category	N/A	15%	None
Negotiable Certificates of Deposit	A	5 years	30%	5%
Repurchase Agreements	None	90 days	None	None
Reverse Repurchase Agreements	None	92 days	20%	None
Supranationals	AA	5 years	30%	5%
Time Deposits	None	5 years	25%	5%
U.S. Agency Obligations	None	5 years	None	None
U.S. Agency Mortgage Pass-Through Securities	AA	5 years	20%	None
U.S. Treasuries	None	5 years	None	None

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

(2) Limited to 10% of the outstanding commercial paper of a single issuer.

**Credit Risk**

The City's portfolio is comprised of the highest quality government and corporate securities. Consistent with City policy, 67% 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, 2020, 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)**

	<b>Fair Value</b>	<b>Credit Rating</b>	<b>% of Rated Portfolio</b>
Medium-Term Notes	\$ 6,681,255	A	4.72
Medium-Term Notes	8,510,798	A-	6.02
Medium-Term Notes	8,367,104	A+	5.91
Medium-Term Notes	7,553,629	AA-	5.34
Medium-Term Notes	1,259,419	AA+	0.89
Medium-Term Notes	3,800,069	BBB+ <sup>(1)</sup>	2.69
U.S. Agency Notes	43,938,801	AA+	31.04
U.S. Agency Bonds	3,752,374	AA+	2.65
California State, Local Agency and Other State Obligations	2,103,790	AA-	1.49
California State, Local Agency and Other State Obligations	675,946	AAA	0.48
Negotiable Certificates of Deposit	4,573,034	AA-	3.23
Negotiable Certificates of Deposit	3,125,158	A+	2.21
Negotiable Certificates of Deposit	2,116,740	A	1.50
Negotiable Certificates of Deposit	10,522,268	A-1	7.44
Negotiable Certificates of Deposit	3,399,366	A-1+	2.40
U.S. Agency Collateralized Mortgage Obligations	8,952,196	AA+	6.33
Asset-Backed Securities	7,666,919	AAA	5.42
Supranationals	7,203,937	AAA	5.09
Money Market Funds	<u>7,284,962</u>	AAA <sub>m</sub>	5.15
<b>Total Rated Investments</b>	<u>141,487,765</u>		100.00
U.S. Treasury Notes	80,671,015	Exempt	
Government Obligations	1,413,740	Not Rated	
Local Agency Investment Fund	54,812,681	Not Rated	
Money Market Funds	556,588	Not Rated	
Asset-Backed Securities	<u>3,973,910</u>	Not Rated <sup>(2)</sup>	
<b>Total Unrated Investments</b>	<u>141,427,934</u>		
<b>Total Investments</b>	<u>\$ 282,915,699</u>		

(1) Credit ratings listed above are based on ratings provided by Standard & Poor's (S&P). Medium-Term Notes listed above as BBB+, are rated as "A3" per Moody's.

(2) Credit ratings listed above are based on ratings provided by Standard & Poor's (S&P). Asset-Backed Securities listed as "Not Rated" above have no rating per S&P, although are rated as "Aaa" per Moody's.

**Concentration of Credit Risk**

The City's investment policy limits the amount the City may invest in any one non-government issuer, except investment pools, to no more than 5%. Investments in any one issuer, other than U.S. Treasury securities, mutual funds or external investment pools, which represent 5% or more of the City's total investments, are shown below:

<b>Issuers<sup>(1)</sup> and Investment Type</b>	<b>Fair Value</b>	<b>% of Portfolio</b>
Federal National Mortgage Association - U.S. Agency Notes	\$ 29,537,222	10.50

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



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

**Interest Rate Risk**

The City's investment policy limits the investment portfolio to maturities of less than five years as a means of limiting exposure to fair value losses arising from interest rates. Currently, 42.86% of the investment portfolio is concentrated in the zero to two-year maturity range.

**Investment Maturities**

	Fair Value <sup>(1)</sup>	0-6 months	6-12 months	1-2 years	2-3 years	3-5 years	% of Portfolio
U.S. Treasury Notes	\$ 80,671,015	\$ -	\$ -	\$ 10,707,072	\$ 18,051,597	\$ 51,912,346	28.52%
Medium-Term Notes	36,172,274	-	7,754,953	7,856,802	7,983,459	12,577,060	12.79%
U.S. Agency Notes <sup>(2)</sup>	43,938,801	3,391,092	-	1,075,672	9,110,114	30,361,923	15.53%
U.S. Agency Bonds	3,752,374	-	-	-	-	3,752,374	1.33%
Government Obligations	1,413,740	1,413,740	-	-	-	-	0.50%
California State, Local Agency and Other State Obligations	2,779,736	-	-	-	-	2,779,736	0.98%
Supranationals	7,203,937	-	4,143,042	-	3,060,895	-	2.55%
Negotiable Certificates of Deposit	23,736,566	11,959,339	1,962,295	2,116,740	7,698,192	-	8.39%
Local Agency Investment Fund	54,812,681	54,812,681	-	-	-	-	19.37%
Asset-Backed Securities	11,640,829	-	-	2,640,983	1,904,604	7,095,242	4.11%
Federal Agency Collateralized Mortgage Obligations	8,952,196	-	-	3,590,817	2,000,055	3,361,324	3.16%
Money Market Funds	7,841,550	7,841,550	-	-	-	-	2.77%
<b>Totals</b>	<b>\$ 282,915,699</b>	<b>\$ 79,418,402</b>	<b>\$ 13,860,290</b>	<b>\$ 27,988,086</b>	<b>\$ 49,808,916</b>	<b>\$ 111,840,005</b>	
% of Portfolio		28.07	4.90	9.89	17.61	39.53	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 that 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, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
<b>Investments Measured by Fair Value Level:</b>			
U.S. Treasury Notes	\$ 80,671,015	\$ -	\$ 80,671,015
Medium-Term Notes	-	36,172,274	36,172,274
U.S. Agency Notes	-	43,938,801	43,938,801
U.S. Agency Bonds	-	3,752,374	3,752,374
Government Obligations	-	1,413,740	1,413,740
California State, Local Agency and Other State Obligations	-	2,779,736	2,779,736
Supranationals	-	7,203,937	7,203,937
Negotiable Certificates of Deposit	-	23,736,566	23,736,566
Asset-Backed Securities	-	11,640,829	11,640,829
Federal Agency Collateralized Mortgage Obligations	-	8,952,196	8,952,196
<b>Subtotal</b>	<u>\$ 80,671,015</u>	<u>\$ 139,590,453</u>	220,261,468
<b>Investments Measured at Amortized Cost:</b>			
Held by Trustee:			
Money Market Funds			7,841,550
<b>Investments Not Subject to Fair Value Hierarchy:</b>			
Local Agency Investment Fund			<u>54,812,681</u>
<b>Total Investments</b>			<u>\$ 282,915,699</u>

Investments classified in Level 1 of the fair value hierarchy of \$80,671,015 are valued using unadjusted quoted prices in an active market for identical assets at the measurement date. Level 2 investments totaling \$139,590,453 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, 2020, the amortized cost of the pool was \$101,110,343,833 and the fair value was \$101,607,078,218. The City deposits excess cash in LAIF and is not required to be categorized. The fair value for these deposits was provided by the pool sponsor. Each regular LAIF account is permitted to have up to 15 transactions per month, with a minimum transaction amount of \$5,000, a maximum transaction amount of \$65 million and at least 24 hours advance notice for withdrawals of \$10 million or more. Bond proceeds accounts are subject to a one-time deposit with no cap and are set up with a monthly draw down schedule.



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

**D. 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, 2020 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	\$ 377,031	\$ 848,741	\$ 8,533	\$ 23,910	\$ -	\$ -	\$ 1,258,215
Landscape and Lighting Assessment Districts	-	-	-	5,299	-	-	5,299
<b>Non Major Funds:</b>							
Internal Service	-	96,055	-	39,827	-	-	135,882
Special Revenue	-	789,962	79,389	20,000	-	-	889,351
Permanent Fund	-	-	-	57	-	-	57
Debt Service	-	-	-	297	-	22,850,789 <sup>(1)</sup>	22,851,086
Capital Projects	-	8,474	-	18,238	-	-	26,712
Subtotal Governmental Activities	377,031	1,743,232	87,922	107,628	-	22,850,789	25,166,602
Less: Allowance	-	(325,878) <sup>(2)</sup>	-	-	-	-	(325,878)
<b>Total Governmental Activities</b>	<b>\$ 377,031</b>	<b>\$ 1,417,354</b>	<b>\$ 87,922</b>	<b>\$ 107,628</b>	<b>\$ -</b>	<b>\$ 22,850,789</b>	<b>\$ 24,840,724</b>
<b>Business-Type Activities:</b>							
Wastewater	\$ -	\$ 268,478	\$ -	\$ 31,002	\$ 1,885,345	\$ -	\$ 2,184,825
Solid Waste	-	425	-	5,927	1,973,720	-	1,980,072
Water	-	72,568	-	22,885	3,296,740	-	3,392,193
City Rentals	-	98,636	-	72	-	-	98,708
Housing	-	35,805	-	4,918	-	682,010 <sup>(3)</sup>	722,733
<b>Total Business-Type Activities</b>	<b>\$ -</b>	<b>\$ 475,912</b>	<b>\$ -</b>	<b>\$ 64,804</b>	<b>\$ 7,155,805</b>	<b>\$ 682,010</b>	<b>\$ 8,378,531</b>

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

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

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



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

Notes and Loans Receivable at June 30, 2020 were comprised of the following:

<b>Governmental Activities:</b>	
Amounts Due from Successor Agency	\$ 22,850,789
Loans under City Low Income Housing (including interest)	<u>5,011,778</u>
Subtotal Governmental Funds	27,862,567
Less: Reservation for Loans Expected to be Forgiven	<u>(5,011,778)</u>
<b>Net Notes and Loans Receivable</b>	<b><u>\$ 22,850,789</u></b>
<b>Business-Type Activities:</b>	
Down Payment Assistance and Gap Assistance Program Loans	\$ 682,010
Loans under Affordable Housing (including interest)	<u>7,045,870</u>
Subtotal Business-Type Activities	7,727,880
Less: Reservation for Loans Expected to be Forgiven	<u>(7,045,870)</u>
<b>Net Notes and Loans Receivable</b>	<b><u>\$ 682,010</u></b>

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

In FY 2005/06, the City established a first-time homebuyer 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 homebuyer 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, 2020 the City is owed \$682,010, 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 Capital Improvement Revenue Refunding Bonds, Series 2012 and the 2019 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, 2020 was \$22,850,789. The long-term debt obligations are discussed in further detail in both Note #6 and Note #12.



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

**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, accounted for as conditional grants in the Government-Wide financial statements, 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, 2020, the City’s Low Income Housing and Affordable Housing loans were comprised of the amounts below:

<b>Governmental Activities:</b>	
Brentwood/202 Senior Housing	\$ 314,550
Christian Church Homes/Sycamore II	1,134,390
Eden Housing	145,125
Mercy Housing	1,967,000
Brentwood Senior Commons	400,000
Brentwood Green Valley	1,050,713
	5,011,778
Subtotal Loans under City Low Income Housing	5,011,778
Less: Reservation for Loans Expected to be Forgiven	(5,011,778)
	\$ -
<b>Net Notes and Loans Receivable</b>	
<b>Business-Type Activities:</b>	
Eden Housing	\$ 1,300,000
Mercy Housing	843,000
Meta Housing	4,902,870
	7,045,870
Subtotal Loans under Affordable Housing	7,045,870
Less: Reservation for Loans Expected to be Forgiven	(7,045,870)
	\$ -
<b>Net Notes and Loans Receivable</b>	

**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, 2020 was \$314,550.

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

**Christian Church Homes/Sycamore II**

In June 2003, the Brentwood Redevelopment Agency entered into a note with Christian Church Homes of Northern California for \$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 note was executed with Sycamore Place II Senior Housing Corporation that amended, superseded and replaced in its entirety the original note of \$530,722. This note for \$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 no later than either June 27, 2058 or upon default. As of June 30, 2020, principal and accrued interest total \$1,134,390. There is a reasonable expectation this note will be forgiven upon successful completion of the terms and conditions of the note and, as such, a reservation for forgiveness of the note has been included in these financial statements.

**Eden Housing**

In January 2005, the City 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-income 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, 2020, principal and accrued interest for both notes total \$1,445,125. 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-income or very low-income households at and 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, 2020, the principal and accrued interest due for both notes total \$2,810,000. 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. for \$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, at its discretion, the City, as Housing Successor may forgive

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

the repayment of all or part of the Loan. As of June 30, 2020, the principal due totaled \$400,000. There is a reasonable expectation this note will be forgiven upon successful completion of the terms and conditions of the note and, as such, a reservation for forgiveness of the note has been included in these financial statements.

**Brentwood Green Valley**

In January 2011, the Brentwood Redevelopment Agency entered into a Loan Agreement with Brentwood Green Valley Associates for \$1,258,886, to provide funds to repair and rehabilitate Green Valley Apartments, a 28-unit, extremely low-income 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 in an amount equal to 1.82% of the original principal amount 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, 2020, the principal due for the note, before the forgiveness, totaled \$1,073,624. Per the terms of the note, \$22,911 of the principal balance was forgiven at June 30, 2020. The remaining principal balance at June 30, 2020 totaled \$1,050,713. 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 for \$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, 2020, principal and accrued interest total \$4,902,870. There is a reasonable expectation this note will be forgiven upon successful completion of the terms and conditions of the note and, as such, a reservation for forgiveness of the note has been included in these financial statements.



**NOTE #5 – CAPITAL ASSETS**

The City reports all capital assets, including infrastructure, in the Government-Wide Statement of Net Position. Capital assets of the primary government, as of June 30, 2020, are as follows:

	Balance June 30, 2019	Increases	Decreases	Transfers	Balance June 30, 2020
<b>Governmental Activities:</b>					
Capital Assets, Not Being Depreciated or Amortized:					
Land	\$ 34,838,978	\$ -	\$ -	\$ 283,646	\$ 35,122,624
Work in Progress - CIP	8,088,998	7,689,678	-	(9,337,533)	6,441,143
Total Capital Assets, Not Being Depreciated or Amortized	42,927,976	7,689,678	-	(9,053,887)	41,563,767
Capital Assets, Being Depreciated and Amortized:					
Intangible Assets	6,258,156	-	-	-	6,258,156
Buildings	70,616,080	-	-	936,492	71,552,572
Infrastructure	470,528,025	6,746,727	(150,000)	7,048,224	484,172,976
Machinery and Equipment	10,146,008	238,597	(427,375)	378,423	10,335,653
Vehicles	14,057,825	2,391,551	(539,184)	-	15,910,192
Land Improvements	30,854,453	1,680,905	-	641,720	33,177,078
Total Capital Assets Being Depreciated and Amortized	602,460,547	11,057,780	(1,116,559)	9,004,859	621,406,627
Less Accumulated Depreciation and Amortization for:					
Intangible Assets	1,362,647	96,279	-	-	1,458,926
Buildings	10,245,762	1,350,385	-	-	11,596,147
Infrastructure	113,249,439	7,244,875	(39,231)	-	120,455,083
Machinery and Equipment	5,460,959	668,781	(377,327)	-	5,752,413
Vehicles	8,060,807	1,459,394	(539,184)	-	8,981,017
Land Improvements	6,500,110	640,730	-	-	7,140,840
Total Accumulated Depreciation and Amortization	144,879,724	11,460,444	(955,742)	-	155,384,426
Total Capital Assets, Being Depreciated and Amortized, Net	457,580,823	(402,664)	(160,817)	9,004,859	466,022,201
Governmental Activities Capital Assets, Net	\$ 500,508,799	\$ 7,287,014	\$ (160,817)	\$ (49,028)	\$ 507,585,968

	Balance June 30, 2019	Increases	Decreases	Transfers	Balance June 30, 2020
<b>Business-Type Activities:</b>					
Capital Assets, Not Being Depreciated or Amortized:					
Land	\$ 2,661,597	\$ -	\$ -	\$ -	\$ 2,661,597
Work in Progress - CIP	17,539,711	4,504,168	-	(15,468,149)	6,575,730
Total Capital Assets, Not Being Depreciated or Amortized	20,201,308	4,504,168	-	(15,468,149)	9,237,327
Capital Assets, Being Depreciated and Amortized:					
Intangible Assets	18,950,632	-	-	-	18,950,632
Buildings	30,521,805	-	-	49,028	30,570,833
Infrastructure	262,634,171	3,861,960	-	14,342,750	280,838,881
Machinery and Equipment	4,071,711	494,492	-	1,125,399	5,691,602
Land Improvements	11,046,659	-	-	-	11,046,659
Total Capital Assets Being Depreciated and Amortized	327,224,978	4,356,452	-	15,517,177	347,098,607
Less: Accumulated Depreciation and Amortization for:					
Intangible Assets	4,310,954	387,702	-	-	4,698,656
Buildings	7,622,566	611,530	-	-	8,234,096
Infrastructure	55,943,423	4,033,226	-	-	59,976,649
Machinery and Equipment	1,636,365	173,496	-	-	1,809,861
Land Improvements	3,155,655	200,561	-	-	3,356,216
Total Accumulated Depreciation and Amortization	72,668,963	5,406,515	-	-	78,075,478
Total Capital Assets, Being Depreciated and Amortized, Net	254,556,015	(1,050,063)	-	15,517,177	269,023,129
Business-Type Activities Capital Assets, Net	\$ 274,757,323	\$ 3,454,105	\$ -	\$ 49,028	\$ 278,260,456



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

For the year ending June 30, 2020, depreciation and amortization expense on capital assets was charged as follows:

<b>Governmental Activities:</b>	
General Government	\$ 3,421,610
Public Safety	432,689
Community Development	7,074
Public Works	4,498,933
Parks and Recreation	1,467,066
Internal Service	1,633,072
<b>Total Depreciation and Amortization Expense - Governmental Activities</b>	<b>\$ 11,460,444</b>
<b>Business-Type Activities:</b>	
Wastewater	\$ 1,704,759
Solid Waste	220,133
Water	3,434,590
Housing	47,033
<b>Total Depreciation and Amortization Expense - Business-Type Activities</b>	<b>\$ 5,406,515</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 City capitalized the total buy-in amount of \$8,353,100 as of June 30, 2016 and is amortizing the expense over 65 years.



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

**ii. Joint Use Facilities**

The governing bodies of the City, Liberty Union High School District (LUHSD) and Brentwood Union School District (BUSD) have recognized the public need for additional facilities. As a result of these cooperative efforts, the City has made contributions to these school districts relating to the joint use of these facilities. The City has capitalized these expenditures and is amortizing the expense over 65 years.

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

**NOTE #6 – LONG-TERM OBLIGATIONS**

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

**A. GOVERNMENTAL ACTIVITIES**

	Balance June 30, 2019	Additions	Payments/ Adjustments	Balance June 30, 2020	Amounts Due Within One Year
<b>Bonds</b>					
Capital Improvement Revenue Refunding Bonds Series 2012	\$ 17,625,000	\$ -	\$ (1,070,000)	\$ 16,555,000	\$ 1,130,000
General Obligation Bonds Series 2002	5,905,231	337,028 <sup>(1)</sup>	(540,000)	5,702,259	570,000
2019 Civic Center Project Lease Revenue Refunding Bonds	32,210,000	-	(1,190,000)	31,020,000	1,235,000
2015 Lease Financing (Direct Placement)	10,295,000	-	(465,000)	9,830,000	480,000
Bond Premium	6,032,595	-	(312,645)	5,719,950	-
Total Bonds	<u>72,067,826</u>	<u>337,028</u>	<u>(3,577,645)</u>	<u>68,827,209</u>	<u>3,415,000</u>
<b>Notes Payable</b>					
Successor Agency Payment Plan	10,711,406	-	(1,460,783)	9,250,623	1,548,919
Total Notes Payable	<u>10,711,406</u>	<u>-</u>	<u>(1,460,783)</u>	<u>9,250,623</u>	<u>1,548,919</u>
<b>Other</b>					
Net OPEB Liability	27,294,684	-	(2,925,426) <sup>(2)</sup>	24,369,258	-
Net Pension Liability	37,154,511	-	(6,449,147) <sup>(2)</sup>	30,705,364	-
Accumulated Compensated Absences	1,648,223	2,050,677	(1,622,768)	2,076,132	1,245,679
Total Other	<u>66,097,418</u>	<u>2,050,677</u>	<u>(10,997,341)</u>	<u>57,150,754</u>	<u>1,245,679</u>
<b>Total Governmental Activities Long-Term Obligations</b>	<u>\$ 148,876,650</u>	<u>\$ 2,387,705</u>	<u>\$ (16,035,769)</u>	<u>\$ 135,228,586</u>	<u>\$ 6,209,598</u>

(1) Accreted Interest

(2) OPEB Liability 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.

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

**i. Bonds**

**Capital Improvement Revenue Refunding Bonds Series 2012**

On January 11, 2012, the Authority issued \$24,060,000 in Capital Improvement Revenue Refunding Bonds Series 2012 to: 1) finance the refunding of the 2001 Capital Improvement Bonds under a facilities lease and 2) refund a series of tax allocation bonds issued by the Brentwood Redevelopment Agency. The Brentwood Family Aquatic Complex is pledged as collateral for this debt issuance. Annual debt service payments, including interest at 2.00% to 5.25%, range from \$1,643,119 to \$1,939,388. If an event of default occurs, as defined in the indenture of trust, the bond trustee, or not less than a majority of owners of the bonds outstanding at that time, are entitled to declare the principal and accrued interest for all bonds outstanding to be due and payable immediately.

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, 2020, 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, 2021. 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 \$16,227,934 remaining share of debt service on the bonds, which is scheduled to occur in 2032. For FY 2019/20, gross tax revenue available to be distributed to the Successor Agency totaled \$9,472,818, which represented coverage of 6.98 times \$1,357,853 of the Successor Agency's debt service. The remaining portion of the bonds is repayable from any source of the City's available funds.

<b>Year Ending</b>			
<b>June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	\$ 1,130,000	\$ 785,550	\$ 1,915,550
2022	1,185,000	724,781	1,909,781
2023	1,250,000	662,425	1,912,425
2024	1,315,000	598,300	1,913,300
2025	1,375,000	531,050	1,906,050
2026-2030	7,160,000	1,599,013	8,759,013
2031-2032	3,140,000	150,814	3,290,814
<b>Total</b>	<b>\$ 16,555,000</b>	<b>\$ 5,051,932</b>	<b>\$ 21,606,932</b>

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

**General Obligation Bonds Series 2002**

On February 28, 2002, the City issued \$5,999,976 in General Obligation Bonds Series 2002 to finance the construction, acquisition and improvement of a new police station. Total annual debt service payments, including interest at 3.625% to 5.68%, range from \$208,666 to \$925,000. The General Obligation Bonds Series 2002 shall accrete in value by the accumulation of earned interest from its initial denominational (principal) amount with such interest compounded semiannually on January 1 and July 1.

<b>Year Ending</b>	<b>Principal</b>	<b>Total</b>
<b>June 30</b>		
2021	\$ 570,000	\$ 570,000
2022	595,000	595,000
2023	625,000	625,000
2024	655,000	655,000
2025	690,000	690,000
2026-2030	4,005,000	4,005,000
2031	925,000	925,000
Subtotal	8,065,000	<u>\$ 8,065,000</u>
Future Accretion	<u>(2,362,741)</u>	
<b>Total</b>	<u>\$ 5,702,259</u>	

**2019 Civic Center Project Lease Revenue Refunding Bonds**

On April 2, 2019, the Authority issued \$32,210,000 in Civic Center Project Lease Revenue Refunding Bonds, Series 2019, to refinance the 2009 Civic Center Project Lease Revenue Bonds. The City's Civic Center is pledged as collateral for this debt issuance. Annual debt service payments, including interest at 4.00% to 5.00%, range from \$852,800 to \$2,715,650. The refunding resulted in overall debt service savings of \$17,856,031. The net present value of the debt service savings is called an economic gain and amounted to \$8,988,082. If an event of default occurs, as defined in the indenture of trust, the bond trustee, or not less than a majority of owners of the bonds outstanding at that time, are entitled to declare the principal and accrued interest for all bonds outstanding to be due and payable immediately.

The 2009 Civic Center Project Lease Revenue Bonds were issued to finance the construction of a new city hall, community center and senior center, plus library improvements and other public capital improvements.

The Civic Center Project Lease Revenue Refunding Bonds, Series 2019, 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.

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

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, 2020, 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, 2021.

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.

Year Ending June 30	Principal	Interest	Total
2021	\$ 1,235,000	\$ 1,429,300	\$ 2,664,300
2022	1,290,000	1,378,800	2,668,800
2023	1,340,000	1,326,200	2,666,200
2024	1,405,000	1,264,275	2,669,275
2025	1,475,000	1,192,275	2,667,275
2026-2030	8,590,000	4,746,000	13,336,000
2031-2035	8,315,000	2,567,125	10,882,125
2036-2040	7,370,000	692,875	8,062,875
<b>Total</b>	<b>\$ 31,020,000</b>	<b>\$ 14,596,850</b>	<b>\$ 45,616,850</b>

ii. **Direct Placement Lease**

**2015 Lease Financing**

On December 17, 2015, the Authority issued \$11,515,000 in a direct placement with 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. The City's Police Department building is pledged as collateral for this debt issuance. Annual debt service payments, including interest at 3.25%, range from \$108,113 to \$792,031.

Year Ending June 30	Principal	Interest	Total
2021	\$ 480,000	\$ 311,675	\$ 791,675
2022	495,000	295,831	790,831
2023	510,000	279,500	789,500
2024	525,000	262,681	787,681
2025	545,000	245,294	790,294
2026-2030	2,990,000	945,263	3,935,263
2031-2035	3,515,000	418,031	3,933,031
2036	770,000	12,513	782,513
<b>Total</b>	<b>\$ 9,830,000</b>	<b>\$ 2,770,788</b>	<b>\$ 12,600,788</b>

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

**iii. 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 annual payments range from \$357,796 to \$1,826,938.



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

Year Ending June 30	Principal	Interest	Total
2021	\$ 1,548,919	\$ -	\$ 1,548,919
2022	1,638,690	-	1,638,690
2023	1,731,800	-	1,731,800
2024	1,826,938	-	1,826,938
2025	1,679,948	-	1,679,948
2026	824,328	-	824,328
<b>Total</b>	<b>\$ 9,250,623</b>	<b>\$ -</b>	<b>\$ 9,250,623</b>

**iv. Net OPEB Liability and Net Pension Liability**

Individual governmental funds that provide for employee personnel costs, primarily the General Fund, will be responsible for liquidating their respective shares of the Net OPEB Liability and Net Pension Liability. Details regarding the City's Net OPEB Liability and Net Pension Liability can be found in Note #9 and Note #10, respectively.

**v. Accumulated Compensated Absences**

The long-term compensated absences balances as of June 30, 2020 were:

Governmental	\$ 830,453
Business-Type	\$ 238,464

**B. BUSINESS-TYPE ACTIVITIES**

	Balance July 1, 2019	Additions	Payments Adjustments	Balance June 30, 2020	Amounts Due Within One Year
<b>Bonds</b>					
Water Revenue Refunding Bonds Series 2014	\$ 39,650,000	\$ -	\$ (1,690,000)	\$ 37,960,000	\$ 1,775,000
Net Bond Premium	4,789,757	-	(252,093)	4,537,664	-
Total Bonds	44,439,757	-	(1,942,093)	42,497,664	1,775,000
<b>Notes Payable (Direct Placement)</b>					
State Water Resources Loan (Wastewater)	8,727,793	-	(2,123,749)	6,604,044	2,162,085
State Water Resources Loan (Recycled Water Projects)	6,566,758	1,885,641	-	8,452,399	-
Total Notes Payable	15,294,551	1,885,641	(2,123,749)	15,056,443	2,162,085
<b>Other</b>					
Net OPEB Liability	10,652,620		(1,062,044)	9,590,576	-
Net Pension Liability	10,287,234		(2,410,552)	7,876,682	-
Accumulated Compensated Absences	519,239	681,167	(604,246)	596,160	357,696
Total Other	21,459,093	681,167	(4,076,842)	18,063,418	357,696
<b>Total Business-Type Activities Long-Term Obligations</b>	<b>\$ 81,193,401</b>	<b>\$ 2,566,808</b>	<b>\$ (8,142,684)</b>	<b>\$ 75,617,525</b>	<b>\$ 4,294,781</b>

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

**i. Bonds**

**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. Total annual debt service payments, including interest at rates from 3.0 to 5.0%, range from \$1,966,100 to \$3,517,350. If an event of default occurs, as defined in the indenture of trust, the bond trustee, or not less than a majority of owners of the bonds outstanding at that time, are entitled to declare the principal and accrued interest for all bonds outstanding to be due and payable immediately. Future payments for these bonds are as follows:

<b>Year Ending</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
<b>June 30</b>			
2021	\$ 1,775,000	\$ 1,739,100	\$ 3,514,100
2022	1,860,000	1,650,350	3,510,350
2023	1,950,000	1,557,350	3,507,350
2024	2,050,000	1,459,850	3,509,850
2025	2,160,000	1,357,350	3,517,350
2026-2030	9,560,000	5,355,300	14,915,300
2031-2035	10,850,000	3,391,800	14,241,800
2036-2038	7,755,000	788,000	8,543,000
<b>Total</b>	<b>\$ 37,960,000</b>	<b>\$ 17,299,100</b>	<b>\$ 55,259,100</b>

The Authority has pledged future, water customer revenues, net of specified operating expenses, through 2038 to repay the 2014 Water 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 2019/20, the Water Fund's principal and interest paid was \$3,513,600, Net Operating Revenues were \$9,061,475 and Adjusted Annual Net Water Revenues were \$10,732,680 meeting bond covenant debt-coverage requirements.

**ii. Notes Payable (Direct Placement) 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 to finance the Wastewater Treatment Plant Expansion project.



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

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. Upon violation of any material provision of the loan agreement, the State Water Resources Control Board has the option to demand immediate repayment of the current loan balance plus accrued interest and penalties. As of June 30, 2020, the City's gross repayment obligation of \$6,843,885 is reported in the accompanying financial statement net of the unamortized discount of \$239,841. During FY 2019/20, the City repaid \$2,123,749 on the obligation and amortized \$157,546 of the discount, which was reported as interest expense.

Year Ending June 30	Principal	Interest	Total
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>\$ 6,604,044</b>	<b>\$ 239,841</b>	<b>\$ 6,843,885</b>

**State Water Resources Loan (Recycled Water Projects)**

In July 2017, the City entered into a loan and grant agreement with the State of California's State Water Resources Control Board for a not-to-exceed amount of \$20,802,000 to fund the City's Water Recycling Projects, which consists of two City projects: the Non-Potable Storage Facility, and Citywide Non-Potable Water Distribution System. Project financing will consist of a State Revolving Fund loan and grant funding in estimated amounts of \$14,596,500 and \$6,205,500, respectively. Certain terms of the loan were amended in September 2018, under which the City was to start construction no later than June 25, 2018 with construction to be completed by June 30, 2021. Construction on the project began December, 2017. The loan bears annual interest of 1.0%, which begins accruing with each financing disbursement. Beginning one year after completion of construction, repayment of the loan principal plus interest will be made annually according to the final payment schedule provided by the state. Upon violation of any material provision of the loan agreement, the State Water Resources Control Board has the option to demand immediate repayment of the current loan balance plus accrued interest and penalties.

As of June 30, 2020, the City has incurred \$8,452,399 of eligible project costs and financing disbursement requests have been submitted to the State.



**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>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	\$ 640,000
<b>Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2012 A (Refinancing of CIFP'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	\$ 9,595,000
<b>Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2014 A&amp;B (Refinancing of CIFP'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	\$ 57,375,000
<b>Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2018A (Refinancing of CIFP's 2002-1, 2003-1 and 2004-1)</b> • Dated February 6, 2018 • Annual debt service payments, including interest at 2.19 % to 4.15 %, range from \$1,228,923 to \$3,271,266 • Final payment due September 2034	\$ 34,810,000
<b>Total Assessment District Debt</b>	<b>\$ 102,420,000</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 – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments.
- Unrestricted – This category represents the net position of the City, which is not restricted for any project or other purpose.

**NOTE #9 – POST-RETIREMENT HEALTH CARE BENEFITS**

**A. GENERAL INFORMATION ABOUT THE CITY'S RETIREE HEALTHCARE PLAN**

**Plan Benefits and Benefits Provided**

In addition to the pension benefits described in Note #10, 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 as follows:

<b>Eligibility</b>	Retire directly from the City under CalPERS (Age 50 <sup>(1)</sup> with 5 years CalPERS service, or disability)					
<b>Medical</b>	City paid premium, subject to caps:					
	Hired < 7/1/12				Hired ≥ 7/1/12	
	Retire < 7/1/12		Retire ≥ 7/1/12			
	Misc	Safety	Misc	Safety <sup>(2)</sup>	Misc	Safety
	2019	\$1,536.50	\$1,326.63	\$1,500.00	\$136.00	
2020	1,536.98	1,326.63	1,500.00	139.00		
2021 <sup>(3)</sup> +	Kaiser Dual	1,326.63 <sup>(4)</sup>	1,500.00 <sup>(4)</sup>	PEMHCA Minimum		
<b>Surviving Spouse</b>	100% of retiree benefit continues to surviving spouse if retiree elects CalPERS survivor annuity					
<b>Other</b>	No dental, vision, life, or Medicare Part B reimbursement					

(1) Age 52 for Miscellaneous PEPRAs employees.

(2) Council members retired after 7/1/12 and hired before 7/1/12 get the same benefit as safety group.

(3) Based on Basic (non-Medicare) premiums.

(4) Not less than Kaiser single premium.

**Employees Covered by Benefit Terms**

Membership in the plan consisted of the following at the measurement date of June 30, 2019:

	<b>Number of Covered Participants</b>
Active employees	292
Inactive employees or beneficiaries currently receiving benefits	138
Inactive participants entitled to benefit payments	22
<b>Total</b>	<b>452</b>

**NOTE #9 – POST-RETIREMENT HEALTH CARE BENEFITS** (Continued)

**B. NET OPEB LIABILITY**

**Actuarial Methods and Assumptions**

The City's net OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2019 based on the following actuarial methods and assumptions:

<b>Actuarial Assumption</b>	<b>June 30, 2019 Measurement Date</b>
Actuarial Valuation Date	June 30, 2019
Contribution Policy	City contributes 85% of ADC
Discount Rate	6.75% at June 30, 2019 6.75% at June 30, 2018
Expected Long-Term Rate of Return on Investments	Expected City contributions projected to keep sufficient plan assets to pay all benefits from trust
General Inflation	2.75% annually
Mortality, Retirement, Disability, Termination	CalPERS 1997-2015 Experience Study
Mortality Improvement	Projected fully generational with Scale MP-2019
Salary Increases	Aggregate - 3% annually Merit - CalPERS 1997-2015 Experience Study
Medical Trend	Non-Medicare - 7.25% for 2021, decreasing to an ultimate rate of 4.0% in 2076 Medicare - 6.30% for 2021, decreasing to an ultimate rate of 4.0% in 2076
PEMHCA minimum increases	4.25% annually
Healthcare participation	Hired < 7/1/12: 100% Hired > 7/1/12: 60%

The underlying mortality assumptions were based on the Scale MP-2019 and all other actuarial assumptions used in the June 30, 2017 valuation were based on the results of a CalPERS 1997-2015 experience study.

The long-term expected rate of return on OPEB plan investments was determined using a building block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset-allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized on the following page:

**NOTE #9 – POST-RETIREMENT HEALTH CARE BENEFITS** (Continued)

Asset Class Component	Target Allocation <sup>(1)</sup>	Expected Real Rate of Return
Global Equity	59%	4.82%
Fixed Income	25%	1.47%
TIPS	5%	1.29%
Commodities	3%	0.84%
REITs	8%	3.76%
Assumed Long-Term Rate of Inflation		2.75%
Expected Long-Term Net Rate of Return, Rounded		6.75%

The long-term expected real rates of return are presented as geometric means.

(1) Policy target effective October 1, 2018

**Discount Rate**

The discount rate used to measure the total OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that City contributions are made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**C. CHANGES IN NET OPEB LIABILITY**

The following summarizes the changes in the net OPEB liability:

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
<b>Balances at June 30, 2019 (Measurement date June 30, 2018)</b>	\$ 50,577,635	\$ 12,630,331	\$ 37,947,304
Changes for the year:			
Service Cost	1,640,302	-	1,640,302
Interest	3,462,146	-	3,462,146
Difference between actual and expected experience	(3,639,364)	-	(3,639,364)
Assumption changes	(537,151)	-	(537,151)
Contributions - employer <sup>(1)</sup>	-	4,136,357	(4,136,357)
Contributions - employee	-	-	-
Net investment income	-	784,122	(784,122)
Benefit payments and refunds <sup>(1)</sup>	(1,853,760)	(1,853,760)	-
Administrative Expenses <sup>(2)</sup>	-	(7,076)	7,076
Net Changes	(927,827)	3,059,643	(3,987,470)
<b>Balances at June 30, 2020 (Measurement date June 30, 2019)</b>	<b>\$ 49,649,808</b>	<b>\$ 15,689,974</b>	<b>\$ 33,959,834</b>

(1) Measurement period July 1, 2018 to June 30, 2019.

(2) Includes trust administrative expenses and other administrative expenses.

**NOTE #9 – POST-RETIREMENT HEALTH CARE BENEFITS** (Continued)

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued plan financial report that may be obtained from 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. The report may be obtained from the California Public Employers' Retiree Benefit Trust, at P.O. Box 942703, Sacramento, CA 94229-2703. The benefit payments and refunds include implied subsidy benefit payments of \$278,000.

**D. SENSITIVITY OF THE NET OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE AND HEALTHCARE COST TREND RATES**

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be, if it were calculated using a discount rate that is 1 percentage-point lower (5.75%) or 1 percentage-point higher (7.75%) than the current discount rate:

	<b>Discount Rate</b>		
	5.75%	6.75%	7.75%
	(1% Decrease)	(Current Rate)	(1% Increase)
Net OPEB Liability	\$ 41,420,628	\$ 33,959,834	\$ 27,939,022

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be, if calculated using healthcare cost trend rates that are 1 percentage-point lower (4.00%) or 1 percentage-point higher (6.00%) than the current healthcare cost trend rates:

	<b>Healthcare Cost Trend Rate</b>		
	1% Decrease	Current Rate	1% Increase
Net OPEB Liability	\$ 27,277,200	\$ 33,959,834	\$ 42,322,187

**E. OPEB EXPENSE AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES RELATED TO OPEB**

For the year ended June 30, 2020, the City recognized OPEB expense of \$3,681,512. At June 30, 2020, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<b>June 30, 2020</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 3,178,685
Changes of assumptions	-	469,157
Net difference between projected and actual earning on plan investments	-	76,224
Employer contributions made subsequent to the measurement date	4,221,000	-
<b>Total</b>	<b>\$ 4,221,000</b>	<b>\$ 3,724,066</b>

**NOTE #9 – POST-RETIREMENT HEALTH CARE BENEFITS** (Continued)

For the year ended June 30, 2020, the City reported \$4,221,000 as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as part of OPEB expense as follows:

<b>Year ended June 30</b>	<b>Annual Amortization</b>
2020	\$ (570,944)
2021	(572,944)
2022	(532,945)
2023	(514,083)
2024	(528,673)
Thereafter	(1,004,477)

**NOTE #10 – 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 Multiple-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).

**NOTE #10 – DEFINED BENEFIT PENSION PLANS (Continued)**

The Miscellaneous Plan’s provisions and benefits in effect at June 30, 2020 are summarized below:

	<b>Miscellaneous Plan</b>		
	<b>Tier 1</b>	<b>Tier 2</b>	<b>Tier 3</b>
	Prior to <u>October 1, 2010</u>	After <u>September 30, 2010</u>	After <u>December 31, 2012</u>
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 (Normal Cost)	11.466%	11.466%	11.466%
Maximum COLA	5.00%	2.00%	2.00%
Final Average Compensation Period	One Year	Three Years	Three Years

Unfunded Accrued Liability Annual Payment for the Miscellaneous Plan is \$1,312,986.

**b. Employees Covered**

At the June 30, 2019 measurement date, the most recent valuation available, the following plan participants were covered by the benefit terms:

	<b>Miscellaneous Plan</b>			
	<b>Tier 1</b>	<b>Tier 2</b>	<b>Tier 3</b>	<b>Total</b>
Inactive Employees or Beneficiaries Currently Receiving Benefits	175	-	-	175
Inactive Employees Entitled to but not yet Receiving Benefits	144	-	-	144
Active Employees	118	46	69	233
<b>Total</b>	<u>437</u>	<u>46</u>	<u>69</u>	<u>552</u>

**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.

For the year ended June 30, 2020, the contributions to the Miscellaneous Plan were \$4,000,699 for the employer paid contributions.



**NOTE #10 – 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, 2019, using an annual actuarial valuation as of June 30, 2018 using standard update procedures. A summary of principal assumptions and methods used to determine the Net Pension Liability is shown in Note #10D.

**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, 2018</b>	\$ 134,309,643	\$ 103,098,376	\$ 31,211,267
<b>Changes recognized for the measurement period</b>			
Service Cost	\$ 4,046,384	\$ -	\$ 4,046,384
Interest on the Total Pension Liability	9,726,556	-	9,726,556
Changes in Assumptions	-	-	-
Differences Between Actual and Expected Experience	1,771,866	-	1,771,866
Net Plan to Plan Resource Movement	-	-	-
Contribution - Employer	-	13,725,567	(13,725,567)
Contribution - Employees	-	1,703,581	(1,703,581)
Net Investment Income	-	7,502,561	(7,502,561)
Benefit Payments, Including Refunds of Employee Contributions	(4,137,884)	(4,137,884)	-
Other Misc Income/(Expense)	-	238	(238)
Administrative Expense	-	(73,573)	73,573
<b>Net Changes</b>	<b>11,406,922</b>	<b>18,720,490</b>	<b>(7,313,568)</b>
<b>Balance at June 30, 2019</b>	<b>\$ 145,716,565</b>	<b>\$ 121,818,866</b>	<b>\$ 23,897,699</b>

**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 7.15%, as well as what the Net Pension Liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15%) or 1 percentage-point higher (8.15%) than the current rate.

	<b>Miscellaneous Plan</b>		
	6.15% (1% Decrease)	7.15% (Current Rate)	8.15% (1% Increase)
Net Pension Liability	\$ 46,076,893	\$ 23,897,699	\$ 5,730,655

**NOTE #10 – DEFINED BENEFIT PENSION PLANS (Continued)**

**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 Outflows/Inflows of Resources Related to Pensions**

For the year ended June 30, 2020, the City recognized pension expense for the Miscellaneous Plan of \$7,046,859. At June 30, 2020, the Miscellaneous Plan has Deferred Outflows and Deferred Inflows of Resources related to the pension plan as follows:

	<b>Miscellaneous Plan</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Pension Contributions Subsequent to Measurement Date	\$ 4,000,699	\$ -
Differences Between Actual and Expected Experience	1,653,852	-
Changes in Assumptions	2,360,323	(2,734,027)
Net Differences Between Projected and Actual Earnings on Plan Investments	-	(693,653)
<b>Total</b>	<b>\$ 8,014,874</b>	<b>\$ (3,427,680)</b>

Deferred Outflows of Resources related to contributions subsequent to the measurement date of \$4,000,699 will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2021. Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized as pension expense below:

<b>Miscellaneous Plan</b>	
<b>Fiscal Year Ended June 30</b>	<b>Annual Amortization</b>
2020	\$ 1,792,026
2021	(1,080,258)
2022	(301,666)
2023	176,393
2024	-
Thereafter	-

**v. Payable to the Miscellaneous Plan**

At June 30, 2020, the City reported a payable of \$372,866 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2020.

**NOTE #10 – DEFINED BENEFIT PENSION PLANS (Continued)**

**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 (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, 2020, are summarized below:

	<b>Safety Plan</b>		
	<b>Tier 1</b>	<b>Tier 2</b>	<b>Tier 3</b>
Hire Date	Prior to September 1, 2012	After August 31, 2012	After December 31, 2012
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%	12%
Required Employer Contribution Rates	23.885%	18.928%	13.034%
COLA	5.00%	2.00%	2.00%
Final Average Compensation Period	One Year	Three Years	Three Years
Unfunded Accrued Liability Annual Payment	\$ 1,013,064	\$ 3,245	\$ 4,070

**NOTE #10 – DEFINED BENEFIT PENSION PLANS** (Continued)

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 \$1,020,379 in FY 2019/20.

**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, 2020, the contributions to the Safety Plan were \$3,573,095 for the employer paid contributions.

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

As of June 30, 2020, the City reported Net Pension Liabilities for its proportionate share of the Net Pension Liability of the Safety Plan of \$14,684,347.

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, 2018, 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, 2018 rolled forward to June 30, 2019 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, 2018 and 2019 was as follows:

<u>Proportionate Share of Net Pension Liability</u>	<u>Safety Plan</u>
Proportion - June 30, 2018	0.27661%
Proportion - June 30, 2019	0.23523%
Change - Increase (Decrease)	-0.04138%



**NOTE #10 – DEFINED BENEFIT PENSION PLANS (Continued)**

For the year ended June 30, 2020, the City recognized pension expense of \$6,305,348 for the Safety Plan. At June 30, 2020, the Safety Plan reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Safety Plan</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Pension Contributions Subsequent to Measurement Date	\$ 3,563,095	\$ -
Differences Between Actual and Expected Experience	958,755	-
Changes in Assumptions	601,886	(117,457)
Change in the Employer's Proportion and Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	2,633,377	(1,710,922)
Net Differences Between Projected and Actual Earnings on Plan Investments	-	(202,008)
<b>Total</b>	<b>\$ 7,757,113</b>	<b>\$ (2,030,387)</b>

Deferred outflows of resources related to contributions subsequent to the measurement date of \$3,563,095 will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2021. Other amounts, reported as Deferred outflows/inflows of resources related to pensions, will be recognized as pension expense, as summarized as follows:

<b>Safety Plan</b>	
<b>Fiscal Year Ended June 30</b>	<b>Annual Amortization</b>
2021	\$ 1,570,773
2022	278,253
2023	275,300
2024	39,305

**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 7.15%, and 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 (6.15%) or 1 percentage-point higher (8.15%) than the current rate.

	<b>Safety Plan</b>		
	6.15% (1% Decrease)	7.15% (Current Rate)	8.15% (1% Increase)
Net Pension Liability	\$ 25,525,291	\$ 14,684,347	\$ 5,796,471

**NOTE #10 – DEFINED BENEFIT PENSION PLANS (Continued)**

**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, 2020, the City reported a payable of \$204,203 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2020.

**D. INFORMATION COMMON TO BOTH THE MISCELLANEOUS AND SAFETY PLANS**

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

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

As of June 30, 2020, the City reported Net Pension Liabilities for the Miscellaneous and Safety Plans combined of \$38,582,046 and recognized combined pension expenses for the Miscellaneous and Safety Plans of \$14,546,190.

At June 30, 2020, the Miscellaneous and Safety Plans reported combined Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	<b>Miscellaneous and Safety Plans</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Pension Contributions Subsequent to Measurement Date	\$ 7,563,794	\$ -
Differences Between Actual and Expected Experience	2,612,607	-
Changes in Assumptions	2,962,209	(2,851,484)
Change in the Employer's Proportion and Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	2,633,377	(1,710,922)
Net Differences Between Projected and Actual Earnings on Plan Investments	-	(895,661)
<b>Total</b>	<b>\$ 15,771,987</b>	<b>\$ (5,458,067)</b>

**NOTE #10 – DEFINED BENEFIT PENSION PLANS (Continued)**

**ii. Actuarial Assumptions**

The June 30, 2019 total pension liabilities were based on the following actuarial methods and assumptions:

	<u>Miscellaneous and Safety Plans</u>
Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50% (Safety), 2.75% (Miscellaneous)
Salary Increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment Rate of Return	7.375%
Mortality Rate Table <sup>(1)</sup>	Derived using CalPERS Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies.

*(1) The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.*

The underlying mortality and other actuarial assumptions used in current valuation were based on the results of CalPERS December 2017 actuarial Experience Study. Further details of the Experience Study can be found on CalPERS website under Forms and Publications.

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

In December 2016, the 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 changes in the discount rate affect the contribution rates for employers beginning in FY 2018/19, and result in increases to employers' normal costs and unfunded actuarial liabilities.

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

The discount rate used to measure the total pension liability for each Plan was 7.15%. The projection of cash flows used to determine the discount rate for each Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) are made at the current member contribution rates and that contributions from employers are made at statutorily required rates, actuarially determined. Based on those assumptions, each Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members for all plans in the PERF. Therefore, the long-term expected rate of return

**NOTE #10 – DEFINED BENEFIT PENSION PLANS** (Continued)

on plan investments was applied to all periods of projected benefit payments to determine the total pension liability for each Plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which 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+ 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 rounded 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 equal rate calculated above and adjusted to account for assumed administrative expenses.

The following table reflects expected real rate of return by asset class for both the Miscellaneous and Safety Plans.

Asset class <sup>(1)</sup>	New Strategic Allocation	Real Return Years 1 - 10 <sup>(2)</sup>	Real Return Years 11+ <sup>(3)</sup>
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
<b>Total</b>	<b>100%</b>		

(1) In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(2) An expected inflation of 2.00% used for this period.

(3) An expected inflation of 2.92% used for this period.



**NOTE #10 – DEFINED BENEFIT PENSION PLANS** (Continued)

**v. Subsequent Event – CalPERS Pension Contribution Rates**

The CalPERS Board of Administration has adopted a new amortization policy effective with the June 30, 2019 actuarial valuation. The new policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed using a level dollar amount. In addition, the new policy removes the 5-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy removes the 5-year ramp-down on investment gains/losses. These changes will apply only to new UAL bases established on or after June 30, 2019. As a result of these changes, the City's contribution rates for the fiscal year ended June 30, 2021 are expected to increase over the fiscal year 2020 contribution rates.

**NOTE #11 – 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); All Risk 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 (\$5 million coverage, \$2,500 deductible); Public Entity Pollution (\$1 million coverage, \$100,000 deductible); Boiler and Machinery (\$100 million coverage, \$5,000 deductible) and Workers Compensation (coverage in excess of 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, 2020 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, as well as on the agency's website at [www.mpa-nc.com](http://www.mpa-nc.com).

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, including the Incurred But Not Reported (IBNR) amount, was calculated to be immaterial for presentation purposes.

**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 served in this capacity from April 11, 2012 until June 30, 2018. Effective July 1, 2018, a new Countywide Oversight Board was established pursuant to the dissolution law. 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.

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, 2020, 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, 2020.



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

**B. CAPITAL ASSETS**

Capital assets of the Successor Agency, as of June 30, 2020, were comprised of land with a carrying value of \$1,327,129 and there were no additions or retirements during the fiscal year.

**C. 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, 2020.

	<u>Balance</u> <u>June 30, 2019</u>	<u>Payments</u> <u>Adjustments</u>	<u>Balance</u> <u>June 30, 2020</u>	<u>Amounts Due</u> <u>Within One Year</u>
Capital Improvement Revenue Refunding Bonds Series 2012	\$ 12,935,000	\$ (725,000)	\$ 12,210,000	\$ 765,000
2009 Civic Center Project Lease Revenue Bonds	10,960,526	(319,737)	10,640,789	332,895
<b>Total</b>	<u>\$ 23,895,526</u>	<u>\$ (1,044,737)</u>	<u>\$ 22,850,789</u>	<u>\$ 1,097,895</u>

**i. Bonds**

**Capital Improvement Revenue Refunding Bonds Series 2012**

The Brentwood Redevelopment Agency issued 2001 Capital Improvement 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 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, as discussed in Note #6. Total annual debt service payments, including interest at 4.25% to 5.375%, range from \$1,342,750 to \$1,368,688.

The Successor Agency to the Brentwood Redevelopment Agency has pledged future tax revenues for the repayment of a portion of the bonds. Following the dissolution of the Brentwood Redevelopment Agency, the Successor Agency is allocated funds for payment of obligations listed on the Successor Agency's 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, 2021. 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 \$16,227,934 remaining share of debt service on the bonds, which is scheduled to occur in 2032.

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

**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, community center, senior center, plus library improvements and other public capital improvements, as discussed in Note #6. The Brentwood Redevelopment Agency entered into a reimbursement agreement with the Authority that 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 2009 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, 2021. 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 \$19,964,241 remaining share of debt service on the bonds. The repayment of the debt is scheduled to occur in 2040. Total debt service requirements for the Successor Agency's two bond payment obligations are summarized as follows:

Year Ending June 30	Principal	Interest	Total
2021	\$ 1,097,895	\$ 1,374,145	\$ 2,472,040
2022	1,152,368	1,311,825	2,464,193
2023	1,206,842	1,247,031	2,453,873
2024	1,267,632	1,178,292	2,445,924
2025	1,324,737	1,106,300	2,431,037
2026-2030	7,684,737	4,287,797	11,972,534
2031-2035	5,442,895	2,106,311	7,549,206
2036-2040	3,673,683	729,685	4,403,368
<b>Total Payments Due</b>	<b>\$ 22,850,789</b>	<b>\$ 13,341,386</b>	<b>\$ 36,192,175</b>

**D. PLEDGED REVENUES**

As discussed above, the Successor Agency has pledged all future tax-increment revenues for the repayment of its share of the Capital Improvement Revenue Refunding Bonds Series 2012 and the Civic Center Project Lease Revenue Bonds. The pledge of all future tax-increment revenues ends upon repayment of \$36,192,175 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 that are to be used to fund debt service on the bonds, with no

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

distinction between housing and non-housing revenues. For FY 2019/20, gross tax increment available to be distributed to the Successor Agency was \$9,472,818, which represents coverage of 382% of the FY 2019/20 debt service requirements.

**E. COMMITMENTS AND CONTINGENCIES**

**i. State Approval of Enforceable Obligations**

The Successor Agency prepares a ROPS annually containing 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 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 for \$14,955,931. In addition, the City complied with the State Controller's order to return the land/building assets to the Successor Agency. These transfers were conveyed to the Successor Agency by grant deeds recorded in the Official Records of Contra Costa County on March 21, 2018. 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, 2020, 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 that 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.

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

**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 the 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, 2020, was \$2,615,623, after a total of \$1,211,596 was used as credits or expired and there were no additional amounts added by agreements during FY 2019/20. 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, 2020, the City had several commitments with respect to unfinished capital projects. Outstanding commitments with respect to unfinished major capital projects are as follows:

<u>Project Name</u>	<u>Outstanding Commitments</u>
Citywide Non-Potable Water Distribution System	\$ 252,518
Priority Area 1 Infrastructure Improvements	587,384
Public Art Spaces	166,250
Wastewater Treatment Plant Expansion - Phase II	6,082,814
Water and Wastewater SCADA System	3,524,366
<b>Total</b>	<b>\$ 10,613,332</b>

**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. 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 6th, 10th and 20th year, as well as at the end of the additional optional five-year terms at a price equal to the fair market value of the systems. Early termination of any of the contracts by the City would result in termination payments ranging from \$6.4 million in year one to \$0.3 million in the

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

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, 2020

	Budget Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 24,806,715	\$ 24,995,815	\$ 25,069,347	\$ 73,532
Licenses	790,418	790,418	682,764	(107,654)
Permits and Fines	4,898,791	4,947,054	5,407,548	460,494
Uses of Money and Property	872,509	872,509	1,872,997	1,000,488
Intergovernmental	4,823,163	4,955,277	5,003,654	48,377
Franchises	1,562,733	1,562,733	1,461,483	(101,250)
Charges for Other Services	274,397	274,397	280,403	6,006
Charges to Other Funds	7,709,313	7,709,313	7,780,455	71,142
Fees and Other Revenues	1,856,631	2,003,030	1,606,963	(396,067)
<b>Total Revenues</b>	<b>47,594,670</b>	<b>48,110,546</b>	<b>49,165,614</b>	<b>1,055,068</b>
<b>EXPENDITURES</b>				
Current:				
General Government	9,005,450	9,519,176	7,301,410	2,217,766
Public Safety	26,708,594	27,878,876	24,358,968	3,519,908
Community Development	6,545,498	6,864,798	5,514,184	1,350,614
Engineering	3,735,912	3,788,014	3,417,308	370,706
Public Works	4,238,949	4,281,791	3,721,300	560,491
Parks and Recreation	7,167,076	7,744,437	6,620,407	1,124,030
Community Services	1,071,746	1,109,494	939,585	169,909
Capital Outlay	-	-	21,894	(21,894)
Debt Service:				
Principal	1,460,783	1,460,783	1,460,783	-
<b>Total Expenditures</b>	<b>59,934,008</b>	<b>62,647,369</b>	<b>53,355,839</b>	<b>9,291,530</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(12,339,338)</b>	<b>(14,536,823)</b>	<b>(4,190,225)</b>	<b>10,346,598</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	12,508,499	12,908,812	8,203,854	(4,704,958)
Transfers Out	(1,849,312)	(1,949,312)	(3,283,763)	(1,334,451)
<b>Total Other Financing Sources (Uses)</b>	<b>10,659,187</b>	<b>10,959,500</b>	<b>4,920,091</b>	<b>(6,039,409)</b>
<b>Net Change in Fund Balances</b>	<b>\$ (1,680,151)</b>	<b>\$ (3,577,323)</b>	<b>729,866</b>	<b>\$ 4,307,189</b>
<b>Fund Balance, Beginning of Year</b>			<b>29,859,880</b>	
<b>Fund Balance, End of Year</b>			<b>\$ 30,589,746</b>	





**Budgetary Comparison Schedule, Landscape and Lighting Assessment Districts**  
**For Year Ended June 30, 2020**

	Budget Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Uses of Money and Property	\$ 90,003	\$ 90,003	\$ 327,914	\$ 237,911
Fees and Other Revenues	10,039,143	9,578,140	9,576,446	(1,694)
<b>Total Revenues</b>	<b>10,129,146</b>	<b>9,668,143</b>	<b>9,904,360</b>	<b>236,217</b>
<b>EXPENDITURES</b>				
Current:				
Community Services	9,097,221	12,185,264	10,962,159	1,223,105
<b>Total Expenditures</b>	<b>9,097,221</b>	<b>12,185,264</b>	<b>10,962,159</b>	<b>1,223,105</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,031,925</b>	<b>(2,517,121)</b>	<b>(1,057,799)</b>	<b>1,459,322</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,515	1,515	1,515	-
<b>Total Other Financing Sources (Uses)</b>	<b>1,515</b>	<b>1,515</b>	<b>1,515</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ 1,033,440</b>	<b>\$ (2,515,606)</b>	<b>(1,056,284)</b>	<b>\$ 1,459,322</b>
<b>Fund Balance, Beginning of Year</b>			<b>7,814,298</b>	
<b>Fund Balance, End of Year</b>			<b>\$ 6,758,014</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*



**Single Employer Defined Benefit Plan**  
**Schedule of Changes in Net OPEB Liability/(Assets) and Related Ratios**  
**Last 10 Years <sup>(1)</sup>**

<b>Fiscal Year</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
<b>Measurement Date</b>	<b>6/30/2017</b>	<b>6/30/2018</b>	<b>6/30/2019</b>
<b>Changes in Total OPEB Liability</b>			
Service Cost	\$ 1,629,000	\$ 1,679,380	\$ 1,640,302
Contributions - employee	-	-	-
Interest	3,050,000	3,253,745	3,462,146
Difference between actual and expected experience	-	-	(3,639,364)
Assumption changes	-	-	(537,151)
Other changes	-	-	-
Benefit payments including refunds	(1,653,000)	(1,759,490)	(1,853,760)
Changes of benefit terms	-	-	-
<b>Net Changes</b>	<u>3,026,000</u>	<u>3,173,635</u>	<u>(927,827)</u>
<b>Total OPEB Liability (beginning of year)</b>	<u>44,378,000</u>	<u>47,404,000</u>	<u>50,577,635</u>
<b>Total OPEB Liability (end of year)</b>	<u>\$ 47,404,000</u>	<u>\$ 50,577,635</u>	<u>\$ 49,649,808</u>
<b>Changes in Plan Fiduciary Net Position</b>			
Contributions - employer	\$ 5,708,000	\$ 4,510,871	\$ 4,136,357
Net investment income	632,000	717,022	784,122
Benefit payments and refunds	(1,653,000)	(1,759,490)	(1,853,760)
Administrative expenses	(3,000)	(17,072)	(7,076)
<b>Net Changes</b>	<u>4,684,000</u>	<u>3,451,331</u>	<u>3,059,643</u>
<b>Plan Fiduciary Net Position (beginning of year)</b>	<u>4,495,000</u>	<u>9,179,000</u>	<u>12,630,331</u>
<b>Plan Fiduciary Net Position (end of year)</b>	<u>\$ 9,179,000</u>	<u>\$ 12,630,331</u>	<u>\$ 15,689,974</u>
<b>Net OPEB Liability/(Asset)</b>	<u>\$ 38,225,000</u>	<u>\$ 37,947,304</u>	<u>\$ 33,959,834</u>
<b>Fiduciary Net Position as a percentage of the Total OPEB Liability</b>	19.4%	25.0%	31.6%
<b>Covered employee payroll <sup>(2)(3)</sup></b>	\$ 29,051,000	\$ 31,002,370	\$ 32,173,000
<b>Net OPEB Liability as a percentage of covered employee payroll <sup>(3)</sup></b>	132%	122%	105.6%

(1) FY 2017/18 was the first year of implementation.

(2) Determined for the 12 month periods ending on June 30, 2017, 2018, 2019 [measurement date]

(3) OPEB contributions are not based on pay.



**Single Employer Defined Benefit Plan  
Schedule of Employer OPEB Contributions  
Last 10 Years <sup>(1)</sup>**

<b>Fiscal Year</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
Actuarially Determined Contribution (ADC)	\$ 5,306,000	\$ 4,861,000	\$ 4,966,000
Contributions in relation to the actuarially determined contribution	4,510,000	4,136,357	4,221,000
Contribution deficiency/(excess)	\$ 796,000	\$ 724,643	\$ 745,000
Covered employee payroll <sup>(2)</sup>	\$ 31,002,370	\$ 32,173,000	\$ 34,648,422
Contributions as a percentage of covered employee payroll	15.0%	12.9%	12.2%

(1) FY 2017/18 was the first year of implementation.

(2) OPEB contributions are not based on pay.

**Notes to Schedule:**

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

<b>Valuation Date</b>	<b>6/30/2015</b>	<b>6/30/2017</b>	<b>6/30/2019</b>
<b>ADC for Fiscal Year</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
Actuarial Cost Method	Entry Age Normal, Level Percentage of Payroll	Entry Age Normal, Level Percentage of Payroll	Entry Age Normal, Level Percentage of Payroll
Amortization Method	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll
Remaining Amortization Period	18 years remaining as of June 30, 2017	Approximately 17-year fixed period for 2018/19	Approximately 16-year fixed period for 2019/20
Asset Valuation Method	Investment gains and losses spread over 5-year rolling period	Investment gains and losses spread over 5-year rolling period	Investment gains and losses spread over 5-year rolling period
Discount Rate	7.25%	6.75%	6.75%
General Inflation	3.00%	2.75%	2.75%
Medical Trend	Non-Medicare – 7% for 2017, decreasing to an ultimate rate of 5.0% in 2021 and later years Medicare – 7.2% for 2017, decreasing to an ultimate rate of 5.0% in 2021 and later years	Non-Medicare - 7.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076 Medicare - 6.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076	Non-Medicare - 7.5% for 2020, decreasing to an ultimate rate of 4.0% in 2076 Medicare - 6.5% for 2020, decreasing to an ultimate rate of 4.0% in 2076
Mortality Improvement	Mortality projected fully generational with Scale MP-2014 modified to converge to ultimate rates in 2022	Projected fully generational with Scale MP-2017	Projected fully generational with Scale MP-2017



**Miscellaneous Plan  
Agent Multiple-Employer Defined Benefit 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	2016/17	2017/18	2018/19
<b>Total Pension Liability</b>						
Service Cost	\$ 3,353,880	\$ 3,211,232	\$ 3,290,164	\$ 3,661,191	\$ 3,825,866	\$ 4,046,384
Interest on Total Pension Liability	6,770,097	7,308,678	7,977,448	8,667,128	8,960,855	9,726,556
Differences Between Expected and Actual Experience	-	(304,364)	1,001,785	450,022	211,977	1,771,866
Changes in Assumptions	-	(2,079,150)	-	8,261,128	(4,921,247)	-
Changes in Benefits	-	-	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(2,206,639)	(2,590,999)	(3,047,166)	(3,404,988)	(3,781,586)	(4,137,884)
<b>Net Change in Total Pension Liability</b>	<b>7,917,338</b>	<b>5,545,397</b>	<b>9,222,231</b>	<b>17,634,481</b>	<b>4,295,865</b>	<b>11,406,922</b>
<b>Total Pension Liability - Beginning</b>	<b>89,694,331</b>	<b>97,611,669</b>	<b>103,157,066</b>	<b>112,379,297</b>	<b>130,013,778</b>	<b>134,309,643</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 97,611,669</b>	<b>\$ 103,157,066</b>	<b>\$ 112,379,297</b>	<b>\$ 130,013,778</b>	<b>\$ 134,309,643</b>	<b>\$ 145,716,565</b>
<b>Plan Fiduciary Net Position</b>						
Contributions - Employer <sup>(2)</sup>	\$ 3,057,063	\$ 2,781,741	\$ 3,437,164	\$ 3,478,686	\$ 3,754,584	\$ 13,725,567
Contributions - Employee	1,024,271	1,314,854	1,370,153	1,462,634	1,582,087	1,703,581
Net Investment Income <sup>(3)</sup>	11,435,505	1,744,327	437,912	9,349,273	7,974,015	7,502,561
Benefit Payments	(2,206,639)	(2,590,999)	(3,047,166)	(3,404,988)	(3,781,586)	(4,137,884)
Plan to Plan Resource Movement	-	(32,597)	-	-	(238)	-
Administrative Expense	-	(91,288)	(49,416)	(122,886)	(146,469)	(73,573)
Other Misc Income/Expense <sup>(4)</sup>	-	-	-	-	(278,147)	238
<b>Net Change in Plan Fiduciary Net Position</b>	<b>13,310,200</b>	<b>3,126,038</b>	<b>2,148,647</b>	<b>10,762,719</b>	<b>9,104,246</b>	<b>18,720,490</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>64,646,526</b>	<b>77,956,726</b>	<b>81,082,764</b>	<b>83,231,411</b>	<b>93,994,130</b>	<b>103,098,376</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 77,956,726</b>	<b>\$ 81,082,764</b>	<b>\$ 83,231,411</b>	<b>\$ 93,994,130</b>	<b>\$ 103,098,376</b>	<b>\$ 121,818,866</b>
Net Pension Liability - Ending (a)-(b)	\$ 19,654,943	\$ 22,074,302	\$ 29,147,886	\$ 36,019,648	\$ 31,211,267	\$ 23,897,699
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.86%	78.60%	74.06%	72.30%	76.76%	83.60%
Covered Payroll	\$ 16,622,216	\$ 16,773,838	\$ 17,716,086	\$ 19,133,306	\$ 20,640,271	\$ 22,031,330
Net Pension Liability as Percentage of Covered Payroll	118.25%	131.60%	164.53%	188.26%	151.22%	108.47%

(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

(4) During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017/18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).



**Miscellaneous Plan**  
**Agent Multiple-Employer Defined Benefit Plan**  
**Schedule of Contributions**  
**Last 10 Years <sup>(1)</sup>**

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Actuarially Determined Contribution (ADC)	\$ 2,786,805	\$ 3,061,100	\$ 3,478,686	\$ 3,754,584	\$ 4,214,219	\$ 4,000,699
Contributions in Relation to the Actuarially Determined Contributions	(2,786,805)	(3,061,100)	(3,478,686)	(3,754,584)	(13,725,567)	(4,000,699)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ (9,511,348)	\$ -
Covered Payroll	\$ 16,773,838	\$ 17,716,086	\$ 19,133,306	\$ 20,640,271	\$ 22,031,330	\$ 23,890,915
Contributions as a Percentage of Covered Payroll	16.61%	17.28%	18.18%	18.19%	19.13%	16.75%

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

**Notes to Schedule:**

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

Valuation Date	6/30/2012	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017
ADC for Fiscal Year	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Actuarial Cost Method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization Method	Level percent of payroll	Level percent of payroll	Level percent of payroll	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	N/A	N/A	N/A
Asset Valuation Method	15-Year Smoothed Market	Market Value	Market Value	Market Value	Market Value	Market Value
Inflation	2.75%	2.75%	2.75%	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	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%	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	7.50%, net of investment and administrative expenses, including inflation	7.50%, net of investment and administrative expenses, including inflation	7.375%, 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.	The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.	The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.	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.	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.	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.



**Safety Plan  
Cost-Sharing Multiple-Employer Defined Benefit Plan  
Schedule of Proportionate Share of the Net Pension Liability  
Last 10 Years <sup>(1)</sup>**

Measurement Period	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
<b>Safety Plan</b>						
Proportion of the Net Pension Liability	0.2421%	0.2513%	0.2646%	0.2687%	0.2766%	0.2352%
Proportionate Share of the Net Pension Liability	\$ 9,080,048	\$ 10,355,885	\$ 13,706,745	\$ 16,054,650	\$ 16,230,478	\$ 14,684,347
Covered Payroll	\$ 12,883,348	\$ 5,577,559	\$ 5,274,445	\$ 7,585,314	\$ 8,033,945	\$ 8,269,499
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	70.48%	185.67%	259.87%	211.65%	202.02%	177.57%
Plan's Fiduciary Net Position	\$ 39,786,396	\$ 44,008,978	\$ 45,031,490	\$ 46,175,307	\$ 56,350,461	\$ 64,421,577
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	81.42%	80.95%	76.66%	74.72%	77.64%	81.44%

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

**Safety Plan  
Cost-Sharing Multiple-Employer Defined Benefit Plan  
Schedule of Contributions  
Last 10 Years <sup>(2)</sup>**

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
<b>Safety Plan</b>						
Actuarially Determined Contribution (ADC)	\$ 1,801,047	\$ 1,777,004	\$ 1,915,780	\$ 2,126,779	\$ 5,493,690 <sup>(3)</sup>	\$ 3,573,095
Contributions in Relation to the Actuarially Determined Contributions	(1,801,047)	(1,777,004)	(1,915,780)	(2,126,779)	(5,493,690)	(3,573,095)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 5,577,559	\$ 5,274,445	\$ 7,585,314	\$ 8,033,945	\$ 8,269,499	\$ 8,457,701
Contributions as a Percentage of Covered Payroll	32.29%	33.69%	25.26%	26.47%	66.43%	42.25%

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

(3) Includes a lump sum pension pay down of \$3,098,238.

**City of Brentwood**

**Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2020**

**Special Revenue Funds**

	<b>Gas Tax</b>	<b>Disability Access and Education</b>	<b>Police Grants</b>	<b>Other Grants</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>ASSETS</b>									
Current Assets:									
Cash and Investments	\$ 693,273	\$ 59,645	\$ 427,229	\$ 173,823	\$ 364,018	\$ -	\$ 674,489	\$ 2,350,873	\$ 8,263,616
Restricted Cash and Investments	-	-	-	-	-	-	-	-	-
Receivables	79,979	38	276	781,805	233	-	770	1,519	4,785
Prepays	-	-	-	-	-	-	1,680	-	-
Due from Other Funds	-	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 773,252</b>	<b>\$ 59,683</b>	<b>\$ 427,505</b>	<b>\$ 955,628</b>	<b>\$ 364,251</b>	<b>\$ -</b>	<b>\$ 676,939</b>	<b>\$ 2,352,392</b>	<b>\$ 8,268,401</b>
<b>LIABILITIES</b>									
Liabilities:									
Accounts Payable and Accrued Liabilities	\$ -	\$ 199	\$ 117,279	\$ 454,149	\$ 55,647	\$ -	\$ 282,097	\$ 6,205	\$ 4,588
Due to Other Funds	-	-	-	-	-	-	-	-	-
Deposits Held	-	439	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>638</b>	<b>117,279</b>	<b>454,149</b>	<b>55,647</b>	<b>-</b>	<b>282,097</b>	<b>6,205</b>	<b>4,588</b>
<b>FUND BALANCES</b>									
Nonspendable	-	-	-	-	-	-	1,680	-	-
Restricted	773,252	59,045	310,226	501,479	308,604	-	-	-	8,263,813
Committed	-	-	-	-	-	-	393,162	2,346,187	-
Unassigned	-	-	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>773,252</b>	<b>59,045</b>	<b>310,226</b>	<b>501,479</b>	<b>308,604</b>	<b>-</b>	<b>394,842</b>	<b>2,346,187</b>	<b>8,263,813</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 773,252</b>	<b>\$ 59,683</b>	<b>\$ 427,505</b>	<b>\$ 955,628</b>	<b>\$ 364,251</b>	<b>\$ -</b>	<b>\$ 676,939</b>	<b>\$ 2,352,392</b>	<b>\$ 8,268,401</b>

*Continued*



**City of Brentwood**

**Combining Balance Sheet  
Non-Major Governmental Funds (Continued)  
June 30, 2020**

**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	\$ 1,553,000	\$ -	\$ 6,713,624	\$ 435,842	\$ 668,972	\$ 2,130,279	\$ 790,762	\$ 2,462,163	\$ 437
Restricted Cash and Investments	-	-	-	-	-	-	-	-	-
Receivables	9,732	-	4,368	241	442	1,400	508	1,594	-
Prepays	-	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,562,732</b>	<b>\$ -</b>	<b>\$ 6,717,992</b>	<b>\$ 436,083</b>	<b>\$ 669,414</b>	<b>\$ 2,131,679</b>	<b>\$ 791,270</b>	<b>\$ 2,463,757</b>	<b>\$ 437</b>
<b>LIABILITIES</b>									
Liabilities:									
Accounts Payable and Accrued Liabilities	\$ 32,835	\$ -	\$ 8,132	\$ -	\$ 624	\$ 6,418	\$ -	\$ 3,000	\$ -
Due to Other Funds	-	434,208	-	-	-	-	-	-	-
Deposits Held	-	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>32,835</b>	<b>434,208</b>	<b>8,132</b>	<b>-</b>	<b>624</b>	<b>6,418</b>	<b>-</b>	<b>3,000</b>	<b>-</b>
<b>FUND BALANCES</b>									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	1,529,897	-	6,709,860	436,083	668,790	2,125,261	791,270	2,460,757	437
Committed	-	-	-	-	-	-	-	-	-
Unassigned	-	(434,208)	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>1,529,897</b>	<b>(434,208)</b>	<b>6,709,860</b>	<b>436,083</b>	<b>668,790</b>	<b>2,125,261</b>	<b>791,270</b>	<b>2,460,757</b>	<b>437</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 1,562,732</b>	<b>\$ -</b>	<b>\$ 6,717,992</b>	<b>\$ 436,083</b>	<b>\$ 669,414</b>	<b>\$ 2,131,679</b>	<b>\$ 791,270</b>	<b>\$ 2,463,757</b>	<b>\$ 437</b>

*Continued*

**City of Brentwood**

**Combining Balance Sheet  
Non-Major Governmental Funds (Continued)  
June 30, 2020**

	<b>Special Revenue Funds (Continued)</b>						<b>Permanent Fund</b>
	<b>Asset Forfeiture</b>	<b>Abandoned Vehicle Abatement</b>	<b>PEG Media</b>	<b>Parks Advertising</b>	<b>Measure J</b>	<b>City Low Income Housing</b>	<b>Riparian Mitigation Site Maintenance</b>
<b>ASSETS</b>							
Current Assets:							
Cash and Investments	\$ 141,366	\$ 68,948	\$ 926,087	\$ 33,483	\$ 1,342,197	\$ 15,906	\$ 84,733
Restricted Cash and Investments	-	-	-	-	-	-	-
Receivables	90	45	609	26	881	10	57
Prepays	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	1,040,359	-
<b>Total Assets</b>	<b>\$ 141,456</b>	<b>\$ 68,993</b>	<b>\$ 926,696</b>	<b>\$ 33,509</b>	<b>\$ 1,343,078</b>	<b>\$ 1,056,275</b>	<b>\$ 84,790</b>
<b>LIABILITIES</b>							
Liabilities:							
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-	-	-
Deposits Held	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	80,000
Restricted	141,456	68,993	926,696	-	1,343,078	1,056,275	4,790
Committed	-	-	-	33,509	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>141,456</b>	<b>68,993</b>	<b>926,696</b>	<b>33,509</b>	<b>1,343,078</b>	<b>1,056,275</b>	<b>84,790</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 141,456</b>	<b>\$ 68,993</b>	<b>\$ 926,696</b>	<b>\$ 33,509</b>	<b>\$ 1,343,078</b>	<b>\$ 1,056,275</b>	<b>\$ 84,790</b>

*Continued*

**City of Brentwood**

**Combining Balance Sheet  
Non-Major Governmental Funds (Continued)  
June 30, 2020**

	Debt Service Funds				Capital Project Funds			
	Capital Improvement Revenue Refunding Bonds Series 2012	General Obligation Bonds Series 2002	2019 Civic Center Project Lease Revenue Refunding Bonds	2015 Lease Financing	Roadway Improvements	Community Facilities Improvements	Parks and Trails Improvements	Capital Improvement Financing Program 2006-1
<b>ASSETS</b>								
Current Assets:								
Cash and Investments	\$ 22,760	\$ 92,764	\$ 13,980	\$ -	\$ 11,354,603	\$ 5,965,469	\$ 715,742	\$ -
Restricted Cash and Investments	1,460,193	-	4,657	-	-	-	-	1,668,284
Receivables	12,210,013	284	10,640,789	-	15,917	4,576	507	-
Prepays	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	434,208	-	-
Land Held for Resale	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 13,692,966</b>	<b>\$ 93,048</b>	<b>\$ 10,659,426</b>	<b>\$ -</b>	<b>\$ 11,370,520</b>	<b>\$ 6,404,253</b>	<b>\$ 716,249</b>	<b>\$ 1,668,284</b>
<b>LIABILITIES</b>								
Liabilities:								
Accounts Payable and Accrued Liabilities	\$ -	\$ 1,035	\$ 4,849	\$ -	\$ 121,156	\$ 209,579	\$ -	\$ -
Due to Other Funds	-	-	-	-	-	-	784,825	-
Deposits Held	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>1,035</b>	<b>4,849</b>	<b>-</b>	<b>121,156</b>	<b>209,579</b>	<b>784,825</b>	<b>-</b>
<b>FUND BALANCES</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	13,692,966	92,013	10,654,577	-	11,249,364	6,194,674	-	1,668,284
Committed	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	(68,576)	-
<b>Total Fund Balances</b>	<b>13,692,966</b>	<b>92,013</b>	<b>10,654,577</b>	<b>-</b>	<b>11,249,364</b>	<b>6,194,674</b>	<b>(68,576)</b>	<b>1,668,284</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 13,692,966</b>	<b>\$ 93,048</b>	<b>\$ 10,659,426</b>	<b>\$ -</b>	<b>\$ 11,370,520</b>	<b>\$ 6,404,253</b>	<b>\$ 716,249</b>	<b>\$ 1,668,284</b>

*Continued*

**City of Brentwood**

**Combining Balance Sheet  
Non-Major Governmental Funds (Continued)  
June 30, 2020**

**Capital Project Funds (Continued)**

	<b>Capital Improvement Financing Program 2005-1</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>ASSETS</b>							
Current Assets:							
Cash and Investments	\$ -	\$ 41,651	\$ 642,200	\$ 3,798,107	\$ 4,605,367	\$ 231,058	\$ 57,858,466
Restricted Cash and Investments	1,755,680	-	-	-	-	-	4,888,814
Receivables	-	30	155	2,444	3,083	-	23,767,206
Prepays	-	-	-	-	-	-	1,680
Due from Other Funds	-	-	-	-	-	-	434,208
Land Held for Resale	-	-	-	-	-	-	1,040,359
<b>Total Assets</b>	<b>\$ 1,755,680</b>	<b>\$ 41,681</b>	<b>\$ 642,355</b>	<b>\$ 3,800,551</b>	<b>\$ 4,608,450</b>	<b>\$ 231,058</b>	<b>\$ 87,990,733</b>
<b>LIABILITIES</b>							
Liabilities:							
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,307,792
Due to Other Funds	-	-	-	-	-	-	1,219,033
Deposits Held	-	-	-	-	-	-	439
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,527,264</b>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	81,680
Restricted	1,755,680	41,681	642,355	3,800,551	4,608,450	231,058	83,111,715
Committed	-	-	-	-	-	-	2,772,858
Unassigned	-	-	-	-	-	-	(502,784)
<b>Total Fund Balances</b>	<b>1,755,680</b>	<b>41,681</b>	<b>642,355</b>	<b>3,800,551</b>	<b>4,608,450</b>	<b>231,058</b>	<b>85,463,469</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 1,755,680</b>	<b>\$ 41,681</b>	<b>\$ 642,355</b>	<b>\$ 3,800,551</b>	<b>\$ 4,608,450</b>	<b>\$ 231,058</b>	<b>\$ 87,990,733</b>

**City of Brentwood**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Non-Major Governmental Funds  
For Year Ended June 30, 2020**

**Special Revenue Funds**

	Gas Tax	Disability Access and Education	Police Grants	Other Grants	Economic Development Grant	Infrastructure Improvements	Citywide Park Assessment District	Community Facilities Districts	Roadway Development Impact Fee
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,411,788	\$ -
Licenses	-	-	-	-	170,691	-	-	-	-
Uses of Money and Property	36,982	2,537	17,719	50,095	15,998	-	18,747	79,050	318,141
Intergovernmental	2,571,910	-	194,318	2,161,407	-	-	-	-	-
Charges for Other Services	-	-	-	-	-	-	1,063	-	-
Fees and Other Revenues	-	20,974	-	-	-	-	2,708,210	-	2,693,679
<b>Total Revenues</b>	<b>2,608,892</b>	<b>23,511</b>	<b>212,037</b>	<b>2,211,502</b>	<b>186,689</b>	<b>-</b>	<b>2,728,020</b>	<b>6,490,838</b>	<b>3,011,820</b>
<b>EXPENDITURES</b>									
Current:									
General Government	1,208	-	-	393,128	-	-	-	-	683,722
Public Safety	-	-	163,691	-	-	-	-	-	-
Community Development	-	11,320	-	-	156,103	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	3,493,750	-	-
Community Services	-	-	-	-	-	-	-	32,777	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>1,208</b>	<b>11,320</b>	<b>163,691</b>	<b>393,128</b>	<b>156,103</b>	<b>-</b>	<b>3,493,750</b>	<b>32,777</b>	<b>683,722</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>2,607,684</b>	<b>12,191</b>	<b>48,346</b>	<b>1,818,374</b>	<b>30,586</b>	<b>-</b>	<b>(765,730)</b>	<b>6,458,061</b>	<b>2,328,098</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	32,118	-	-	-	-	-	899,312	475,028	1,028,289
Transfers Out	(2,494,884)	-	-	(2,910,478)	-	(6,500)	(25,808)	(6,877,964)	(4,157,621)
<b>Total Other Financing Sources (Uses)</b>	<b>(2,462,766)</b>	<b>-</b>	<b>-</b>	<b>(2,910,478)</b>	<b>-</b>	<b>(6,500)</b>	<b>873,504</b>	<b>(6,402,936)</b>	<b>(3,129,332)</b>
<b>Net Change in Fund Balances</b>	<b>144,918</b>	<b>12,191</b>	<b>48,346</b>	<b>(1,092,104)</b>	<b>30,586</b>	<b>(6,500)</b>	<b>107,774</b>	<b>55,125</b>	<b>(801,234)</b>
<b>Fund Balance, Beginning of Year</b>	<b>628,334</b>	<b>46,854</b>	<b>261,880</b>	<b>1,593,583</b>	<b>278,018</b>	<b>6,500</b>	<b>287,068</b>	<b>2,291,062</b>	<b>9,065,047</b>
<b>Fund Balance, End of Year</b>	<b>\$ 773,252</b>	<b>\$ 59,045</b>	<b>\$ 310,226</b>	<b>\$ 501,479</b>	<b>\$ 308,604</b>	<b>\$ -</b>	<b>\$ 394,842</b>	<b>\$ 2,346,187</b>	<b>\$ 8,263,813</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, 2020**

**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>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses	-	-	-	-	-	-	-	-	-
Uses of Money and Property	67,857	-	313,924	20,105	32,722	101,648	35,946	113,564	21
Intergovernmental	-	-	-	-	-	-	-	-	-
Charges for Other Services	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	1,239,281	438,709	280,710	393,308	4,033	16,132	58,526	176,366	-
<b>Total Revenues</b>	<b>1,307,138</b>	<b>438,709</b>	<b>594,634</b>	<b>413,413</b>	<b>36,755</b>	<b>117,780</b>	<b>94,472</b>	<b>289,930</b>	<b>21</b>
<b>EXPENDITURES</b>									
Current:									
General Government	-	54,936	27,051	475,379	37,808	15,175	731	31,424	-
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	1,155,519	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>1,155,519</b>	<b>54,936</b>	<b>27,051</b>	<b>475,379</b>	<b>37,808</b>	<b>15,175</b>	<b>731</b>	<b>31,424</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>151,619</b>	<b>383,773</b>	<b>567,583</b>	<b>(61,966)</b>	<b>(1,053)</b>	<b>102,605</b>	<b>93,741</b>	<b>258,506</b>	<b>21</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	22,593	221,210	-	-	-	-	6,287	5,376	-
Transfers Out	(13,694)	(166,029)	-	-	-	-	-	(466)	-
<b>Total Other Financing Sources (Uses)</b>	<b>8,899</b>	<b>55,181</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,287</b>	<b>4,910</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>160,518</b>	<b>438,954</b>	<b>567,583</b>	<b>(61,966)</b>	<b>(1,053)</b>	<b>102,605</b>	<b>100,028</b>	<b>263,416</b>	<b>21</b>
<b>Fund Balance, Beginning of Year</b>	<b>1,369,379</b>	<b>(873,162)</b>	<b>6,142,277</b>	<b>498,049</b>	<b>669,843</b>	<b>2,022,656</b>	<b>691,242</b>	<b>2,197,341</b>	<b>416</b>
<b>Fund Balance, End of Year</b>	<b>\$ 1,529,897</b>	<b>\$ (434,208)</b>	<b>\$ 6,709,860</b>	<b>\$ 436,083</b>	<b>\$ 668,790</b>	<b>\$ 2,125,261</b>	<b>\$ 791,270</b>	<b>\$ 2,460,757</b>	<b>\$ 437</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, 2020**

	<b>Special Revenue Funds (Continued)</b>						<b>Permanent Fund</b>
	<b>Asset Forfeiture</b>	<b>Abandoned Vehicle Abatement</b>	<b>PEG Media</b>	<b>Parks Advertising</b>	<b>Measure J</b>	<b>City Low Income Housing</b>	<b>Riparian Mitigation Site Maintenance</b>
<b>REVENUES</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses	-	-	-	-	-	-	-
Uses of Money and Property	9,598	2,895	44,286	2,032	25,863	761	4,125
Intergovernmental	-	-	-	-	1,037,845	-	-
Charges for Other Services	-	-	-	-	-	-	-
Fees and Other Revenues	15,954	22,236	-	-	-	-	-
<b>Total Revenues</b>	<b>25,552</b>	<b>25,131</b>	<b>44,286</b>	<b>2,032</b>	<b>1,063,708</b>	<b>761</b>	<b>4,125</b>
<b>EXPENDITURES</b>							
Current:							
General Government	97,084	-	817	-	7,631	14	-
Public Safety	-	52	-	-	-	-	-
Community Development	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	11,769	-	-	76
Community Services	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Debt Service:							
Principal	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>97,084</b>	<b>52</b>	<b>817</b>	<b>11,769</b>	<b>7,631</b>	<b>14</b>	<b>76</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(71,532)</b>	<b>25,079</b>	<b>43,469</b>	<b>(9,737)</b>	<b>1,056,077</b>	<b>747</b>	<b>4,049</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	-	-	-	-	218,179	-	-
Transfers Out	-	-	-	-	-	-	(1,515)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>218,179</b>	<b>-</b>	<b>(1,515)</b>
<b>Net Change in Fund Balances</b>	<b>(71,532)</b>	<b>25,079</b>	<b>43,469</b>	<b>(9,737)</b>	<b>1,274,256</b>	<b>747</b>	<b>2,534</b>
<b>Fund Balance, Beginning of Year</b>	<b>212,988</b>	<b>43,914</b>	<b>883,227</b>	<b>43,246</b>	<b>68,822</b>	<b>1,055,528</b>	<b>82,256</b>
<b>Fund Balance, End of Year</b>	<b>\$ 141,456</b>	<b>\$ 68,993</b>	<b>\$ 926,696</b>	<b>\$ 33,509</b>	<b>\$ 1,343,078</b>	<b>\$ 1,056,275</b>	<b>\$ 84,790</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, 2020**

	Debt Service Funds				Capital Project Funds			
	Capital Improvement Revenue Refunding Bonds Series 2012	General Obligation Bonds Series 2002	2019 Civic Center Project Lease Revenue Refunding Bonds	2015 Lease Financing	Roadway Improvements	Community Facilities Improvements	Parks and Trails Improvements	Capital Improvement Financing Program 2006-1
<b>REVENUES</b>								
Taxes	\$ -	\$ 525,642	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses	-	-	-	-	-	-	-	-
Uses of Money and Property	94,339	14,077	780	-	655,620	352,371	53,791	18,700
Intergovernmental	632,853	-	804,499	-	-	-	-	-
Charges for Other Services	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	-	3,228,746	34	-	-
<b>Total Revenues</b>	<b>727,192</b>	<b>539,719</b>	<b>805,279</b>	<b>-</b>	<b>3,884,366</b>	<b>352,405</b>	<b>53,791</b>	<b>18,700</b>
<b>EXPENDITURES</b>								
Current:								
General Government	-	-	-	-	448,813	59,337	-	-
Public Safety	-	-	-	-	-	-	-	-
Community Development	94,249	6,284	14,126	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	5,687,789	1,360,171	641,718	-
Debt Service:								
Principal	1,070,000	540,000	1,190,000	465,000	-	-	-	-
Interest and Fiscal Charges	843,300	-	1,473,629	327,031	-	-	-	-
<b>Total Expenditures</b>	<b>2,007,549</b>	<b>546,284</b>	<b>2,677,755</b>	<b>792,031</b>	<b>6,136,602</b>	<b>1,419,508</b>	<b>641,718</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,280,357)</b>	<b>(6,565)</b>	<b>(1,872,476)</b>	<b>(792,031)</b>	<b>(2,252,236)</b>	<b>(1,067,103)</b>	<b>(587,927)</b>	<b>18,700</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers In	712,470	-	2,031,360	792,031	5,123,943	1,193,973	700,000	-
Transfers Out	(158,094)	-	(475,028)	-	(3,833,294)	(1,421,249)	(86,814)	-
<b>Total Other Financing Sources (Uses)</b>	<b>554,376</b>	<b>-</b>	<b>1,556,332</b>	<b>792,031</b>	<b>1,290,649</b>	<b>(227,276)</b>	<b>613,186</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(725,981)</b>	<b>(6,565)</b>	<b>(316,144)</b>	<b>-</b>	<b>(961,587)</b>	<b>(1,294,379)</b>	<b>25,259</b>	<b>18,700</b>
<b>Fund Balance, Beginning of Year</b>	<b>14,418,947</b>	<b>98,578</b>	<b>10,970,721</b>	<b>-</b>	<b>12,210,951</b>	<b>7,489,053</b>	<b>(93,835)</b>	<b>1,649,584</b>
<b>Fund Balance, End of Year</b>	<b>\$ 13,692,966</b>	<b>\$ 92,013</b>	<b>\$ 10,654,577</b>	<b>\$ -</b>	<b>\$ 11,249,364</b>	<b>\$ 6,194,674</b>	<b>\$ (68,576)</b>	<b>\$ 1,668,284</b>

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**City of Brentwood**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Non-Major Governmental Funds (Continued)  
For Year Ended June 30, 2020**

**Capital Project Funds (Continued)**

	<b>Capital Improvement Financing Program 2005-1</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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,937,430
Licenses	-	-	-	-	-	-	170,691
Uses of Money and Property	19,679	11,764	7,195	114,361	215,666	1,229	2,874,188
Intergovernmental	-	-	-	-	-	-	7,402,832
Charges for Other Services	-	-	-	-	-	-	1,063
Fees and Other Revenues	-	1,192,737	471,456	-	408,088	-	13,369,179
<b>Total Revenues</b>	<b>19,679</b>	<b>1,204,501</b>	<b>478,651</b>	<b>114,361</b>	<b>623,754</b>	<b>1,229</b>	<b>30,755,383</b>
<b>EXPENDITURES</b>							
Current:							
General Government	-	226	1,124	5,624	6,343	895	2,348,470
Public Safety	-	-	-	-	-	-	163,743
Community Development	-	-	-	-	-	-	282,082
Parks and Recreation	-	-	-	-	-	-	4,661,114
Community Services	-	-	-	-	-	-	32,777
Capital Outlay	-	-	-	-	-	-	7,689,678
Debt Service:							
Principal	-	-	-	-	-	-	3,265,000
Interest and Fiscal Charges	-	-	-	-	-	-	2,643,960
<b>Total Expenditures</b>	<b>-</b>	<b>226</b>	<b>1,124</b>	<b>5,624</b>	<b>6,343</b>	<b>895</b>	<b>21,086,824</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>19,679</b>	<b>1,204,275</b>	<b>477,527</b>	<b>108,737</b>	<b>617,411</b>	<b>334</b>	<b>9,668,559</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	-	-	426,356	2,548,636	71,381	20,931	16,529,473
Transfers Out	-	(1,185,614)	(498,036)	-	-	(7,694)	(24,320,782)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(1,185,614)</b>	<b>(71,680)</b>	<b>2,548,636</b>	<b>71,381</b>	<b>13,237</b>	<b>(7,791,309)</b>
<b>Net Change in Fund Balances</b>	<b>19,679</b>	<b>18,661</b>	<b>405,847</b>	<b>2,657,373</b>	<b>688,792</b>	<b>13,571</b>	<b>1,877,250</b>
<b>Fund Balance, Beginning of Year</b>	<b>1,736,001</b>	<b>23,020</b>	<b>236,508</b>	<b>1,143,178</b>	<b>3,919,658</b>	<b>217,487</b>	<b>83,586,219</b>
<b>Fund Balance, End of Year</b>	<b>\$ 1,755,680</b>	<b>\$ 41,681</b>	<b>\$ 642,355</b>	<b>\$ 3,800,551</b>	<b>\$ 4,608,450</b>	<b>\$ 231,058</b>	<b>\$ 85,463,469</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, 2020*

**Special Revenue Funds**

	Gas Tax			Disability Access and Education			Police Grants		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses	-	-	-	-	-	-	-	-	-
Uses of Money and Property	9,041	36,982	27,941	326	2,537	2,211	4,192	17,719	13,527
Intergovernmental	2,589,775	2,571,910	(17,865)	-	-	-	256,000	194,318	(61,682)
Charges for Other Services	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	21,060	20,974	(86)	-	-	-
<b>Total Revenues</b>	<u>2,598,816</u>	<u>2,608,892</u>	<u>10,076</u>	<u>21,386</u>	<u>23,511</u>	<u>2,125</u>	<u>260,192</u>	<u>212,037</u>	<u>(48,155)</u>
<b>EXPENDITURES</b>									
Current:									
General Government	1,208	1,208	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	281,335	163,691	117,644
Community Development	-	-	-	18,930	11,320	7,610	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<u>1,208</u>	<u>1,208</u>	<u>-</u>	<u>18,930</u>	<u>11,320</u>	<u>7,610</u>	<u>281,335</u>	<u>163,691</u>	<u>117,644</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>2,597,608</u>	<u>2,607,684</u>	<u>10,076</u>	<u>2,456</u>	<u>12,191</u>	<u>9,735</u>	<u>(21,143)</u>	<u>48,346</u>	<u>69,489</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	-	32,118	32,118	-	-	-	-	-	-
Transfers Out	(2,688,201)	(2,494,884)	193,317	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(2,688,201)</u>	<u>(2,462,766)</u>	<u>225,435</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>\$ (90,593)</u>	<u>144,918</u>	<u>\$ 235,511</u>	<u>\$ 2,456</u>	<u>12,191</u>	<u>\$ 9,735</u>	<u>\$ (21,143)</u>	<u>48,346</u>	<u>\$ 69,489</u>
<b>Fund Balance, Beginning of Year</b>		<u>628,334</u>			<u>46,854</u>			<u>261,880</u>	
<b>Fund Balance, End of Year</b>		<u>\$ 773,252</u>			<u>\$ 59,045</u>			<u>\$ 310,226</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, 2020

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	-	-	-	185,750	170,691	(15,059)	-	-	-
Uses of Money and Property	699	50,095	49,396	6,060	15,998	9,938	-	-	-
Intergovernmental	6,070,489	2,161,407	(3,909,082)	-	-	-	-	-	-
Charges for Other Services	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<u>6,071,188</u>	<u>2,211,502</u>	<u>(3,859,686)</u>	<u>191,810</u>	<u>186,689</u>	<u>(5,121)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>									
Current:									
General Government	600,050	393,128	206,922	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	245,320	156,103	89,217	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<u>600,050</u>	<u>393,128</u>	<u>206,922</u>	<u>245,320</u>	<u>156,103</u>	<u>89,217</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>5,471,138</u>	<u>1,818,374</u>	<u>(3,652,764)</u>	<u>(53,510)</u>	<u>30,586</u>	<u>84,096</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	(3,273,489)	(2,910,478)	363,011	-	-	-	(6,500)	(6,500)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(3,273,489)</u>	<u>(2,910,478)</u>	<u>363,011</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,500)</u>	<u>(6,500)</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>\$ 2,197,649</u>	<u>(1,092,104)</u>	<u>\$ (3,289,753)</u>	<u>\$ (53,510)</u>	<u>30,586</u>	<u>\$ 84,096</u>	<u>\$ (6,500)</u>	<u>(6,500)</u>	<u>\$ -</u>
<b>Fund Balance, Beginning of Year</b>		<u>1,593,583</u>			<u>278,018</u>			<u>6,500</u>	
<b>Fund Balance, End of Year</b>		<u>\$ 501,479</u>			<u>\$ 308,604</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, 2020

**Special Revenue Funds (Continued)**

	Citywide Park Assessment District			Community Facilities Districts			Roadway Development Impact Fee		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ 6,499,364	\$ 6,411,788	\$ (87,576)	\$ -	\$ -	\$ -
Licenses	-	-	-	-	-	-	-	-	-
Uses of Money and Property	6,981	18,747	11,766	78,273	79,050	777	140,000	318,141	178,141
Intergovernmental	-	-	-	-	-	-	-	-	-
Charges for Other Services	-	1,063	1,063	-	-	-	-	-	-
Fees and Other Revenues	2,639,116	2,708,210	69,094	-	-	-	3,292,228	2,693,679	(598,549)
<b>Total Revenues</b>	<u>2,646,097</u>	<u>2,728,020</u>	<u>81,923</u>	<u>6,577,637</u>	<u>6,490,838</u>	<u>(86,799)</u>	<u>3,432,228</u>	<u>3,011,820</u>	<u>(420,408)</u>
<b>EXPENDITURES</b>									
Current:									
General Government	-	-	-	-	-	-	1,150,040	683,722	466,318
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	3,493,750	3,493,750	-	-	-	-	-	-	-
Community Services	-	-	-	62,765	32,777	29,988	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<u>3,493,750</u>	<u>3,493,750</u>	<u>-</u>	<u>62,765</u>	<u>32,777</u>	<u>29,988</u>	<u>1,150,040</u>	<u>683,722</u>	<u>466,318</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(847,653)</u>	<u>(765,730)</u>	<u>81,923</u>	<u>6,514,872</u>	<u>6,458,061</u>	<u>(56,811)</u>	<u>2,282,188</u>	<u>2,328,098</u>	<u>45,910</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	901,556	899,312	(2,244)	995,872	475,028	(520,844)	20,046	1,028,289	1,008,243
Transfers Out	(25,808)	(25,808)	-	(7,831,284)	(6,877,964)	953,320	(4,157,651)	(4,157,621)	30
<b>Total Other Financing Sources (Uses)</b>	<u>875,748</u>	<u>873,504</u>	<u>(2,244)</u>	<u>(6,835,412)</u>	<u>(6,402,936)</u>	<u>432,476</u>	<u>(4,137,605)</u>	<u>(3,129,332)</u>	<u>1,008,273</u>
<b>Net Change in Fund Balances</b>	<u>\$ 28,095</u>	<u>107,774</u>	<u>\$ 79,679</u>	<u>\$ (320,540)</u>	<u>55,125</u>	<u>\$ 375,665</u>	<u>\$ (1,855,417)</u>	<u>(801,234)</u>	<u>\$ 1,054,183</u>
<b>Fund Balance, Beginning of Year</b>		<u>287,068</u>			<u>2,291,062</u>			<u>9,065,047</u>	
<b>Fund Balance, End of Year</b>		<u>\$ 394,842</u>			<u>\$ 2,346,187</u>			<u>\$ 8,263,813</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, 2020

Special Revenue Funds (Continued)

	Parks and Trails Development Impact Fee			Community Facilities Development Impact Fee			Fire Development Impact Fee		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses	-	-	-	-	-	-	-	-	-
Uses of Money and Property	20,000	67,857	47,857	-	-	-	58,414	313,924	255,510
Intergovernmental	-	-	-	-	-	-	-	-	-
Charges for Other Services	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	1,667,264	1,239,281	(427,983)	541,570	438,709	(102,861)	379,738	280,710	(99,028)
<b>Total Revenues</b>	<u>1,687,264</u>	<u>1,307,138</u>	<u>(380,126)</u>	<u>541,570</u>	<u>438,709</u>	<u>(102,861)</u>	<u>438,152</u>	<u>594,634</u>	<u>156,482</u>
<b>EXPENDITURES</b>									
Current:									
General Government	-	-	-	71,986	54,936	17,050	27,845	27,051	794
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	1,199,646	1,155,519	44,127	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<u>1,199,646</u>	<u>1,155,519</u>	<u>44,127</u>	<u>71,986</u>	<u>54,936</u>	<u>17,050</u>	<u>27,845</u>	<u>27,051</u>	<u>794</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>487,618</u>	<u>151,619</u>	<u>(335,999)</u>	<u>469,584</u>	<u>383,773</u>	<u>(85,811)</u>	<u>410,307</u>	<u>567,583</u>	<u>157,276</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	-	22,593	22,593	-	221,210	221,210	-	-	-
Transfers Out	(13,694)	(13,694)	-	(166,102)	(166,029)	73	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(13,694)</u>	<u>8,899</u>	<u>22,593</u>	<u>(166,102)</u>	<u>55,181</u>	<u>221,283</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>\$ 473,924</u>	<u>160,518</u>	<u>\$ (313,406)</u>	<u>\$ 303,482</u>	<u>438,954</u>	<u>\$ 135,472</u>	<u>\$ 410,307</u>	<u>567,583</u>	<u>\$ 157,276</u>
<b>Fund Balance, Beginning of Year</b>		<u>1,369,379</u>			<u>(873,162)</u>			<u>6,142,277</u>	
<b>Fund Balance, End of Year</b>		<u>\$ 1,529,897</u>			<u>\$ (434,208)</u>			<u>\$ 6,709,860</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, 2020

**Special Revenue Funds (Continued)**

	Development Impact Fee Administration			Agriculture Land Administration			Agriculture Land Acquisition		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses	-	-	-	-	-	-	-	-	-
Uses of Money and Property	5,158	20,105	14,947	11,325	32,722	21,397	23,126	101,648	78,522
Intergovernmental	-	-	-	-	-	-	-	-	-
Charges for Other Services	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	335,450	393,308	57,858	26,363	4,033	(22,330)	105,450	16,132	(89,318)
<b>Total Revenues</b>	<b>340,608</b>	<b>413,413</b>	<b>72,805</b>	<b>37,688</b>	<b>36,755</b>	<b>(933)</b>	<b>128,576</b>	<b>117,780</b>	<b>(10,796)</b>
<b>EXPENDITURES</b>									
Current:									
General Government	476,697	475,379	1,318	51,063	37,808	13,255	305,832	15,175	290,657
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>476,697</b>	<b>475,379</b>	<b>1,318</b>	<b>51,063</b>	<b>37,808</b>	<b>13,255</b>	<b>305,832</b>	<b>15,175</b>	<b>290,657</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(136,089)</b>	<b>(61,966)</b>	<b>74,123</b>	<b>(13,375)</b>	<b>(1,053)</b>	<b>12,322</b>	<b>(177,256)</b>	<b>102,605</b>	<b>279,861</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ (136,089)</b>	<b>(61,966)</b>	<b>\$ 74,123</b>	<b>\$ (13,375)</b>	<b>(1,053)</b>	<b>\$ 12,322</b>	<b>\$ (177,256)</b>	<b>102,605</b>	<b>\$ 279,861</b>
<b>Fund Balance, Beginning of Year</b>		<b>498,049</b>			<b>669,843</b>			<b>2,022,656</b>	
<b>Fund Balance, End of Year</b>		<b>\$ 436,083</b>			<b>\$ 668,790</b>			<b>\$ 2,125,261</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, 2020

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	9,354	35,946	26,592	31,868	113,564	81,696	571	21	(550)
Intergovernmental	-	-	-	-	-	-	-	-	-
Charges for Other Services	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	58,526	58,526	-	176,366	176,366	-	-	-
<b>Total Revenues</b>	<u>9,354</u>	<u>94,472</u>	<u>85,118</u>	<u>31,868</u>	<u>289,930</u>	<u>258,062</u>	<u>571</u>	<u>21</u>	<u>(550)</u>
<b>EXPENDITURES</b>									
Current:									
General Government	731	731	-	35,805	31,424	4,381	50	-	50
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<u>731</u>	<u>731</u>	<u>-</u>	<u>35,805</u>	<u>31,424</u>	<u>4,381</u>	<u>50</u>	<u>-</u>	<u>50</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>8,623</u>	<u>93,741</u>	<u>85,118</u>	<u>(3,937)</u>	<u>258,506</u>	<u>262,443</u>	<u>521</u>	<u>21</u>	<u>(500)</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	459	6,287	5,828	1,847	5,376	3,529	-	-	-
Transfers Out	-	-	-	(640)	(466)	174	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>459</u>	<u>6,287</u>	<u>5,828</u>	<u>1,207</u>	<u>4,910</u>	<u>3,703</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>\$ 9,082</u>	<u>100,028</u>	<u>\$ 90,946</u>	<u>\$ (2,730)</u>	<u>263,416</u>	<u>\$ 266,146</u>	<u>\$ 521</u>	<u>21</u>	<u>\$ (500)</u>
<b>Fund Balance, Beginning of Year</b>		<u>691,242</u>			<u>2,197,341</u>			<u>416</u>	
<b>Fund Balance, End of Year</b>		<u>\$ 791,270</u>			<u>\$ 2,460,757</u>			<u>\$ 437</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, 2020

Special Revenue Funds (Continued)

	Asset Forfeiture			Abandoned Vehicle Abatement			PEG Media		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses	-	-	-	-	-	-	-	-	-
Uses of Money and Property	613	9,598	8,985	917	2,895	1,978	16,948	44,286	27,338
Intergovernmental	-	-	-	-	-	-	-	-	-
Charges for Other Services	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	30,000	15,954	(14,046)	40,000	22,236	(17,764)	-	-	-
<b>Total Revenues</b>	<u>30,613</u>	<u>25,552</u>	<u>(5,061)</u>	<u>40,917</u>	<u>25,131</u>	<u>(15,786)</u>	<u>16,948</u>	<u>44,286</u>	<u>27,338</u>
<b>EXPENDITURES</b>									
Current:									
General Government	97,084	97,084	-	-	-	-	5,916	817	5,099
Public Safety	-	-	-	53	52	1	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<u>97,084</u>	<u>97,084</u>	<u>-</u>	<u>53</u>	<u>52</u>	<u>1</u>	<u>5,916</u>	<u>817</u>	<u>5,099</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(66,471)</u>	<u>(71,532)</u>	<u>(5,061)</u>	<u>40,864</u>	<u>25,079</u>	<u>(15,785)</u>	<u>11,032</u>	<u>43,469</u>	<u>32,437</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	(40,000)	-	40,000	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(40,000)</u>	<u>-</u>	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>\$ (66,471)</u>	<u>(71,532)</u>	<u>\$ (5,061)</u>	<u>\$ 864</u>	<u>25,079</u>	<u>\$ 24,215</u>	<u>\$ 11,032</u>	<u>43,469</u>	<u>\$ 32,437</u>
<b>Fund Balance, Beginning of Year</b>		<u>212,988</u>			<u>43,914</u>			<u>883,227</u>	
<b>Fund Balance, End of Year</b>		<u>\$ 141,456</u>			<u>\$ 68,993</u>			<u>\$ 926,696</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, 2020

**Special Revenue Funds (Continued)**

	Parks Advertising			Measure J			City Low Income Housing		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses	-	-	-	-	-	-	-	-	-
Uses of Money and Property	1,211	2,032	821	6,662	25,863	19,201	292	761	469
Intergovernmental	-	-	-	970,100	1,037,845	67,745	-	-	-
Charges for Other Services	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	19,000	-	(19,000)	-	-	-	-	-	-
<b>Total Revenues</b>	<u>20,211</u>	<u>2,032</u>	<u>(18,179)</u>	<u>976,762</u>	<u>1,063,708</u>	<u>86,946</u>	<u>292</u>	<u>761</u>	<u>469</u>
<b>EXPENDITURES</b>									
Current:									
General Government	-	-	-	9,265	7,631	1,634	50	14	36
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	19,065	11,769	7,296	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<u>19,065</u>	<u>11,769</u>	<u>7,296</u>	<u>9,265</u>	<u>7,631</u>	<u>1,634</u>	<u>50</u>	<u>14</u>	<u>36</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,146</u>	<u>(9,737)</u>	<u>(10,883)</u>	<u>967,497</u>	<u>1,056,077</u>	<u>88,580</u>	<u>242</u>	<u>747</u>	<u>505</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	-	-	-	3,777	218,179	214,402	-	-	-
Transfers Out	-	-	-	(1,000,000)	-	1,000,000	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(996,223)</u>	<u>218,179</u>	<u>1,214,402</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>\$ 1,146</u>	<u>(9,737)</u>	<u>\$ (10,883)</u>	<u>\$ (28,726)</u>	<u>1,274,256</u>	<u>\$ 1,302,982</u>	<u>\$ 242</u>	<u>747</u>	<u>\$ 505</u>
<b>Fund Balance, Beginning of Year</b>		<u>43,246</u>			<u>68,822</u>			<u>1,055,528</u>	
<b>Fund Balance, End of Year</b>		<u>\$ 33,509</u>			<u>\$ 1,343,078</u>			<u>\$ 1,056,275</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, 2020

	Permanent Fund			Capital Project Funds						
	Riparian Mitigation Site Maintenance			Civic Center Capital Improvement Financing Program			City Capital Improvement Financing Program			
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	
<b>REVENUES</b>										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses	-	-	-	-	-	-	-	-	-	-
Uses of Money and Property	1,601	4,125	2,524	14,535	18,700	4,165	50	7,195	7,145	
Intergovernmental	-	-	-	-	-	-	-	-	-	
Charges for Other Services	-	-	-	-	-	-	-	-	-	
Fees and Other Revenues	-	-	-	1,177,437	-	(1,177,437)	472,420	471,456	(964)	
<b>Total Revenues</b>	<u>1,601</u>	<u>4,125</u>	<u>2,524</u>	<u>1,191,972</u>	<u>18,700</u>	<u>(1,173,272)</u>	<u>472,470</u>	<u>478,651</u>	<u>6,181</u>	
<b>EXPENDITURES</b>										
Current:										
General Government	-	-	-	1,500	-	1,500	1,124	1,124	-	
Public Safety	-	-	-	-	-	-	-	-	-	
Community Development	-	-	-	-	-	-	-	-	-	
Parks and Recreation	86	76	10	-	-	-	-	-	-	
Community Services	-	-	-	-	-	-	-	-	-	
Debt Service:										
Principal	-	-	-	-	-	-	-	-	-	
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	
<b>Total Expenditures</b>	<u>86</u>	<u>76</u>	<u>10</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>	<u>1,124</u>	<u>1,124</u>	<u>-</u>	
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,515</u>	<u>4,049</u>	<u>2,534</u>	<u>1,190,472</u>	<u>18,700</u>	<u>(1,171,772)</u>	<u>471,346</u>	<u>477,527</u>	<u>6,181</u>	
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers In	-	-	-	-	-	-	-	426,356	426,356	
Transfers Out	(1,515)	(1,515)	-	(1,352,291)	-	1,352,291	(498,298)	(498,036)	262	
<b>Total Other Financing Sources (Uses)</b>	<u>(1,515)</u>	<u>(1,515)</u>	<u>-</u>	<u>(1,352,291)</u>	<u>-</u>	<u>1,352,291</u>	<u>(498,298)</u>	<u>(71,680)</u>	<u>426,618</u>	
<b>Net Change in Fund Balances</b>	<u>\$ -</u>	<u>2,534</u>	<u>\$ 2,534</u>	<u>\$ (161,819)</u>	<u>18,700</u>	<u>\$ 180,519</u>	<u>\$ (26,952)</u>	<u>405,847</u>	<u>\$ 432,799</u>	
<b>Fund Balance, Beginning of Year</b>		<u>82,256</u>			<u>1,649,584</u>			<u>236,508</u>		
<b>Fund Balance, End of Year</b>		<u>\$ 84,790</u>			<u>\$ 1,668,284</u>			<u>\$ 642,355</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, 2020

Capital Project Funds (Continued)

	Capital Infrastructure			Vineyards Projects			Vineyards Event Center Projects		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses	-	-	-	-	-	-	-	-	-
Uses of Money and Property	6,001	114,361	108,360	71,226	215,666	144,440	-	1,229	1,229
Intergovernmental	-	-	-	-	-	-	-	-	-
Charges for Other Services	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	195,576	408,088	212,512	-	-	-
<b>Total Revenues</b>	<u>6,001</u>	<u>114,361</u>	<u>108,360</u>	<u>266,802</u>	<u>623,754</u>	<u>356,952</u>	<u>-</u>	<u>1,229</u>	<u>1,229</u>
<b>EXPENDITURES</b>									
Current:									
General Government	204,858	5,624	199,234	11,344	6,343	5,001	1,489	895	594
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<u>204,858</u>	<u>5,624</u>	<u>199,234</u>	<u>11,344</u>	<u>6,343</u>	<u>5,001</u>	<u>1,489</u>	<u>895</u>	<u>594</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(198,857)</u>	<u>108,737</u>	<u>307,594</u>	<u>255,458</u>	<u>617,411</u>	<u>361,953</u>	<u>(1,489)</u>	<u>334</u>	<u>1,823</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	4,319	2,548,636	2,544,317	-	71,381	71,381	17,493	20,931	3,438
Transfers Out	-	-	-	-	-	-	(7,694)	(7,694)	-
<b>Total Other Financing Sources (Uses)</b>	<u>4,319</u>	<u>2,548,636</u>	<u>2,544,317</u>	<u>-</u>	<u>71,381</u>	<u>71,381</u>	<u>9,799</u>	<u>13,237</u>	<u>3,438</u>
<b>Net Change in Fund Balances</b>	<u>\$ (194,538)</u>	<u>2,657,373</u>	<u>\$ 2,851,911</u>	<u>\$ 255,458</u>	<u>688,792</u>	<u>\$ 433,334</u>	<u>\$ 8,310</u>	<u>13,571</u>	<u>\$ 5,261</u>
<b>Fund Balance, Beginning of Year</b>		<u>1,143,178</u>			<u>3,919,658</u>			<u>217,487</u>	
<b>Fund Balance, End of Year</b>		<u>\$ 3,800,551</u>			<u>\$ 4,608,450</u>			<u>\$ 231,058</u>	

**City of Brentwood**

**Combining Statement of Net Position**

**All Internal Service Funds**

June 30, 2020

	<b>Information Services</b>	<b>Equipment Replacement</b>	<b>Information Systems Replacement</b>	<b>Facilities Replacement</b>	<b>Tuition</b>
<b>ASSETS</b>					
Current Assets:					
Cash and Investments	\$ 1,467,691	\$ 9,308,489	\$ 2,966,521	\$ 7,243,509	\$ 83,384
Receivables	22,510	78,839	1,835	6,095	54
Inventories	-	-	-	-	-
Prepays	3,393	-	-	-	-
Due from Other Funds	-	-	-	-	-
<b>Total Current Assets</b>	<b>1,493,594</b>	<b>9,387,328</b>	<b>2,968,356</b>	<b>7,249,604</b>	<b>83,438</b>
Non-Current Assets:					
Capital Assets:					
Depreciable	-	18,711,421	-	-	-
Less: Accumulated Depreciation and Amortization	-	(11,585,604)	-	-	-
<b>Total Capital Assets, Net of Accumulated Depreciation and Amortization</b>	<b>-</b>	<b>7,125,817</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Non-Current Assets</b>	<b>-</b>	<b>7,125,817</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>1,493,594</b>	<b>16,513,145</b>	<b>2,968,356</b>	<b>7,249,604</b>	<b>83,438</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Related to OPEB	152,954	-	-	-	-
Related to Pensions	454,602	-	-	-	-
<b>Total Deferred Outflows of Resources</b>	<b>607,556</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts Payable and Accrued Liabilities	13,988	3,280	19,345	-	5,836
Compensated Absences Payable	73,534	-	-	-	-
<b>Total Current Liabilities</b>	<b>87,522</b>	<b>3,280</b>	<b>19,345</b>	<b>-</b>	<b>5,836</b>
Non-Current Liabilities Due in More Than One Year:					
Net OPEB Liability	1,397,622	-	-	-	-
Net Pension Liability	1,374,117	-	-	-	-
Compensated Absences Payable	49,022	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>2,820,761</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>2,908,283</b>	<b>3,280</b>	<b>19,345</b>	<b>-</b>	<b>5,836</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Related to OPEB	135,466	-	-	-	-
Related to Pensions	197,092	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>332,558</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET POSITION</b>					
Net Investment in Capital Assets and Capacity Rights	-	7,125,817	-	-	-
Unrestricted	(1,139,691)	9,384,048	2,949,011	7,249,604	77,602
<b>Total Net Position</b>	<b>\$ (1,139,691)</b>	<b>\$ 16,509,865</b>	<b>\$ 2,949,011</b>	<b>\$ 7,249,604</b>	<b>\$ 77,602</b>

*Continued*

City of Brentwood

Combining Statement of Net Position

All Internal Service Funds (Continued)

June 30, 2020

	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	\$ 180,878	\$ 1,117,743	\$ 22,058,518	\$ 280,412	\$ 16,664,565	\$ 61,371,710
Receivables	633	719	13,920	131	11,146	135,882
Inventories	99,295	-	-	-	-	99,295
Prepays	3,049	1,321	-	-	529,254	537,017
Due from Other Funds	-	-	-	-	784,825	784,825
Total Current Assets	283,855	1,119,783	22,072,438	280,543	17,989,790	62,928,729
Non-Current Assets:						
Capital Assets:						
Depreciable	-	-	-	-	-	18,711,421
Less: Accumulated Depreciation and Amortization	-	-	-	-	-	(11,585,604)
Total Capital Assets, Net of Accumulated Depreciation and Amortization	-	-	-	-	-	7,125,817
Total Non-Current Assets	-	-	-	-	-	7,125,817
<b>Total Assets</b>	283,855	1,119,783	22,072,438	280,543	17,989,790	70,054,546
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Related to OPEB	73,917	111,072	-	-	-	337,943
Related to Pensions	187,744	246,714	-	-	-	889,060
<b>Total Deferred Outflows of Resources</b>	261,661	357,786	-	-	-	1,227,003
<b>LIABILITIES</b>						
Current Liabilities:						
Accounts Payable and Accrued Liabilities	63,232	95,053	44,281	6,155	-	251,170
Compensated Absences Payable	25,059	38,286	-	-	-	136,879
Total Current Liabilities	88,291	133,339	44,281	6,155	-	388,049
Non-Current Liabilities Due in More Than One Year:						
Net OPEB Liability	615,059	983,476	-	-	-	2,996,157
Net Pension Liability	575,935	762,337	-	-	-	2,712,389
Compensated Absences Payable	16,706	25,524	-	-	-	91,252
Total Non-Current Liabilities	1,207,700	1,771,337	-	-	-	5,799,798
<b>Total Liabilities</b>	1,295,991	1,904,676	44,281	6,155	-	6,187,847
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Related to OPEB	65,484	98,384	-	-	-	299,334
Related to Pensions	82,607	109,343	-	-	-	389,042
<b>Total Deferred Inflows of Resources</b>	148,091	207,727	-	-	-	688,376
<b>NET POSITION</b>						
Net Investment in Capital Assets and Capacity Rights	-	-	-	-	-	7,125,817
Unrestricted	(898,566)	(634,834)	22,028,157	274,388	17,989,790	57,279,509
<b>Total Net Position</b>	\$ (898,566)	\$ (634,834)	\$ 22,028,157	\$ 274,388	\$ 17,989,790	\$ 64,405,326

**City of Brentwood**

**Combining Statement of Revenues, Expenses and Changes in Fund Net Position  
All Internal Service Funds  
For Year Ended June 30, 2020**

	Information Services	Equipment Replacement	Information Systems Replacement	Facilities Replacement	Tuition
<b>Operating Revenues:</b>					
Charges for Services	\$ 2,762,096	\$ 1,918,189	\$ 1,325,051	\$ 1,081,625	\$ 27,750
Other Income	84,215	40,504	34	11,858	-
<b>Total Operating Revenues</b>	<b>2,846,311</b>	<b>1,958,693</b>	<b>1,325,085</b>	<b>1,093,483</b>	<b>27,750</b>
<b>Operating Expenses:</b>					
Personnel Services	2,292,810	-	-	-	-
Repairs and Maintenance	96,024	-	-	33,822	-
Materials, Supplies and Services	341,101	156,544	613,804	58,855	15,068
Depreciation and Amortization	-	1,633,072	-	-	-
<b>Total Operating Expenses</b>	<b>2,729,935</b>	<b>1,789,616</b>	<b>613,804</b>	<b>92,677</b>	<b>15,068</b>
<b>Operating Income (Loss)</b>	<b>116,376</b>	<b>169,077</b>	<b>711,281</b>	<b>1,000,806</b>	<b>12,682</b>
<b>Non-Operating Revenues (Expenses):</b>					
Interest Income	58,843	461,693	127,887	322,539	3,584
Gain or (Loss) on Disposal of Capital Assets	-	153,345	-	-	-
<b>Total Non-Operating Revenues (Expenses)</b>	<b>58,843</b>	<b>615,038</b>	<b>127,887</b>	<b>322,539</b>	<b>3,584</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>175,219</b>	<b>784,115</b>	<b>839,168</b>	<b>1,323,345</b>	<b>16,266</b>
Capital Assets Contributed from (to) Governmental Activities	-	-	(12,423)	(159,595)	-
Transfers In	-	529,578	124,024	1,612	-
Transfers Out	-	-	(487,290)	-	-
<b>Change in Net Position</b>	<b>175,219</b>	<b>1,313,693</b>	<b>463,479</b>	<b>1,165,362</b>	<b>16,266</b>
<b>Net Position, Beginning of Year</b>	<b>(1,314,910)</b>	<b>15,196,172</b>	<b>2,485,532</b>	<b>6,084,242</b>	<b>61,336</b>
<b>Net Position, End of Year</b>	<b>\$ (1,139,691)</b>	<b>\$ 16,509,865</b>	<b>\$ 2,949,011</b>	<b>\$ 7,249,604</b>	<b>\$ 77,602</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, 2020**

	<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	\$ 1,765,865	\$ 2,325,190	\$ 4,853,134	\$ 1,281,575	\$ 3,987,525	\$ 21,328,000
Other Income	1,794	772	24,834	-	-	164,011
<b>Total Operating Revenues</b>	<b>1,767,659</b>	<b>2,325,962</b>	<b>4,877,968</b>	<b>1,281,575</b>	<b>3,987,525</b>	<b>21,492,011</b>
<b>Operating Expenses:</b>						
Personnel Services	947,133	1,249,046	-	-	5,053,683	9,542,672
Repairs and Maintenance	21,839	144,892	226,474	-	-	523,051
Materials, Supplies and Services	853,855	825,489	247,977	1,538,997	113,185	4,764,875
Depreciation and Amortization	-	-	-	-	-	1,633,072
<b>Total Operating Expenses</b>	<b>1,822,827</b>	<b>2,219,427</b>	<b>474,451</b>	<b>1,538,997</b>	<b>5,166,868</b>	<b>16,463,670</b>
<b>Operating Income (Loss)</b>	<b>(55,168)</b>	<b>106,535</b>	<b>4,403,517</b>	<b>(257,422)</b>	<b>(1,179,343)</b>	<b>5,028,341</b>
<b>Non-Operating Revenues (Expenses):</b>						
Interest Income	1,928	47,200	932,775	1,553	819,530	2,777,532
Gain or (Loss) on Disposal of Capital Assets	-	-	-	-	-	153,345
<b>Total Non-Operating Revenues (Expenses)</b>	<b>1,928</b>	<b>47,200</b>	<b>932,775</b>	<b>1,553</b>	<b>819,530</b>	<b>2,930,877</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>(53,240)</b>	<b>153,735</b>	<b>5,336,292</b>	<b>(255,869)</b>	<b>(359,813)</b>	<b>7,959,218</b>
Capital Assets Contributed from (to) Governmental Activities	-	-	(44,684)	-	-	(216,702)
Transfers In	-	-	721,732	-	1,174,199	2,551,145
Transfers Out	-	-	(700,000)	-	-	(1,187,290)
<b>Change in Net Position</b>	<b>(53,240)</b>	<b>153,735</b>	<b>5,313,340</b>	<b>(255,869)</b>	<b>814,386</b>	<b>9,106,371</b>
<b>Net Position, Beginning of Year</b>	<b>(845,326)</b>	<b>(788,569)</b>	<b>16,714,817</b>	<b>530,257</b>	<b>17,175,404</b>	<b>55,298,955</b>
<b>Net Position, End of Year</b>	<b>\$ (898,566)</b>	<b>\$ (634,834)</b>	<b>\$ 22,028,157</b>	<b>\$ 274,388</b>	<b>\$ 17,989,790</b>	<b>\$ 64,405,326</b>

**City of Brentwood**

**Combining Statement of Cash Flows  
All Internal Service Funds  
For Year Ended June 30, 2020**

	Information Services	Equipment Replacement	Information Systems Replacement	Facilities Replacement	Tuition
<b>Cash Flows from Operating Activities</b>					
Cash Received from Customers/Other Funds	\$ 2,763,614	\$ 1,850,285	\$ 1,325,051	\$ 1,080,237	\$ 27,750
Cash Payments to Suppliers of Goods and Services	(168,208)	(157,914)	(622,326)	(111,766)	(11,838)
Cash Payments to Employees for Services	(2,089,069)	-	-	-	-
Cash Payments for Interfund Services	(261,664)	-	-	-	-
Other Receipts	84,215	40,504	34	11,858	-
<b>Net Cash Provided By (Used for) Operating Activities</b>	<b>328,888</b>	<b>1,732,875</b>	<b>702,759</b>	<b>980,329</b>	<b>15,912</b>
<b>Cash Flows from Non-Capital Financing Activities</b>					
Transfers Received	-	529,578	124,024	1,612	-
Transfers Paid	-	-	(487,290)	-	-
<b>Net Cash Provided By (Used for) Non-Capital Financing Activities</b>	<b>-</b>	<b>529,578</b>	<b>(363,266)</b>	<b>1,612</b>	<b>-</b>
<b>Cash Flows from Capital and Related Financing Activities</b>					
Capital Assets Contributed to Governmental Funds	-	-	(12,423)	(159,595)	-
Proceeds from Sale of Capital Assets	-	203,393	-	-	-
Acquisition and Construction of Capital Assets	-	(2,389,483)	-	-	-
<b>Net Cash Provided By (Used for) Capital and Related Financing Activities</b>	<b>-</b>	<b>(2,186,090)</b>	<b>(12,423)</b>	<b>(159,595)</b>	<b>-</b>
<b>Cash Flows from Investing Activities</b>					
Interest on Investments	58,949	464,264	128,523	324,007	3,595
<b>Net Cash Provided By Investing Activities</b>	<b>58,949</b>	<b>464,264</b>	<b>128,523</b>	<b>324,007</b>	<b>3,595</b>
Net Increase (Decrease) in Cash and Cash Equivalents	387,837	540,627	455,593	1,146,353	19,507
Cash and Cash Equivalents - Beginning of Year	1,079,854	8,767,862	2,510,928	6,097,156	63,877
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 1,467,691</b>	<b>\$ 9,308,489</b>	<b>\$ 2,966,521</b>	<b>\$ 7,243,509</b>	<b>\$ 83,384</b>
<b>Reconciliation of Operating Income to Net Cash Provided By (Used for) Operating Activities:</b>					
Operating Income (Loss)	\$ 116,376	\$ 169,077	\$ 711,281	\$ 1,000,806	\$ 12,682
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used for) Operating Activities:					
Depreciation and Amortization	-	1,633,072	-	-	-
Change in Assets, Liabilities and Deferred Outflows/Inflows of Resources:					
Receivables	(1,102)	(67,904)	-	(1,388)	-
Prepaid Items	2,727	-	-	-	-
Accounts Payable and Other Payables	7,253	(1,370)	(8,522)	(19,089)	3,230
Net OPEB Liability and Deferred Outflows/Inflows of Resources related to OPEB	(19,549)	-	-	-	-
Net Pension Liability and Deferred Outflows/Inflows of Resources related to Pensions	206,155	-	-	-	-
Compensated Absences Payable	17,028	-	-	-	-
<b>Net Cash Provided By (Used for) Operating Activities</b>	<b>\$ 328,888</b>	<b>\$ 1,732,875</b>	<b>\$ 702,759</b>	<b>\$ 980,329</b>	<b>\$ 15,912</b>

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City of Brentwood

**Combining Statement of Cash Flows**  
**All Internal Service Funds (Continued)**  
**For Year Ended June 30, 2020**

	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	\$ 1,758,577	\$ 2,325,190	\$ 4,853,134	\$ 1,281,575	\$ 3,845,859	\$ 21,111,272
Cash Payments to Suppliers of Goods and Services	(738,781)	(781,005)	(533,823)	(1,535,688)	(114,990)	(4,776,339)
Cash Payments to Employees for Services	(890,443)	(1,174,019)	-	-	(5,053,560)	(9,207,091)
Cash Payments for Interfund Services	(117,857)	(236,316)	-	-	-	(615,837)
Other Receipts	1,794	772	24,834	1,966	-	165,977
<b>Net Cash Provided By (Used for) Operating Activities</b>	<b>13,290</b>	<b>134,622</b>	<b>4,344,145</b>	<b>(252,147)</b>	<b>(1,322,691)</b>	<b>6,677,982</b>
<b>Cash Flows from Non-Capital Financing Activities</b>						
Transfers Received	-	-	721,732	-	1,174,199	2,551,145
Transfers Paid	-	-	(700,000)	-	-	(1,187,290)
<b>Net Cash Provided By (Used for) Non-Capital Financing Activities</b>	<b>-</b>	<b>-</b>	<b>21,732</b>	<b>-</b>	<b>1,174,199</b>	<b>1,363,855</b>
<b>Cash Flows from Capital and Related Financing Activities</b>						
Capital Assets Contributed to Governmental Funds	-	-	(44,684)	-	-	(216,702)
Proceeds from Sale of Capital Assets	-	-	-	-	-	203,393
Acquisition and Construction of Capital Assets	-	-	-	-	-	(2,389,483)
<b>Net Cash Provided By (Used for) Capital and Related Financing Activities</b>	<b>-</b>	<b>-</b>	<b>(44,684)</b>	<b>-</b>	<b>-</b>	<b>(2,402,792)</b>
<b>Cash Flows from Investing Activities</b>						
Interest on Investments	2,006	47,404	935,412	1,885	824,024	2,790,069
<b>Net Cash Provided By Investing Activities</b>	<b>2,006</b>	<b>47,404</b>	<b>935,412</b>	<b>1,885</b>	<b>824,024</b>	<b>2,790,069</b>
Net Increase (Decrease) in Cash and Cash Equivalents	15,296	182,026	5,256,605	(250,262)	675,532	8,429,114
Cash and Cash Equivalents - Beginning of Year	165,582	935,717	16,801,913	530,674	15,989,033	52,942,596
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 180,878</b>	<b>\$ 1,117,743</b>	<b>\$ 22,058,518</b>	<b>\$ 280,412</b>	<b>\$ 16,664,565</b>	<b>\$ 61,371,710</b>
<b>Reconciliation of Operating Income to Net Cash Provided By (Used for) Operating Activities:</b>						
Operating Income (Loss)	\$ (55,168)	\$ 106,535	\$ 4,403,517	\$ (257,422)	\$ (1,179,343)	\$ 5,028,341
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used for) Operating Activities:						
Depreciation and Amortization	-	-	-	-	-	1,633,072
Change in Assets, Liabilities and Deferred Outflows/Inflows of Resources:						
Receivables	(546)	-	-	1,966	-	(68,974)
Prepaid Items	(6,562)	1,127	-	-	(141,543)	(144,251)
Accounts Payable and Other Payables	19,056	(46,940)	(59,372)	3,309	(1,805)	(104,250)
Net OPEB Liability and Deferred Outflows/Inflows of Resources related to OPEB	(9,448)	(14,196)	-	-	-	(43,193)
Net Pension Liability and Deferred Outflows/Inflows of Resources related to Pensions	63,348	84,758	-	-	-	354,261
Compensated Absences Payable	2,610	3,338	-	-	-	22,976
<b>Net Cash Provided By (Used for) Operating Activities</b>	<b>\$ 13,290</b>	<b>\$ 134,622</b>	<b>\$ 4,344,145</b>	<b>\$ (252,147)</b>	<b>\$ (1,322,691)</b>	<b>\$ 6,677,982</b>

**Combining Statement of Fiduciary Assets and Liabilities**  
**Agency Funds**  
**June 30, 2020**

	<b>Assessments</b>	<b>Pass-Through Funds</b>	<b>Asset Seizure</b>	<b>Totals</b>
<b>ASSETS</b>				
Current Assets:				
Cash and Investments	\$ 10,562,771	\$ 2,172,164	\$ 40,941	\$ 12,775,876
Restricted Cash and Investments	3,619,363	-	-	3,619,363
Interest Receivable	6,734	-	27	6,761
<b>Total Current Assets</b>	<b>\$ 14,188,868</b>	<b>\$ 2,172,164</b>	<b>\$ 40,968</b>	<b>\$ 16,402,000</b>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 30,862	\$ 2,172,164	\$ -	\$ 2,203,026
Due to Others	-	-	40,968	40,968
Total Current Liabilities	30,862	2,172,164	40,968	2,243,994
Non-Current Liabilities Due in More Than One Year:				
Due to Bondholders	14,158,006	-	-	14,158,006
Total Non-Current Liabilities	14,158,006	-	-	14,158,006
<b>Total Liabilities</b>	<b>\$ 14,188,868</b>	<b>\$ 2,172,164</b>	<b>\$ 40,968</b>	<b>\$ 16,402,000</b>

**Combining Statement of Changes in Fiduciary Assets and Liabilities**  
**Agency Funds**  
**For Year Ended June 30, 2020**

	<b>Balance July 1, 2019</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2020</b>
<b>Assessments</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 10,150,980	\$ 27,373,168	\$ 26,961,377	\$ 10,562,771
Restricted Cash and Investments	3,673,942	1,921,627	1,976,206	3,619,363
Interest Receivable	9,971	6,734	9,971	6,734
<b>Total Assets</b>	<b>\$ 13,834,893</b>	<b>\$ 29,301,529</b>	<b>\$ 28,947,554</b>	<b>\$ 14,188,868</b>
<b>LIABILITIES</b>				
Accounts Payable and Accrued Liabilities	\$ 25,524	\$ 130,348	\$ 125,010	\$ 30,862
Due to Bondholders	13,809,369	25,509,879	25,161,242	14,158,006
<b>Total Liabilities</b>	<b>\$ 13,834,893</b>	<b>\$ 25,640,227</b>	<b>\$ 25,286,252</b>	<b>\$ 14,188,868</b>
<b>Pass-Through Funds</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 2,478,255	\$ 5,424,510	\$ 5,730,601	\$ 2,172,164
<b>Total Assets</b>	<b>\$ 2,480,413</b>	<b>\$ 5,424,510</b>	<b>\$ 5,732,759</b>	<b>\$ 2,172,164</b>
<b>LIABILITIES</b>				
Accounts Payable and Accrued Liabilities	\$ 2,480,413	\$ 6,249,094	\$ 6,557,343	\$ 2,172,164
<b>Total Liabilities</b>	<b>\$ 2,480,413</b>	<b>\$ 6,249,094</b>	<b>\$ 6,557,343</b>	<b>\$ 2,172,164</b>
<b>Asset Seizure</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 38,972	\$ 1,969	\$ -	\$ 40,941
Interest Receivable	39	27	39	27
<b>Total Assets</b>	<b>\$ 39,011</b>	<b>\$ 1,996</b>	<b>\$ 39</b>	<b>\$ 40,968</b>
<b>LIABILITIES</b>				
Due to Others	\$ 39,011	\$ 1,957	\$ -	\$ 40,968
<b>Total Liabilities</b>	<b>\$ 39,011</b>	<b>\$ 1,957</b>	<b>\$ -</b>	<b>\$ 40,968</b>
<b>Total - All Agency Funds</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 12,668,207	\$ 32,799,647	\$ 32,691,978	\$ 12,775,876
Restricted Cash and Investments	3,673,942	1,921,627	1,976,206	3,619,363
Interest Receivable	12,168	6,761	12,168	6,761
<b>Total Assets</b>	<b>\$ 16,354,317</b>	<b>\$ 34,728,035</b>	<b>\$ 34,680,352</b>	<b>\$ 16,402,000</b>
<b>LIABILITIES</b>				
Accounts Payable and Accrued Liabilities	\$ 2,505,937	\$ 6,379,442	\$ 6,682,353	\$ 2,203,026
Due to Others	39,011	1,957	-	40,968
Due to Bondholders	13,809,369	25,509,879	25,161,242	14,158,006
<b>Total Liabilities</b>	<b>\$ 16,354,317</b>	<b>\$ 31,891,278</b>	<b>\$ 31,843,595</b>	<b>\$ 16,402,000</b>

**STATISTICAL SECTION CONTENTS**

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

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

**OTHER AUDIT REPORT**

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

## NET POSITION BY COMPONENT

## LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

(Unaudited)

	2011	2012	2013	2014	2015 <sup>(1)</sup>	2016	2017 <sup>(2)</sup>	2018	2019	2020
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 391,780,662	\$ 396,203,826	\$ 451,053,113	\$ 448,914,876	\$ 433,381,298	\$ 434,420,162	\$ 422,791,124	\$ 429,289,132	\$ 428,440,973	\$ 438,758,759
Restricted	71,281,324	55,501,023	50,993,394	55,657,033	71,876,509	79,824,615	95,801,016	95,686,834	89,830,884	90,068,569
Unrestricted	50,583,234	79,793,101	47,881,478	52,762,415	22,429,161	23,264,290	29,172,068	21,024,270	32,437,289	38,162,260
<b>Total Governmental Activities Net Position</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>\$ 546,000,236</b>	<b>\$ 550,709,146</b>	<b>\$ 566,989,588</b>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets										
and Capacity Rights	\$ 154,107,936	\$ 155,440,943	\$ 174,173,837	\$ 175,557,744	\$ 179,269,329	\$ 183,270,963	\$ 195,261,914	\$ 206,237,571	\$ 221,745,108	\$ 227,074,648
Restricted	33,796,393	35,030,908	25,789,668	27,579,197	25,172,201	29,240,801	25,362,943	25,157,771	27,643,027	34,893,200
Unrestricted	41,033,910	37,633,231	37,558,177	41,145,016	36,251,098	40,008,359	42,896,575	42,251,920	46,789,534	54,389,753
<b>Total Business-Type Activities Net Position</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>\$ 273,647,262</b>	<b>\$ 296,177,669</b>	<b>\$ 316,357,601</b>
<b>Primary Government</b>										
Net Investment in Capital Assets										
and Capacity Rights	\$ 545,888,598	\$ 551,644,769	\$ 625,226,950	\$ 624,472,620	\$ 612,650,627	\$ 616,590,129	\$ 618,053,038	\$ 635,526,703	\$ 650,186,081	\$ 665,833,407
Restricted	105,077,717	90,531,931	76,783,062	83,236,230	97,048,710	103,791,758	121,163,959	120,844,605	117,473,911	124,961,769
Unrestricted	91,617,144	117,426,332	85,439,655	93,907,431	58,680,259	69,647,303	72,068,643	63,276,190	79,226,823	92,552,013
<b>Total Primary Government Net Position</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>	<b>\$ 819,647,498</b>	<b>\$ 846,886,815</b>	<b>\$ 883,347,189</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.

(2) The City implemented the provisions of GASB Statement No. 75 for fiscal year ended June 30, 2018. Historical data has not been converted.

## City of Brentwood

## CHANGES IN NET POSITION - GOVERNMENTAL ACTIVITIES

## LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

(Unaudited)

	2011	2012	2013	2014	2015	2016	2017 <sup>(1)</sup>	2018 <sup>(1)</sup>	2019	2020
<b>Expenses</b>										
General Government	\$ 21,178,861	\$ 14,136,546	\$ 14,092,802	\$ 12,814,102	\$ 13,394,675	\$ 13,973,215	\$ 13,709,033	\$ 13,388,117	\$ 17,523,683	\$ 12,657,560
Public Safety	16,444,355	17,504,773	16,984,814	16,841,404	18,273,959	19,566,435	18,718,910	19,955,450	20,061,724	25,906,048
Community Development	4,614,882	3,330,613	3,486,844	3,897,722	3,815,207	3,980,128	4,386,875	4,790,307	4,684,855	5,602,306
Engineering	2,287,863	2,426,348	2,425,560	2,536,751	2,664,921	2,617,590	2,982,747	3,174,218	2,997,471	3,242,751
Public Works	7,563,837	7,785,203	7,481,326	6,932,406	6,953,406	6,977,557	7,266,573	7,606,439	8,145,779	7,711,732
Parks and Recreation	9,831,303	9,966,107	11,278,035	11,997,081	11,667,358	11,539,064	12,645,111	12,937,460	14,901,976	13,753,725
Community Services	5,193,300	5,507,421	5,979,870	6,077,404	6,180,114	7,056,264	7,300,460	7,802,659	8,585,969	11,816,750
Interest on Long-Term Debt	5,068,172	5,121,265	4,763,277	4,706,190	4,658,130	4,929,385	4,896,060	4,780,172	6,066,532	2,668,343
<b>Total Expenses</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>74,434,822</b>	<b>82,967,949</b>	<b>83,359,215</b>
<b>Program Revenues</b>										
Charges for Services:										
General Government	7,180,354	7,579,622	9,248,908	7,838,278	8,365,696	8,570,160	9,134,325	9,204,518	9,327,444	9,018,596
Public Safety	498,354	512,727	485,363	511,100	432,433	457,271	418,829	418,188	476,632	527,323
Community Development	1,112,381	1,273,788	2,436,201	3,392,009	3,481,731	4,035,603	4,297,207	3,745,019	3,455,052	3,312,581
Engineering	1,191,544	1,457,470	1,780,644	2,298,698	2,226,848	2,281,340	2,100,302	2,077,627	2,655,887	1,675,369
Public Works	75,927	39,302	1,250	-	-	-	-	-	-	-
Parks and Recreation	962,966	1,061,842	1,173,781	1,256,289	1,338,312	1,357,279	1,463,855	1,489,080	1,600,376	1,203,975
Operating Grants and Contributions	12,109,521	11,266,602	15,474,137	13,854,976	16,226,090	15,810,148	17,787,223	21,768,980	24,098,343	23,907,210
Capital Grants and Contributions	13,903,165	6,384,355	21,785,963	19,212,723	15,319,706	18,683,812	19,008,097	19,882,418	16,587,584	21,385,163
<b>Total Program Revenues</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>54,209,838</b>	<b>58,585,830</b>	<b>58,201,318</b>	<b>61,030,217</b>
<b>Total Governmental Activities Net Expense</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>(17,695,931)</b>	<b>(15,848,992)</b>	<b>(24,766,631)</b>	<b>(22,328,998)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Taxes:										
Property Taxes	15,684,496	12,682,260	10,090,453	10,540,496	12,454,027	13,602,591	12,922,787	13,819,751	14,936,950	15,911,518
Sales Tax	5,258,382	5,691,384	6,060,363	6,447,687	6,836,918	7,319,216	8,188,046	8,785,927	8,941,152	8,555,697
Franchise Fees	1,183,245	1,216,589	1,254,136	1,321,089	1,400,350	1,473,443	1,487,179	1,499,715	1,420,321	1,461,483
Real Property Transfer Tax	251,092	257,426	396,148	389,109	452,426	506,626	547,975	641,279	491,249	473,351
Measure J, Transient Occupancy Tax	775,964	885,565	960,804	1,036,221	349,683	377,043	396,763	555,535	551,122	505,956
Motor Vehicle Taxes In-Lieu, Unrestricted	2,925,219	2,593,907	2,540,474	2,748,701	3,256,924	3,655,028	3,952,928	4,291,791	4,603,565	4,931,720
Investment Earnings	2,256,133	1,626,128	679,229	1,186,001	1,095,957	2,988,030	373,212	502,436	6,608,333	7,541,296
Miscellaneous	317,681	1,338,025	1,149,975	1,123,910	871,959	1,156,862	352,324	692,654	641,871	783,295
Transfers	(426,118)	99,753	(74,087)	52,112	702,328	762,119	(270,142)	(2,399,950)	(8,719,022)	(1,554,876)
Special Items:										
Denial of Transfer of Assets to the City	-	27,664,261	(3,989,500)	-	(12,381,097)	(2,574,834)	-	(1,327,129)	-	-
<b>Total General Revenues and Other Changes in Net Position</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>27,951,072</b>	<b>27,062,009</b>	<b>29,475,541</b>	<b>38,609,440</b>
<b>Total Governmental Activities Change in Net Position</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>	<b>\$ 11,213,017</b>	<b>\$ 4,708,910</b>	<b>\$ 16,280,442</b>

(1) Revenues were reclassified in FY 2016/17 and FY 2017/18. Prior years have not been revised.

## City of Brentwood

## CHANGES IN NET POSITION - BUSINESS-TYPE ACTIVITIES

## LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

(Unaudited)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses</b>										
Wastewater	\$ 7,706,249	\$ 7,980,916	\$ 8,281,521	\$ 8,356,508	\$ 10,000,905	\$ 10,003,159	\$ 10,328,357	\$ 10,744,008	\$ 10,314,363	\$ 11,152,196
Solid Waste	7,839,662	8,050,319	8,871,904	9,583,321	10,373,325	10,680,780	11,493,599	12,281,266	12,945,626	13,233,700
Water	17,122,586	18,787,680	18,987,430	19,436,134	19,538,589	22,129,063	20,972,101	21,090,999	23,019,680	22,950,431
City Rentals	218,218	182,239	150,179	165,319	174,597	178,558	196,829	194,306	275,207	213,595
Housing	430,024	4,699,623	686,241	831,157	656,778	723,908	797,400	879,920	683,927	813,376
<b>Total Expenses</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>45,189,599</b>	<b>47,238,803</b>	<b>48,363,298</b>
<b>Program Revenues</b>										
Charges for Services:										
Wastewater	8,333,225	9,388,285	10,891,301	10,979,074	12,002,184	11,663,637	11,261,121	12,096,684	13,749,988	13,450,041
Solid Waste	9,045,607	9,139,494	9,246,212	9,648,049	10,132,236	10,520,115	11,376,482	12,293,622	14,381,240	14,975,341
Water	16,114,907	17,254,244	18,657,623	19,050,072	17,599,064	16,288,609	17,977,213	21,784,977	22,894,067	25,719,969
City Rentals	425,607	435,736	428,869	438,420	476,212	486,477	497,573	579,656	605,941	562,648
Housing	193,610	184,524	196,900	221,519	239,057	265,269	285,418	305,623	317,385	330,951
Operating Grants and Contributions	-	-	-	-	-	918,028	1,024,113	740,936	595,800	407,651
Capital Grants and Contributions	4,635,461	1,629,204	6,679,473	4,082,059	4,382,019	7,414,680	11,863,994	9,812,301	4,679,827	7,006,724
<b>Total Program Revenues</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>46,638,787</b>	<b>53,261,801</b>	<b>57,613,799</b>	<b>57,224,248</b>	<b>62,453,325</b>
<b>Total Business-Type Activities Net Expense</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>2,923,319</b>	<b>9,473,515</b>	<b>12,424,200</b>	<b>9,985,445</b>	<b>14,090,027</b>
<b>General Revenues and Other Changes in Net Position</b>										
Investment Earnings	1,072,790	935,886	417,783	765,633	719,108	1,759,735	233,539	200,691	3,825,940	4,535,029
Transfers	426,118	(99,753)	74,087	(52,112)	(702,328)	(762,119)	270,142	2,399,950	8,719,022	1,554,876
<b>Total General Revenues and Other Changes in Net Position</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>2,600,641</b>	<b>12,544,962</b>	<b>6,089,905</b>
<b>Total Business-Type Activities Change in Net Position</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>3,920,935</b>	<b>9,977,196</b>	<b>15,024,841</b>	<b>22,530,407</b>	<b>20,179,932</b>
<b>Total Primary Government Change in Net Position</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>\$ 13,743,034</b>	<b>\$ 20,232,337</b>	<b>\$ 26,237,858</b>	<b>\$ 27,239,317</b>	<b>\$ 36,460,374</b>

## City of Brentwood

## FUND BALANCES - GOVERNMENTAL FUNDS

## LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

(Unaudited)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Fund</b>										
Nonspendable	\$ 168,127	\$ 75,163	\$ 302,936	\$ 63,693	\$ 108,998	\$ 68,054	\$ 83,944	\$ 87,527	\$ 88,247	\$ 89,806
Restricted	-	27,500	74,426	92,426	92,426	92,426	94,464	95,620	95,930	95,930
Committed	600,000	-	-	-	1,250,000	9,266,345	7,553,950	11,986,875	12,271,706	11,605,158
Assigned	7,667,955	7,676,327	6,522,500	5,083,574	5,137,130	-	-	-	-	-
Unassigned	9,835,437	10,760,980	11,134,823	11,899,800	12,318,912	13,120,085	15,673,545	16,399,436	17,403,997	18,798,852
<b>Total General Fund</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>\$ 28,569,458</b>	<b>\$ 29,859,880</b>	<b>\$ 30,589,746</b>
<b>Other Governmental Funds</b>										
Nonspendable	\$ 2,237	\$ 1,324	\$ 1,310	\$ 845	\$ 576	\$ 889	\$ 80,914	\$ 81,092	\$ 80,904	\$ 81,680
Restricted	78,571,539	56,313,736	47,984,618	48,760,112	79,481,499	93,642,510	100,964,619	95,849,782	89,659,638	89,869,729
Committed	3,027,135	4,210,317	5,342,739	6,501,740	7,047,085	6,963,196	1,779,008	2,696,413	2,626,972	2,772,858
Unassigned	(2,550,292)	248,829	(2,839,605)	(2,792,828)	(2,421,683)	(561,034)	(510)	(1,280,327)	(966,997)	(502,784)
<b>Total Other Governmental Funds</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>	<b>\$ 97,346,960</b>	<b>\$ 91,400,517</b>	<b>\$ 92,221,483</b>
<b>Total Governmental Funds</b>	<b>\$ 97,322,138</b>	<b>\$ 79,314,176</b>	<b>\$ 68,523,747</b>	<b>\$ 69,609,362</b>	<b>\$ 103,014,943</b>	<b>\$ 122,592,471</b>	<b>\$ 126,229,934</b>	<b>\$ 125,916,418</b>	<b>\$ 121,260,397</b>	<b>\$ 122,811,229</b>



## City of Brentwood

### CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

(Unaudited)

	2011	2012	2013	2014	2015	2016	2017 <sup>(1)</sup>	2018 <sup>(1)</sup>	2019 <sup>(1)</sup>	2020
<b>REVENUES</b>										
Taxes	\$ 21,496,574	\$ 18,966,729	\$ 16,925,209	\$ 17,777,969	\$ 20,213,939	\$ 21,926,396	\$ 26,878,073	\$ 29,406,949	\$ 31,061,688	\$ 32,006,777
Licenses	486,963	519,368	550,111	618,161	633,722	826,330	878,054	887,614	880,361	853,455
Permits and Fines	2,695,972	2,866,498	4,460,526	5,920,923	6,264,281	6,806,441	6,686,821	6,062,836	6,270,459	5,407,548
Uses of Money and Property	1,990,331	1,477,010	1,403,814	1,022,233	912,078	1,967,917	469,616	688,771	4,688,742	5,075,099
Intergovernmental	7,696,877	6,626,172	11,827,629	8,793,246	8,940,071	8,981,674	9,903,403	9,995,621	14,580,776	12,406,486
Franchises	1,183,245	1,216,589	1,254,136	1,321,089	1,400,350	1,473,443	1,487,179	1,499,715	1,420,321	1,461,483
Charges for Other Services	522,681	409,699	291,411	381,111	306,603	287,150	561,815	573,488	728,194	281,466
Charges to Other Funds	5,887,152	6,362,471	8,063,466	6,577,548	6,705,041	6,811,651	7,538,724	7,333,321	7,822,311	7,780,455
Fees and Other Revenues	13,219,741	15,976,157	18,972,072	22,705,683	25,565,932	27,238,276	22,995,874	24,835,315	23,425,018	24,552,588
<b>Total Revenues</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>81,283,630</b>	<b>90,877,870</b>	<b>89,825,357</b>
<b>EXPENDITURES</b>										
Current:										
General Government	18,213,011	12,289,354	12,098,061	10,264,133	10,746,924	11,421,015	11,067,613	10,740,742	13,500,206	9,649,880
Public Safety	15,806,664	16,627,126	16,474,881	16,940,288	18,226,275	19,353,959	21,544,435	22,307,319	23,406,679	24,522,711
Community Development	4,658,637	3,218,317	3,545,087	4,075,316	4,083,722	4,323,936	4,644,493	4,995,776	5,329,332	5,796,266
Engineering	2,241,604	2,383,174	2,438,310	2,620,029	2,741,148	2,865,976	3,227,631	3,315,619	3,460,092	3,417,308
Public Works	2,687,175	2,723,127	2,601,282	2,687,875	2,814,945	2,999,793	3,213,775	3,548,386	3,914,338	3,721,300
Parks and Recreation	7,782,777	7,673,881	9,161,386	10,194,471	9,858,227	9,550,815	10,613,064	10,826,070	10,842,249	11,281,521
Community Services	5,199,083	5,510,055	5,987,718	6,088,686	6,192,471	7,073,130	7,314,162	7,870,635	8,553,831	11,934,521
Capital Outlay	28,347,984	18,649,014	5,791,055	1,487,631	2,353,631	3,834,624	3,388,096	14,185,472	8,304,654	7,711,572
Debt Service:										
Principal	1,085,407	1,075,000	1,770,000	1,835,000	1,910,000	2,717,796	4,000,818	4,309,412	4,531,499	4,725,783
Interest and Fiscal Charges	4,795,892	4,849,723	4,541,152	4,490,392	4,428,429	4,681,817	4,630,649	4,495,898	4,924,096	2,643,960
<b>Total Expenditures</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>86,595,329</b>	<b>86,766,976</b>	<b>85,404,822</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</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>(5,311,699)</b>	<b>4,110,894</b>	<b>4,420,535</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Bond Issuance	-	-	-	-	-	11,515,000	-	-	-	-
Premium on Bonds Issued	-	1,266,396	-	-	-	-	-	-	5,297,298	-
Refunding Bonds Issued	-	24,060,000	-	-	-	-	-	-	32,210,000	-
Payment to Refunded Bond Escrow Agent	-	(26,049,390)	-	-	-	-	-	-	(42,663,905)	-
Transfer of Land Held to Governmental Activities	(1,327,029)	-	-	-	-	-	-	-	-	-
Transfers In	71,012,558	18,534,332	18,611,255	18,163,542	17,062,601	32,528,893	40,527,627	33,710,608	25,990,602	24,734,842
Transfers Out	(75,401,036)	(16,777,751)	(21,084,678)	(21,512,069)	(19,620,633)	(31,962,782)	(40,644,987)	(28,712,425)	(29,600,910)	(27,604,545)
<b>Total Other Financing Sources (Uses)</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>4,998,183</b>	<b>(8,766,915)</b>	<b>(2,869,703)</b>
<b>Net Change in Fund Balances before Extraordinary Items</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>\$ (313,516)</b>	<b>\$ (4,656,021)</b>	<b>\$ 1,550,832</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>(2,130,419)</b>	<b>(3,989,500)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</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>\$ (313,516)</b>	<b>\$ (4,656,021)</b>	<b>\$ 1,550,832</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	9.41%	10.51%	10.77%	10.69%	10.39%	11.39%	12.29%	12.16%	12.05%	9.49%

(1) Revenues were reclassified in FY 2016/17, FY 2017/18 and FY 2018/19. Prior years have not been revised.

## 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>
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%
2018	8,035,473,592	774,705,747	53,146,631	619,828,756	197,364,463	9,285,790,263	1.0051%
2019	8,698,086,441	803,435,376	94,258,947	575,947,374	202,198,948	9,969,529,190	1.0050%
2020	9,345,436,471	834,684,128	96,654,841	580,146,368	215,602,467	10,641,319,341	1.0048%

**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
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%
2018	1.00%	0.0051%	1.0051%	0.0450%	0.0635%	0.0942%
2019	1.00%	0.0050%	1.0050%	0.0414%	0.0445%	0.0870%
2020	1.00%	0.0048%	1.0048%	0.0399%	0.0617%	0.1013%

**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 2020			Fiscal Year 2011		
	Taxable Assessed Value	Rank	Percent of City's Total Taxable Value	Taxable Assessed Value	Rank	Percent of City's Total Taxable Value
FHB Land Property, LLC	\$ 93,116,820	1	0.88%	\$ -	-	-
Sand Creek Crossing LLC	59,939,146	2	0.57%	41,285,400	3	0.72%
DS Lone Tree Plaza LLC	49,383,362	3	0.47%	33,651,362	5	0.59%
Trilogy Vineyards LLC	43,959,231	4	0.42%	49,388,189	2	0.86%
John Muir Mt Diablo Health	41,468,753	5	0.39%	36,275,782	4	0.63%
CA Towncentre Owner LLC	28,034,461	6	0.27%	25,724,856	6	0.45%
Pulte Homes Company, LLC	27,916,626	7	0.26%			
AFE Brentwood Park LLC	25,225,964	8	0.24%			
Brentwood Arbor Ridge LP	24,687,706	9	0.23%	20,965,383	10	0.36%
SPT Ivey Brentwood CA Mob, LLC	23,356,979	10	0.22%			
Brentwood Specialty Center LLC				107,477,530	1	1.87%
WK LLC				25,460,087	7	0.44%
Festival Retail Fund Brentwood				23,277,184	8	0.40%
Discovery Builders Inc				21,777,852	9	0.38%
<b>Total</b>	<b>\$ 417,089,048</b>		<b>3.96%</b>	<b>\$ 385,283,625</b>		<b>6.70%</b>

Source: HdL Coren &amp; 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
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%
2018	15,929,680	15,929,680	100.00%
2019	14,936,950	14,936,950	100.00%
2020	15,911,518	15,911,518	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)

	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Apparel Stores	\$ 41,433	\$ 43,872	\$ 47,782	\$ 51,009	\$ 49,524	\$ 53,502	\$ 57,143	\$ 57,848	\$ 60,142	\$ 58,902
Food Stores	42,134	42,881	44,710	46,829	47,983	50,251	50,026	51,721	53,567	55,623
Eating and Drinking Establishments	64,109	70,917	80,693	84,531	100,497	112,715	120,253	131,119	139,144	142,487
Building Materials	51,067	55,213	57,644	64,725	63,693	72,414	80,502	95,994	95,259	95,389
Auto Dealers and Supplies	43,762	41,466	39,996	43,202	54,180	68,267	76,852	86,794	98,184	98,979
Service Stations	86,144	100,906	105,065	104,865	106,658	94,021	90,449	105,328	124,856	121,639
Other Retail Stores	115,702	120,480	126,723	134,417	131,494	143,394	152,268	158,470	145,530	119,609
All Other Outlets	91,820	103,895	111,150	124,413	136,218	159,019	168,056	188,438	193,540	214,049
<b>Total</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>	<b>\$ 875,712</b>	<b>\$ 910,222</b>	<b>\$ 906,676</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
2011	1.00%	1.00%	6.25%	8.25%
2012	1.00%	1.00%	6.25%	8.25%
2013	1.00%	1.00%	6.50% <sup>(1)</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>(1)</sup>	8.25%
2018	1.00%	1.00%	6.25%	8.25%
2019	1.00%	1.00%	6.25%	8.25%
2020	1.00%	1.00%	6.25%	8.25%

**Source:** California Department of Tax and Fee Administration

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

*(1) 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)

2020		2011	
Tax Remitter <sup>(1)</sup>	Business Category	Tax Remitter <sup>(1)</sup>	Business Category
Ace Hardware	Building Materials	Arco AM PM	Service Stations
Arco AM PM	Service Stations	AT&T Mobility	Electronics/Appliance Stores
AT&T Mobility	Electronics/Appliance Stores	Best Buy	Electronics/Appliance Stores
Balfour Arco	Service Stations	Big B Lumber	Building Materials
Big B Lumber	Building Materials	Bill Brandt Ford	New Motor Vehicle Dealers
Bill Brandt Ford	New Motor Vehicle Dealers	Brentwood Service Station	Service Stations
BJs Restaurant & Brewhouse	Casual Dining	Chevron	Service Stations
Brentwood Service Station	Service Stations	Circle K Gas	Service Stations
Brentwood Ready Mix	Contractors	CVS Pharmacy	Drug Stores
Chevron	Service Stations	Dallas Shanks Chevron Services	Service Stations
Circle K Gas	Service Stations	Food Maxx	Grocery Stores
Colonial Energy	Service Stations	Home Depot	Building Materials
Dallas Shanks Services	Service Stations	Home Goods	Home Furnishings
Home Depot	Building Materials	Kohl's	Department Stores
Home Goods	Home Furnishings	Michael's Arts & Crafts	Art/Gift/Novelty Stores
In N Out Burger	Quick-Service Restaurants	Quick Stop	Service Stations
Jeffery Way Shell	Service Stations	Raley's	Grocery Stores
Kohl's	Department Stores	Ross	Family Apparel
Quick Stop	Service Stations	Safeway	Grocery Stores
Ross	Family Apparel	TJ Maxx	Family Apparel
Safeway	Grocery Stores	Tower Mart	Service Stations
TJ Maxx	Family Apparel	Vintners Shell Stations	Service Stations
Ulta Beauty	Specialty Stores	Walgreens	Drug Stores
Walgreens	Drug Stores	Whybuynewautos	Used Automotive Dealers
Winco Foods	Grocery Stores	Winco Foods	Grocery Stores

**Percent of Fiscal Year Total Paid by Top 25 Accounts = 51.46%**

**Percent of Fiscal Year Total Paid by Top 25 Accounts = 51.60%**

Source: HdL Coren & Cone

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



## City of Brentwood

**WATER USE REVENUE BY CUSTOMER TYPE <sup>(1)</sup>**  
**LAST TEN FISCAL YEARS**  
(Unaudited)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Type of Customer</b>										
Residential	\$ 7,559,361	\$ 8,018,220	\$ 9,104,775	\$ 9,204,133	\$ 8,207,427	\$ 5,556,876	\$ 7,604,905	\$ 10,168,782	\$ 10,186,331	\$ 12,073,185
Commercial	1,270,571	1,351,106	1,505,393	1,536,426	1,465,084	1,156,292	1,563,242	1,914,185	2,171,794	2,341,862
Industrial	502,181	496,542	588,820	544,326	566,740	429,897	467,446	526,072	643,601	720,373
Government	1,000,586	1,001,728	1,278,646	1,371,209	919,019	726,120	933,648	1,161,546	1,318,552	1,518,578
<b>Total</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>	<b>\$ 13,770,585</b>	<b>\$ 14,320,278</b>	<b>\$ 16,653,998</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)

	2011	2012	2013	2014	2015	2016	2017 <sup>(1)</sup>	2018	2019	2020
<b>Monthly Base Rate</b>										
5/8" or 3/4" meter	\$ 17.99	\$ 18.53	\$ 19.08	\$ 19.65	\$ 20.24	\$ 20.85	\$ 21.61	\$ 23.56	\$ 24.03	\$ 24.88
1" meter	26.98	27.79	28.62	29.48	30.36	31.27	29.83	32.52	34.00	35.19
1 1/2" meter	53.96	55.58	57.24	58.96	60.73	62.55	50.39	54.93	58.90	60.97
2" meter	89.93	92.63	95.40	98.26	101.21	104.25	75.07	81.83	88.79	91.90
3" meter	161.87	166.73	171.73	176.88	182.19	187.65	153.21	167.00	183.44	189.87
4" meter	233.81	240.83	248.05	255.49	263.16	271.05	268.36	292.65	322.91	292.65
6" meter	485.61	500.18	515.19	530.65	546.57	562.96	543.89	592.85	656.65	679.64
<b>Consumption Charge (per 1,000 gallons = 1 unit)</b>										
<b>Residential Tiers</b>										
Tier 1: Units 1-10	\$ 2.81	\$ 2.90	\$ 2.99	\$ 3.08	\$ 3.17	\$ 3.27				
Tier 1: Units 1-5							\$ 2.49	\$ 2.72	\$ 2.84	\$ 2.94
Tier 2: Units 11-20	3.35	3.45	3.56	3.67	3.78	3.89				
Tier 2: Units 6-14							4.96	5.41	5.48	5.68
Tier 3: Units 21-30	4.02	4.14	4.26	4.39	4.52	4.66				
Tier 3: Units 15-20							5.93	6.47	6.43	6.66
Tier 4: Units 31+	4.68	4.82	4.97	5.12	5.27	5.43				
Tier 4: Units 21+							6.52	7.11	6.64	6.88
<b>Non Residential Tiers</b>										
Tier 1: Units 1-10	\$ 2.81	\$ 2.90	\$ 2.99	\$ 3.08	\$ 3.17	\$ 3.27				
Tier 1: Units 1-5							\$ 2.31	\$ 2.52	\$ 2.93	\$ 3.04
Tier 2: Units 11+	3.35	3.45	3.56	3.67	3.78	3.89				
Tier 2: Units 6+							4.60	5.02	5.97	6.18
<b>Non Potable</b>										
Tier 1: Units 1+	\$ 1.04	\$ 1.07	\$ 1.10	\$ 1.13	\$ 1.17	\$ 1.20	\$ 1.31	\$ 1.43	\$ 1.43	\$ 1.47

(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)

## Governmental Activities

Fiscal Year	2002 General Obligation Bonds		2001 CIP Revenue Bonds		2012 CIP Revenue Refunding Bonds		2009 Civic Center Project Lease Revenue Bonds		2015 Lease Financing		2019 Civic Center Project Lease Revenue Refunding Bonds		Notes Payable		Capital Leases (Internal Service)	
	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	-	-	-	-	-	-	-
2018	6,074,688	-	19,505,094	42,912,215	10,745,000	-	-	-	12,087,905	-	-	-	-	-	-	-
2019	5,905,231	-	18,421,774	-	10,295,000	-	-	37,445,821	10,711,406	-	-	-	-	-	-	-
2020	5,702,259	-	17,288,454	-	9,830,000	-	-	36,006,496	9,250,623	-	-	-	-	-	-	-

## Business-Type Activities

Fiscal Year	2008 Water Revenue Bonds		2014 Water Revenue Bonds		State Water Resources Loan (Wastewater)		State Water Resources Loan (Recycled Water)		Notes Payable <sup>(1)</sup>		Total Primary Government		Percentage of Personal Income <sup>(2)</sup>		Per Capita <sup>(2)</sup>	
	2011	\$ 51,507,514	\$ -	\$ 24,416,786	\$ -	\$ 7,432,445	\$ 163,866,965	10.57%	\$ 3,185							
2012	50,432,849	-	22,576,240	-	7,358,875	159,029,865	10.61%	3,057								
2013	49,313,184	-	20,702,469	-	7,382,250	154,162,946	9.91%	2,889								
2014	48,138,519	-	18,794,875	-	7,062,578	149,080,716	8.95%	2,719								
2015	4,165,000	48,608,126	16,852,847	-	-	168,711,420	9.59%	2,986								
2016	2,845,000	48,356,034	14,875,763	-	-	161,426,837	8.95%	2,828								
2017	1,460,000	48,103,942	12,862,991	-	-	153,751,835	8.02%	2,616								
2018	-	46,301,849	10,813,886	-	-	148,440,637	7.45%	2,431								
2019	-	44,439,757	8,727,793	6,566,758	-	142,513,540	6.64%	2,239								
2020	-	42,497,664	6,604,044	8,452,399	-	135,631,939	5.73%	2,083								

**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 FY 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)

<b>Fiscal Year</b>	<b>2002 General Obligation Bonds</b>	<b>Less: Amounts Restricted in the Debt Service Fund</b>	<b>Net Total Debt</b>	<b>Percentage of Actual Taxable Value of Property</b>	<b>Per Capita</b>
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
2018	6,074,688	79,768	5,994,920	0.07%	98
2019	5,905,231	98,578	5,806,653	0.06%	91
2020	5,702,259	92,013	5,610,246	0.06%	86

**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, 2020

(Unaudited)

2019/20 Assessed Valuation	\$	10,641,319,341
Redevelopment Incremental Valuation		973,996,788
Adjusted Assessed Valuation	\$	9,667,322,553

	Total Debt 6/30/20	Percentage Applicable <sup>(1)</sup>	City's Share of Debt 6/30/20
<b>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</b>			
Bay Area Rapid Transit	\$ 1,282,740,000	1.322%	\$ 16,957,823
Contra Costa Community College District	513,955,000	4.947%	25,425,354
Liberty Union High School District	89,275,000	52.818%	47,153,270
Brentwood Union School District	68,574,704	93.534%	64,140,664
Oakley Union School District	42,930,000	0.002%	859
<b>City of Brentwood</b>	<b>5,702,259 <sup>(2)</sup></b>	<b>100.000%</b>	<b>5,702,259</b>
<b>City of Brentwood Community Facilities Districts</b>			
<b>City of Brentwood 1915 Act Bonds</b>	<b>17,025,263</b>	<b>100.000%</b>	<b>17,025,263</b>
City of Brentwood 1915 Act Bonds	111,758,140	100.000%	111,758,140
California Statewide Communities Development Authority Assessment Districts	20,822,274	100.002%	20,822,742
East Bay Regional Park District	155,835,000	2.109%	3,286,560
<b>TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>	<b>\$ 2,308,617,640</b>		<b>\$ 312,272,934</b>
<b>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:</b>			
Contra Costa County General Fund Obligations	\$ 232,484,653	4.930%	\$ 11,461,493
Contra Costa County Pension Obligations	85,690,000	4.930%	4,224,517
Liberty Union High School District Certificates of Participation	6,737,191	52.818%	3,558,450
<b>City of Brentwood General Fund Obligations</b>	<b>55,350,310</b>	<b>100.000%</b>	<b>55,350,310</b>
GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT	\$ 380,262,154		\$ 74,594,770
Less: Contra Costa Obligations Supported From Revenue Funds			4,570,449
NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 70,024,321
<b>OVERLAPPING TAX INCREMENT DEBT (SUCCESSOR AGENCY)</b>	<b>\$ 22,850,789</b>	<b>100.000%</b>	<b>\$ 22,850,789</b>
<b>TOTAL DIRECT DEBT</b>			<b>\$ 78,077,832</b>
TOTAL GROSS OVERLAPPING DEBT			\$ 331,640,661
TOTAL NET OVERLAPPING DEBT			\$ 327,070,212
GROSS COMBINED TOTAL DEBT			\$ 409,718,493 <sup>(3)</sup>
NET COMBINED TOTAL DEBT			\$ 405,148,044
<u>Ratios to Adjusted Assessed Valuation:</u>			
<b>Total Direct Debt (\$78,077,832)</b> .....	<b>0.81%</b>		
Gross Combined Total Debt .....	4.24%		
Net Combined Total Debt .....	4.19%		

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 \$4,572,283 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)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Limit	\$ 219,745,734	\$ 209,939,754	\$ 205,468,331	\$ 222,851,159	\$ 264,412,922	\$ 296,927,556	\$ 321,001,823	\$ 348,217,135	\$ 373,857,345	\$ 399,049,475
Total Net Debt Applicable to Limit	6,504,400	6,491,115	6,464,245	6,410,225	6,344,808	6,246,505	6,126,810	5,994,920	5,806,653	5,610,246
<b>Legal Debt Margin</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>\$ 342,222,215</b>	<b>\$ 368,050,692</b>	<b>\$ 393,439,229</b>
<b>Total Net Debt Applicable to the Limit as a Percentage of Debt Limit</b>	2.96%	3.09%	3.15%	2.88%	2.40%	2.10%	1.91%	1.72%	1.55%	1.41%

**Legal Debt Margin Calculation for Fiscal Year 2020**

Assessed Value <sup>(1)</sup>	\$ 10,641,319,341
Debt Limit (3.75% of Assessed Value) <sup>(2)</sup>	399,049,475
Debt Applicable to Limit:	
General Obligation Bonds	5,610,246
<b>Total Net Debt Applicable to Limit</b>	<b>5,610,246</b>
<b>Legal Debt Margin</b>	<b>\$ 393,439,229</b>

Source: Contra Costa County Assessor

(1) Contra Costa County Auditor/Controller

(2) State of California Government Code 25 and 43605

## City of Brentwood

**PLEDGED REVENUE COVERAGE****LAST TEN 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	
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>(1)</sup>	18,963,542	(14,473,726)	4,489,816	1,255,000	1,342,923	1.73
2016 <sup>(2)</sup>	21,206,265	(13,999,154)	7,207,111	1,320,000	2,192,225	2.05
2017 <sup>(2)</sup>	20,999,938	(15,531,834)	5,468,104	1,385,000	2,126,225	1.56
2018 <sup>(3)</sup>	25,157,794	(16,640,999)	8,516,795	3,010,000	2,050,050	1.68
2019	26,041,257	(17,679,262)	8,361,995	1,610,000	1,904,100	2.38
2020	29,004,863	(18,272,183)	10,732,680	1,690,000	1,823,600	3.05

**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 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.

(2) 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.

(3) The final payment on the unrefunded portion of the Water Revenue Bonds, Series 2008 was made in FY 2017/18.

## 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
2010	51,453	\$ 1,550,929	\$ 36,172	35.1	15,744	10.0%
2011	52,030	1,498,335	30,143	34.8	15,940	9.2%
2012	53,356	1,556,037	28,798	35.1	16,240	6.2%
2013	54,824	1,665,933	29,163	36.3	16,390	5.4%
2014	56,493	1,759,741	30,387	36.0	16,649	5.2%
2015	57,072	1,803,371	31,150	36.9	16,923	4.9%
2016	58,784	1,917,154	31,598	37.7	17,116	3.7%
2017	61,055	1,993,057	32,614	38.3	17,268	3.7%
2018	63,662	2,145,046	33,694	38.8	17,501	3.4%
2019	65,118	2,365,716	36,330	39.8	17,594	3.3%

(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	2020			2011		
	No. Employees	Rank	Percent of Total City Employment	No. Employees	Rank	Percent of Total City Employment
Brentwood Union School District	697	1	4.68%	1,066	1	6.68%
City of Brentwood	448	2	3.01%	491	2	3.08%
Liberty Union High School District	431	3	2.90%	352	3	2.21%
Home Depot	150	4	1.01%	100	11	0.63%
Safeway Stores, Inc.	141	5	0.95%	255	4	1.60%
John Muir	132	6	0.89%	77	12	0.48%
Precision Cabinets	130	7	0.87%	250	5	1.57%
Ellison Framing Inc.	125	8	0.84%	240	6	1.50%
Kohl's	123	9	0.83%	150	8	0.94%
Winco Foods, Inc.	102	10	0.69%	160	7	1.00%
Raley's	101	11	0.68%	120	10	0.75%
BJ's Brewhouse	100	12	0.67%	-	-	0.00%
John Muir Health	92	13	0.62%	-	-	0.00%
Walgreen Co.	90	14	0.60%	75	13	0.47%
Town & Country Roofing	77	15	0.52%	70	14	0.44%
East Contra Costa Fire Protection District	42	16	0.28%	-	-	0.00%
Delta Valley Athletic Club	14	17	0.09%	-	-	0.00%
Best Buy	8	18	0.05%	125	9	0.78%
<b>Total City Employment</b>	<b>14,878</b>			<b>15,962</b>		

Source: 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>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
General Government	37	38	37	35	34	34	35	35	37	37
Public Safety	79	79	79	83	83	85	95	95	95	105 <sup>(1)</sup>
Community Development	26	24	23	21	20	19	19	22	23	23
Engineering	13	12	13	13	14	14	14	14	14	14
Public Works	23	24	23	24	23	23	23	26	26	26
Parks and Recreation	24	24	24	24	24	25	24	25	26	27
Wastewater	17	17	17	18	18	18	19	20	24	24
Solid Waste	24	24	24	25	26	27	26	27	28	29
Water	25	26	26	26	26	26	26	27	27	28
Housing	1	2	1	2	2	2	2	2	2	2
<b>Total</b>	<b>269</b>	<b>270</b>	<b>267</b>	<b>271</b>	<b>270</b>	<b>273</b>	<b>284</b>	<b>293</b>	<b>302</b>	<b>315</b>

(1) Five Public Safety positions are currently unbudgeted.

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

## City of Brentwood

## OPERATING INDICATORS BY FUNCTION/PROGRAM

## LAST TEN FISCAL YEARS

(Unaudited)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Function/Program</b>										
<b>General Government</b>										
Single-Family Dwelling Permits Issued	109	175	290	500	451	519	541	411	352	274
Accounts Payable Invoices Processed	10,272	10,885	10,458	10,440	12,023	13,364	13,625	12,463	12,222	12,044
Purchase Orders Issued	280	320	355	291	286	269	279	264	244	354
Checks Issued	14,366	14,047	14,064	13,692	14,299	15,764	15,844	15,133	14,753	14,129
<b>Public Works</b>										
Debris Collected (tons)	2,226	1,995	2,229	2,226	1,890	1,756	1,687	1,568	1,880	2,032
Streetlights Maintenance Requests	806	659	680	713	697	410	424	293	422	415
<b>Police</b>										
Physical Arrests (est.)	1,448	1,745	1,626	1,563	1,679	1,648	1,626	1,629	1,596	1,226
Calls for Service (est.)	35,168	37,124	36,781	36,192	39,934	40,661	44,417	50,300	51,777	51,867
Case Files Taken (est.)	5,450	6,044	5,823	5,821	6,133	5,925	6,335	6,396	6,217	5,870
<b>Parks and Recreation</b>										
Total Programs Offered (est.)	986	1,053	997	924	852	852	891	962	993	993
<b>Refuse Collection</b>										
Refuse Collected (tons per day)	90	88	93	95	97	102	110	114	119	114
Yard Waste (tons per day)	32	34	35	35	38	35	38	37	40	42
Recyclables Collected (tons per day)	22	22	22	22	23	25	26	25	30	29
Residential Services	15,562	15,907	16,337	16,729	17,245	17,802	18,310	18,806	19,329	19,600
Commercial Services	468	451	468	465	475	487	499	508	497	516
<b>Water</b>										
New Connections	117	125	197	338	467	475	527	470	353	304
Average Daily Production (millions of gallons)	9	9	11	11	10	7	8	9	9	10
Peak Daily Production (millions of gallons)	16	15	16	17	17	18	16	20	19	19
Number of Utility Customers	16,827	16,952	17,120	17,505	18,289	18,785	19,385	19,736	20,285	20,628
<b>Wastewater</b>										
New Connections	119	125	199	338	467	480	529	471	356	307
Average Daily Sewage Treatment (millions of gallons)	3	3	3	4	4	3	4	4	3	4

Source: Various City Departments

## City of Brentwood

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
(Unaudited)

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	1	1	1	1	1	1	1	1	1	1
Patrol Vehicles	51	51	51	52	52	49	49	49	49	44
<b>Parks and Recreation</b>										
Developed Park Acreage <sup>(1)</sup>	256	260	221	223	226	231	234	253	237	240
Play Areas	45	46	48	48	51	52	56	61	61	65
Multi-Use Trails (miles)	16	16	16	17	18	18	19	19	19	19
Multi-Use Ball and Soccer Fields	23	23	23	23	23	19	19	20	20	20
Picnic Tables	276	287	290	292	305	311	331	351	353	364
<b>Refuse Collection</b>										
Collection Trucks	14	14	14	14	16	16	17	17	18	19
<b>Water</b>										
Water Mains (miles)	191	219	256	266	284	287	302	324	345	347
Fire Hydrants	1,945	2,153	2,535	2,588	2,704	2,719	2,841	2,901	2,990	3,013
Number of Wells	9	8	7	7	7	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)	152	179	202	209	225	226	235	237	242	243
Lift Stations	2	2	2	2	2	2	2	2	3	3
<b>Other Public Works</b>										
Streets (miles)	190	190	192	192	192	192	192	192	192	192
Street Lights	5,836	5,889	5,948	5,957	5,957	6,691	6,693	7,403	7,592	7,645

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 2020:</b>	65,118

<b><u>Municipal Water System</u></b>	
Number of Wells	7
Number of Reservoirs	6
Storage Capacity (gallons)	19 MG
Average Daily Production	10 MGD
Peak Daily Production	19 MGD
Number of Connections	20,628

<b><u>Municipal Solid Waste</u></b>	
Number of Residential Services	19,884
Number of Commercial Services	507

<b><u>Number of Full-time Equivalent Positions</u></b>	<b><u>Year-End</u></b>
315 <sup>(1)</sup>	2020
302	2019
293	2018
284	2017
273	2016
270	2015
271	2014
267	2013
270	2012
269	2011

<b><u>Parks and Recreation</u></b>	
Developed Park Acreage	240.42 acres
Aquatic Complex	7.5 acres
Skate Park	.50 acres
Play Areas	65
Sunset Park Athletic Complex	38 acres
Veterans Park	10.5 acres

<b><u>Parks Facilities</u></b>	
Multi-Use Trails	19.22 miles
Multi-Use Ball and Soccer Fields	20
Tennis Courts	2
Basketball Courts	14
Bocce Ball Courts	8
Volleyball Courts	3
Horseshoe Courts	2
Gazebos	3
Picnic Tables	364
BBQ Areas	34
Restrooms (Permanent)	9

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

<b><u>Police Protection</u></b>	
Sworn Officers <sup>(1)</sup>	71
Vehicles	44
Motorcycles	5

<b><u>Miles of Streets</u></b>	
Miles of Streets	192
Miles of Sanitary Sewers	243
Miles of Water Mains	347
Number of Street Lights	7,645

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

<b><u>Municipal Wastewater System</u></b>	
Sanitary Lift Stations	3
Number of Connections	20,177
Average Daily Flow	3.88 MGD

(1) Five Public Safety positions are currently unbudgeted.

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, 2020, and have issued our report thereon dated November 20, 2020.

***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.

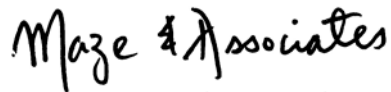
### ***Compliance and Other Matters***

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 20, 2020 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.

The image shows a handwritten signature in black ink that reads "Maze & Associates". The signature is written in a cursive, flowing style.

Pleasant Hill, California  
November 20, 2020