

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2021



Prepared By: Finance and Information Systems Department

150 City Park Way
Brentwood, CA 94513



For Fiscal Year Ended June 30, 2021

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December 14, 2021

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, 2021. 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 and 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 and 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, 2021.

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, 2021, the City had an estimated population of 66,097.

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 November 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 initially cast a tremendous amount of uncertainty over the City's short and intermediate-term financial outlook. The early days of the pandemic resulted in multiple economic shocks - the stock market plunged, strict stay at home orders were implemented and there was fear of a modern day Great Depression. Long-term financial harm was averted, however, as record amounts of government stimulus kept dollars flowing and consumers spending. Historic low interest rates and the onset of work from home capabilities helped spur demand for housing, pushing values to record highs. The stock market recovered, and then some, setting new highs only months after the initial shock. Since that initial outlook in March/April 2020, the City's fiscal condition has continued to improve, with General Fund revenues now exceeding pre-pandemic levels, and showing signs of continued growth.

Demand for housing in Brentwood remains exceptionally strong as the City approaches build-out. Property taxes, the General Fund's top revenue source, continue to exceed projections, rising by an average of nearly 8% per year over the past five years. Sales tax, the General Fund's second largest revenue source, has recovered from the temporary slowdown during the early stages of the pandemic, and now exceeds pre-pandemic levels. Sales tax revenue growth is projected to continue in the coming years as the City adds more jobs, reduces commuting outflow and is able to keep more of our resident's consumer spending activity in Brentwood. 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.

The City also took quick action to reduce spending at the onset of the pandemic. Projects were delayed, positions left vacant and non-essential purchases were curtailed. As the fiscal outlook improved over the ensuing months, the City gradually restored the majority of spending reductions and is now looking towards enhancing services in the upcoming fiscal years. Longer term, the City's future costs will be moderately controlled, as a result of strategies to pay down unfunded pension and retiree medical liabilities. 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 the last three 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 three-year labor agreements with the City's bargaining groups expired at the end of FY 2019/20. However, due to the pandemic and economic uncertainty, the negotiation process was temporarily paused, and during the 2020/21 fiscal year, labor remained under the terms of the expired agreements. As the fiscal year neared completion, the City was near reaching tentative agreements with all of its bargaining groups and as of October 26, 2021 concluded negotiations with all bargaining groups resulting in three-year agreements ending on June 30, 2024.

Although the City's fiscal forecasts indicate that it can maintain its strong financial position, caution is warranted as the pandemic and variants continue to remain a concern, interest rates, labor shortages, and supply chain shortages pose a threat to the economic recovery, and the economy still needs to transition away from the record levels of federal support and back to self-sustainability. 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.

As discussed above, the unprecedented nature of the COVID-19 pandemic resulted in a series of state and federal legislative actions to support the economy, businesses and state and local governments. In March 2020, the United States Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act which provided fast and direct economic assistance in response to the pandemic. The City received \$804,000 in CARES Act funding during FY 2020/21, which was used in support of eligible expenses including food programs, personal protective equipment, small business assistance and public health, and safety employee costs.

In March 2021, the United States Congress passed the American Rescue Plan Act of 2021 ("the Plan"), which is a \$1.9 trillion economic stimulus package in response to the impacts of the unprecedented COVID-19 pandemic. The Plan includes \$350 billion in emergency funding for states, counties, cities and tribal governments to cover increased expenditures, replenish lost revenue and mitigate economic harm from the COVID-19 pandemic. Of this amount, \$130.2 billion is allocated to local governments. The City received an allocation from this source of \$6.9 million, of which, 50% was received in May 2021, with the remaining 50% to be received in 2022. Allowable uses of these funds include 1) response to the COVID-19 emergency and address its economic effects, including through aid to households, small businesses, nonprofits, and industries such as tourism and hospitality; 2) provide premium pay to essential employees or grants to their employers; 3) provide government services affected by a revenue reduction resulting from COVID-19; and 4) make investments in water, sewer, or broadband infrastructure. The City is currently determining appropriate use of this funding source based on the Treasury's interim guidance and the associated opportunities available to the City, will be presented for Council consideration during the Strategic Planning process in late 2021.

The pandemic has also had a significant negative fiscal impact on the City's Water, Wastewater and Solid Waste Enterprise Funds as it relates to account delinquencies. As of June 30, 2021 delinquent balances were \$1,571,000 as compared to \$771,000 in 2020. With the State of California prohibiting water shutoffs for non-payment during the pandemic, the City has faced increasing instances of non-payment and increased delinquency balances. During FY 2020/21, \$0.9 million of bad debt expense was recorded in the Enterprise Funds. The City, however, is working proactively with residents who have fallen behind and is also applying for relief funding from State agencies. While all three of the City's enterprise funds achieved a 30% cash reserve goal, the future maintenance of this reserve will be impacted by the State of California's future restrictions on the collection of past due balances and financial grants or assistance the State may offer as a remedy.

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. Additional rate studies will need to be considered in the coming two years.

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 both as part of the Operating Budget and the Strategic Planning process. 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 where necessary. 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. Over the intermediate to long-term, the City is projecting pension and retiree medical costs to ease, reducing or eliminating the need for Pension/OPEB Obligation Fund transfers to balance the budget.

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.

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, 2020. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

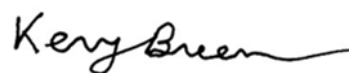
ACKNOWLEDGEMENTS

A great deal of effort and attention to detail, representing many hours of work by staff members throughout the organization, is required to produce a report of this quality. We would like to express our appreciation to all of the City Departments who have taken the time to participate in the development of this year's Comprehensive Annual Financial Report. Special recognition is given to the Finance and Information Systems Department and specifically the Business Services and Financial Services staff. We wish to thank and express our appreciation to the Mayor and the City Council for increasingly 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, 2020

Christopher P. Morrill

Executive Director/CEO



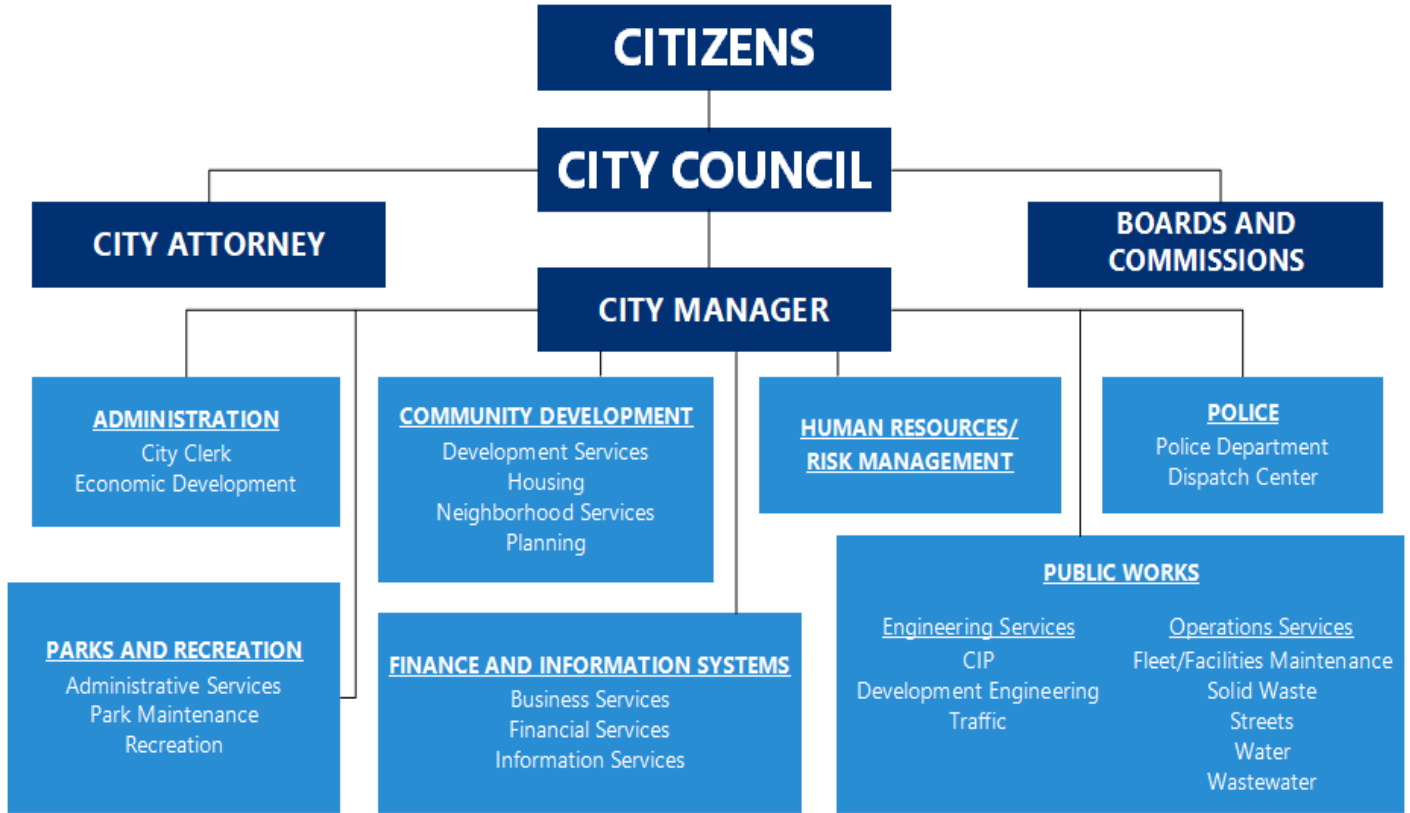
City Council as of June 30, 2021

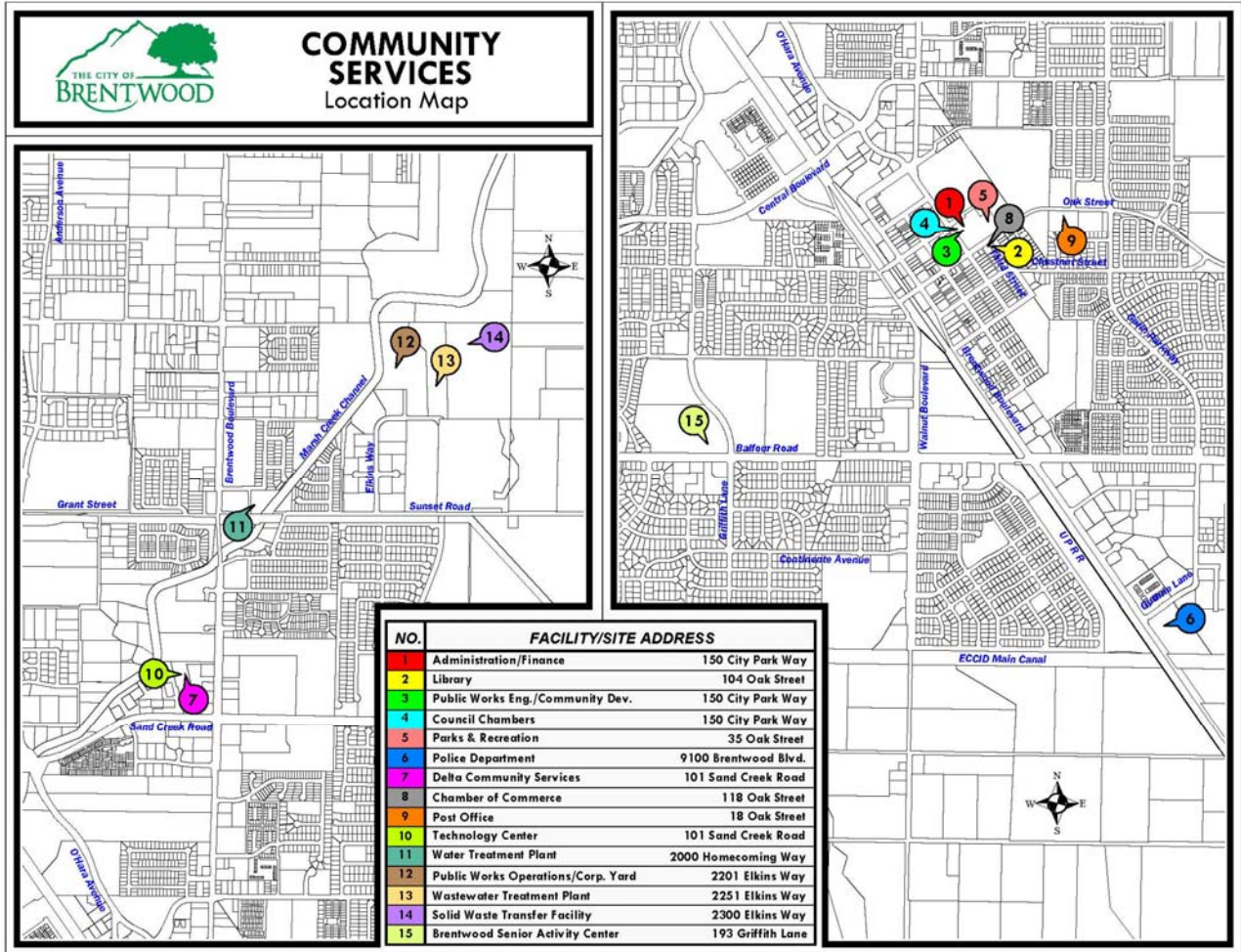
Joel Bryant.....Mayor
Johnny Rodriguez Vice Mayor
Jovita Mendoza Council Member
Susannah Meyer Council Member
Karen Rarey Council Member

Executive Team as of June 30, 2021

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
Alexis Morris..... 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 2020.

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

The City met guidelines to be designated in 2020 as a ***"ReScape Qualified Professional"*** city.

The City received the following GFOA award:

- ***"Certificate of Achievement for Excellence in Financial Reporting Fiscal Year 2019/20"***
- ***"Distinguished Budget Presentation Award"*** for the two-year Operating Budget beginning July 1, 2020

The City received the CSMFO award for the following:

- ***"Capital Budget Excellence Award Fiscal Year 2020/21"***
- ***"Operating Budget Excellence Award Fiscal Year 2020/21"***



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, 2021, 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, 2021, 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.

Change in Accounting Principles

Management adopted the provisions of Governmental Accounting Standards Board Statement Number 84 – *Fiduciary Activities*, which became effective during the year ended June 30, 2021 as discussed in Note 1D(x) to the financial statements.

The emphasis of this matter does not constitute a modification to our opinions.

Other Matters

Required Supplementary Information

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

Other Information


Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements as a whole. The Introductory Section, Supplemental Information, and Statistical Section as listed in the Table of Contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The Supplemental Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.


Pleasant Hill, California
November 15, 2021

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, 2021. 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 \$915.5 million. Of this amount, \$93.8 million may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$32.1 million, with an increase of \$13.7 million attributable to governmental activities and an increase of \$18.4 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 \$6.6 million, as the City continues to ensure its replacement funds have adequate funding for future replacement costs. The Roadway Development Impact Fee Special Revenue Fund had a \$5.6 million increase in net position due to a developer fee prepayment of \$1.7 million, return of capital project funding of \$0.9 million and increased non-residential permit activity. Additionally, there was an increase in net capital asset investment of \$0.8 million resulting from an increase of \$8.6 million, due primarily to contributions from development, offset by an \$11.2 million decrease for depreciation, amortization and disposals and a reduction in long-term liabilities of \$3.4 million for annual debt principal payments made on associated bonds. Annual debt payments on notes payable also reduced long-term liabilities by \$1.5 million. These increases in net position were offset by a Net Pension Liability increase of \$4.7 million. The increase in net position for business-type activities was due to \$3.9 million of capital asset contributions related to State Revolving Fund (SRF) Loan principal forgiveness for a capital project along with higher contributions from development and an increase in operational income from rate adjustments.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$131.5 million, an increase of \$8.7 million or 7.1%, in comparison to the prior year.
- Enterprise Funds reported a net position of \$334.8 million, an increase of \$18.4 million from the prior fiscal year ending balance. The increase was attributable mainly to the Wastewater Fund (\$11.3 million) and Water Fund (\$5.3 million) net position increases. Both funds had increased contributions from development due to prepaid developer impact fees and increased non-residential permit activity. The Wastewater Fund also had \$3.9 million of capital asset contributions related to SRF Loan principal forgiveness for a capital project. Additionally, the Wastewater, Solid Waste and Water Funds all had increases in operational income from rate adjustments.
- The City's total long-term obligations increased by \$9.5 million mainly due to increases in notes payable for Wastewater capital projects' SRF Loans (\$17.4 million) and in Net Pension Liability (\$6.2 million); offset by \$3.9 million of SRF Loan principal forgiveness and reductions for annual debt principal payments.
- Internal Service Funds have a net position of \$71.0 million at year-end, which is an increase of \$6.6 million from the prior year. This was partially due to an increase in the Parks and Landscape and Lighting Assessment District (LLAD) Replacement Fund net position (\$2.1 million) as amounts are set aside to be available for future replacement costs. The Pension/OPEB Obligation Fund increased \$1.2 million mainly due to a transfer of amounts in excess of General Fund reserve requirements in accordance with fiscal policies. The Facilities Replacement Fund and Information Systems

Replacement Fund increased \$0.9 million and \$0.8 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 Custodial Funds, which have a measurement focus 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. 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 and Statement of Changes in 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 Non-Major Governmental Funds and Internal Service Funds can be found on pages 100 – 125 of this report.



GOVERNMENT-WIDE FINANCIAL ANALYSIS

The net position for the City as a whole increased by \$32.1 million or 3.6%, from \$883.4 million at June 30, 2020 to \$915.5 million at June 30, 2021. 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 \$7.0 million and has a balance of \$672.8 million as of June 30, 2021. 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 \$23.9 million, mainly from increases in cash amounts restricted for specific programs in governmental activities and 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 \$148.9 million as of June 30, 2021. The unrestricted net position balance of \$93.8 million may be used to meet the City's ongoing obligations to citizens and creditors.

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Current Assets	\$ 191,245,834	\$ 170,927,284	\$ 125,009,301	\$ 108,411,988	\$ 316,255,135	\$ 279,339,272
Capital Assets	504,958,328	507,585,968	294,207,320	278,260,456	799,165,648	785,846,424
Other Non-Current Assets	21,752,894	22,850,789	654,084	682,010	22,406,978	23,532,799
Total Assets	717,957,056	701,364,041	419,870,705	387,354,454	1,137,827,761	1,088,718,495
Deferred Outflows of Resources	14,432,350	16,281,496	9,790,843	10,079,790	24,223,193	26,361,286
Total Deferred Outflows of Resources	14,432,350	16,281,496	9,790,843	10,079,790	24,223,193	26,361,286
Current Liabilities	18,445,454	14,542,350	11,512,428	7,666,377	29,957,882	22,208,727
Long-Term Liabilities Outstanding	127,986,820	129,018,988	81,876,136	71,322,744	209,862,956	200,341,732
Total Liabilities	146,432,274	143,561,338	93,388,564	78,989,121	239,820,838	222,550,459
Deferred Inflows of Resources	5,231,311	7,094,611	1,524,797	2,087,522	6,756,108	9,182,133
Total Deferred Inflows of Resources	5,231,311	7,094,611	1,524,797	2,087,522	6,756,108	9,182,133
Net Investment in Capital Assets and Capacity Rights	439,532,350	438,758,759	233,287,769	227,074,648	672,820,119	665,833,407
Restricted	97,743,329	90,068,569	51,135,610	34,893,200	148,878,939	124,961,769
Unrestricted	43,450,142	38,162,260	50,324,808	54,389,753	93,774,950	92,552,013
Total Net Position	\$ 580,725,821	\$ 566,989,588	\$ 334,748,187	\$ 316,357,601	\$ 915,474,008	\$ 883,347,189

Governmental Activities

The City's net position from governmental activities increased 2.4%, from \$567.0 million to \$580.7 million. As discussed above, the net increase is primarily due to increases in the City's Internal Service Funds as amounts are set aside for future asset replacement costs and in certain Special Revenue Funds as a result of increased development receipts. Additionally, there was an increase in investment in capital assets, net of related debt, due to increased developer dedicated assets offset by a reduction in long-term liabilities for annual debt principal payments. These increases were offset by an increase in Net Pension Liability of \$4.7 million. The City issued 241 single-family building permits during the fiscal year. In comparing results to the prior year, the City received \$0.8 million more in property taxes, reflective of a steady housing market. Sales tax income increased by \$0.8 million, or 9.6%, from the prior year as a result of recovery from the prior year slowdown due to the pandemic. Investment income was \$7.1 million less than the prior year due to the fair market value adjustment. As a result of the pandemic, expenses decreased by 0.4% from the prior year as City programs and activities continued to be curtailed and expenses limited to essential purchases through a majority of the fiscal year.



Business-Type Activities

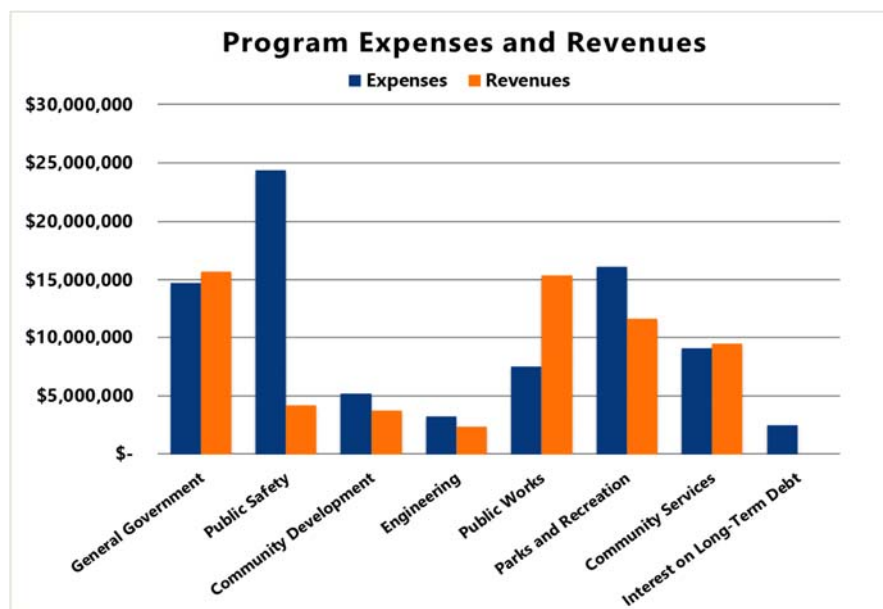
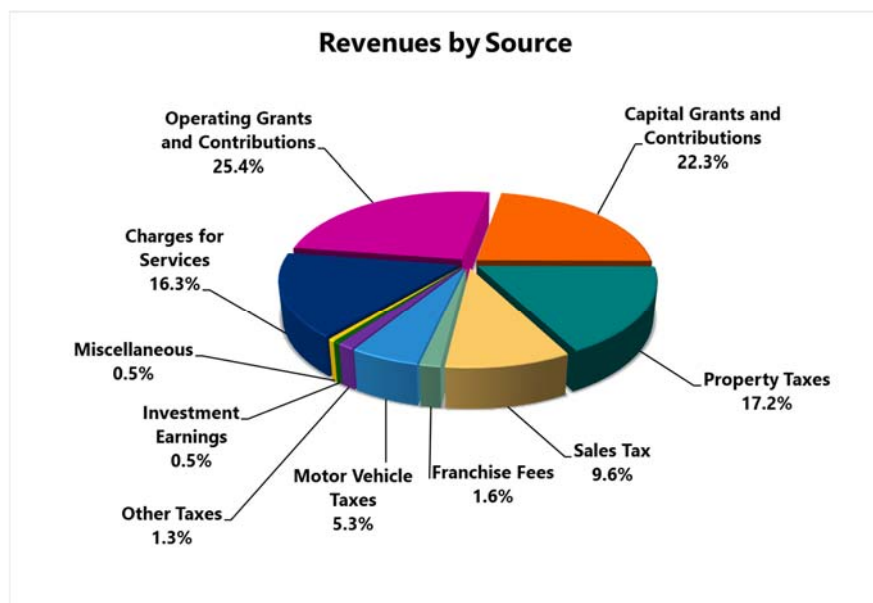
The City's net position from Business-Type activities increased \$18.4 million. Net investment in capital assets increased \$6.2 million as capital assets were acquired and long-term debt continued to be repaid or forgiven. Revenue from charges for services increased by 6.8% over the prior year, mainly due to annual rate increases and new development, along with a continued rise in water consumption. Program revenue increases were offset by lower investment earnings due to the fair market value adjustment. Compared to the prior year, expenses increased 7.7% due primarily to increases in water treatment plant operational costs and water conveyance costs. Overall, the unrestricted net position was \$50.3 million at the fiscal year-end.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues:						
Charges for Services	\$ 15,946,732	\$ 15,737,844	\$ 58,767,778	\$ 55,038,950	\$ 74,714,510	\$ 70,776,794
Operating Grants and Contributions	24,784,063	23,907,210	182,113	407,651	24,966,176	24,314,861
Capital Grants and Contributions	21,820,341	21,385,163	10,428,209	7,006,724	32,248,550	28,391,887
General Revenues:						
Taxes:						
Property Taxes	16,754,167	15,911,518	-	-	16,754,167	15,911,518
Sales Tax	9,380,307	8,555,697	-	-	9,380,307	8,555,697
Franchise Fees	1,547,505	1,461,483	-	-	1,547,505	1,461,483
Real Property Transfer Tax	781,173	473,351	-	-	781,173	473,351
Transient Occupancy Tax	486,632	505,956	-	-	486,632	505,956
Motor Vehicle Taxes	5,210,147	4,931,720	-	-	5,210,147	4,931,720
Investment Earnings	449,898	7,541,296	241,533	4,535,029	691,431	12,076,325
Miscellaneous	492,380	783,295	-	-	492,380	783,295
Total Revenues	97,653,345	101,194,533	69,619,633	66,988,354	167,272,978	168,182,887
Expenses:						
General Government	14,773,773	12,657,560	-	-	14,773,773	12,657,560
Public Safety	24,396,882	25,906,048	-	-	24,396,882	25,906,048
Community Development	5,196,191	5,602,306	-	-	5,196,191	5,602,306
Engineering	3,297,183	3,242,751	-	-	3,297,183	3,242,751
Public Works	7,564,560	7,711,732	-	-	7,564,560	7,711,732
Parks and Recreation	16,177,997	13,753,725	-	-	16,177,997	13,753,725
Community Services	9,119,958	11,816,750	-	-	9,119,958	11,816,750
Interest on Long-Term Debt	2,540,294	2,668,343	-	-	2,540,294	2,668,343
Wastewater	-	-	11,803,229	11,152,196	11,803,229	11,152,196
Solid Waste	-	-	13,648,764	13,233,700	13,648,764	13,233,700
Water	-	-	25,708,546	22,950,431	25,708,546	22,950,431
City Rentals	-	-	124,962	213,595	124,962	213,595
Housing	-	-	793,820	813,376	793,820	813,376
Total Expenses	83,066,838	83,359,215	52,079,321	48,363,298	135,146,159	131,722,513
Change in Net Position Before Transfers	14,586,507	17,835,318	17,540,312	18,625,056	32,126,819	36,460,374
Transfers	(850,274)	(1,554,876)	850,274	1,554,876	-	-
Change in Net Position	13,736,233	16,280,442	18,390,586	20,179,932	32,126,819	36,460,374
Net Position 7/1	566,989,588	550,709,146	316,357,601	296,177,669	883,347,189	846,886,815
Net Position 6/30	\$ 580,725,821	\$ 566,989,588	\$ 334,748,187	\$ 316,357,601	\$ 915,474,008	\$ 883,347,189

Governmental Activities

The cost of all Governmental activities this year was \$83.1 million. Net expenses, as shown in the Statement of Activities and Changes in Net Position found on page 18, were \$20.5 million. A portion of the cost for these activities was paid either by those who directly benefited from the programs (\$15.9 million), by other governments and organizations that subsidized certain programs with operating grants and contributions (\$24.8 million), or capital grants and contributions (\$21.8 million). Overall, the City's governmental program revenues were \$62.5 million.

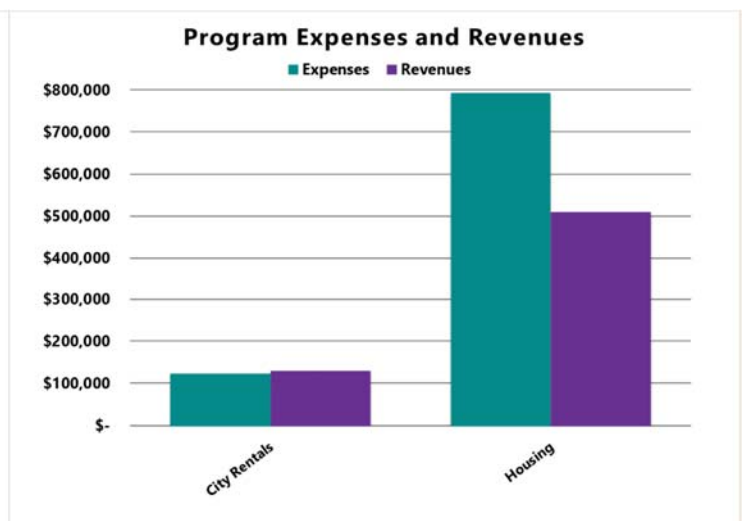
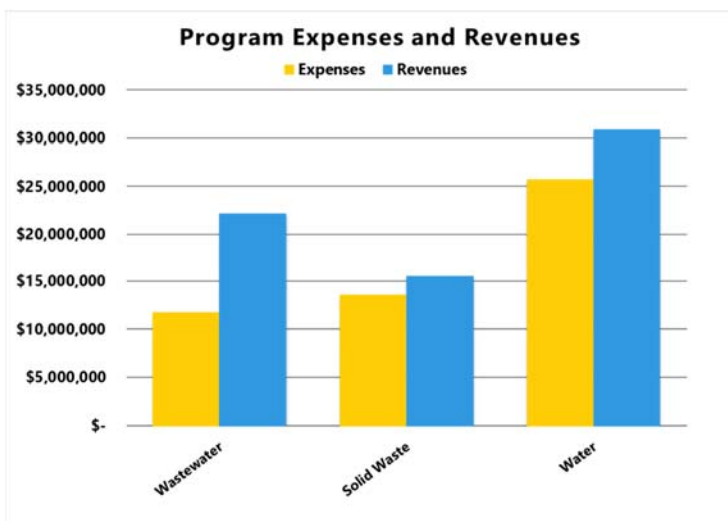
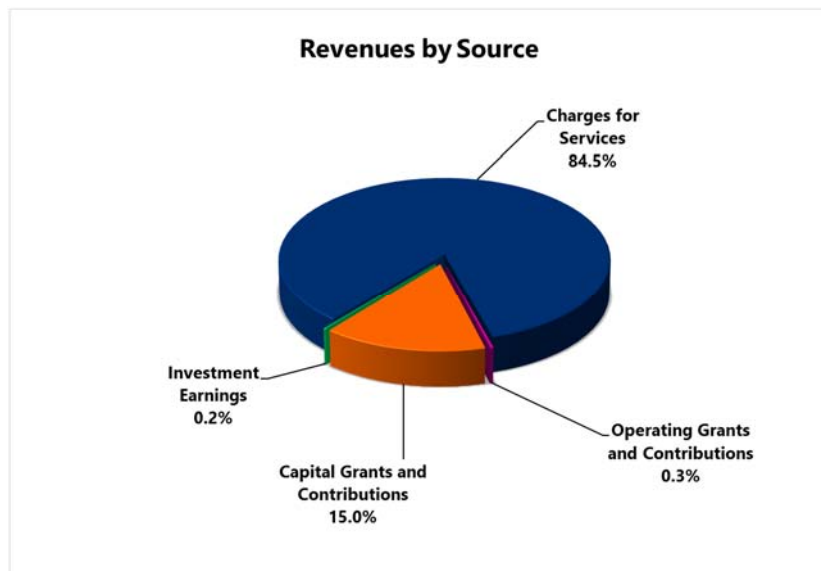
Total resources available during the year to finance governmental operations were \$663.8 million consisting of net position at July 1, 2020 of \$567.0 million, program revenues of \$62.5 million and general revenues and transfers of \$34.3 million. Total governmental activities expenses during the year were \$83.1 million, thus net position increased by \$13.7 million to \$580.7 million.



Business-Type Activities

The cost of all Business-Type activities this year was \$52.1 million. As shown in the Statement of Activities and Changes in Net Position, found on page 18, the amounts paid by users of the services were \$58.8 million. Capital grants and contributions totaled \$10.4 million, operating grants and contributions were \$0.2 million and investment earnings were \$0.2 million.

Total resources available during the year to finance Business-Type activities were \$386.9 million, consisting of net position at July 1, 2020 of \$316.4 million, charges for services of \$58.8 million, contributions of \$10.6 million and general revenues and net transfers of \$1.1 million. Total Business-Type activities during the year were \$52.1 million, thus net position increased by \$18.4 million to \$334.8 million.



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

At year-end the City's General Fund had a fund balance of \$31.0 million, an increase of \$0.4 million compared to the prior year. The increase in fund balance is after the effect of transfers to the Pension/OPEB Obligation fund of \$2.0 million, representing the unassigned General Fund balance in excess of the 30% of annual operating appropriations and transfers out set by Policy. Although the continuation of the pandemic brought about reductions in certain revenues, the City's two largest revenue sources, Property Tax and Sales Tax, had 5.3% and 9.6% increases, respectively, over prior year. Along with these increases, the General Fund experienced savings due to personnel vacancies, reduced operational costs due to limited Parks and Recreation programs and activities, and from limiting non-essential purchases.

The LLAD Fund, which is reported as a Special Revenue Fund, had an increase in fund balance of \$1.1 million. This increase was due to assessments revenue exceeding expenditures to increase reserve balances in the Districts.

The Other Grants Fund, which is reported as a Special Revenue Fund, had an increase in fund balance of \$0.9 million. This increase was due to receivable increases for State grant funds for a Wastewater Enterprise capital project.

The Roadway Development Impact Fee Fund, which is reported as a Special Revenue Fund, had an increase in fund balance of \$5.6 million due to a developer fee prepayment of \$1.7 million, return of capital project funding of \$0.9 million and increased non-residential permit activity.

The Parks and Trails Development Impact Fee Fund, which is reported as a Special Revenue Fund, had a fund balance increase of \$0.7 million due primarily to increased non-residential permit activity

The Measure J Fund, which is reported as a Special Revenue Fund, had an increase in fund balance of \$0.7 million due to the accumulation of revenues to be used in support of future street maintenance.

The Community Facilities Improvements Fund, which is reported as a Capital Project Fund, had an increase in fund balance of \$2.8 million. This increase was primarily due to transfer in for funding the Vineyards at Marsh Creek - Event Center/Amphitheater project.

The Capital Infrastructure Fund, which is reported as a Capital Project Fund, had a decrease in fund balance of \$1.7 million. This decrease was primarily due to transfers out for funding of the Innovation Center @ Brentwood (formerly known as Priority Area 1) Infrastructure Improvements project.

The Vineyards Projects Fund, which is reported as a Capital Project Fund, had a decrease in fund balance of \$3.9 million. This decrease was due to transfers out for funding of the Vineyards at Marsh Creek – Event Center/Amphitheater project.

GENERAL FUND BUDGETARY HIGHLIGHTS

Comparing the FY 2020/21 original budget (adopted June 2018) General Fund expenditures and transfers out in the amount of \$61,282,328, to the final budget amount of \$60,888,934, there was a decrease in budgeted expenditures and transfers out of \$393,394. The causes for these decreases are summarized below.

During the fiscal year, the total revenues and transfers in for the General Fund were \$58,623,958. This was \$1,765,346 less than budgeted. The total expenditures and transfers out for the General Fund were \$58,187,349. This was \$2,701,585 less than budgeted.

Revenues were under budget due primarily to a transfer from the Pension/OPEB Obligation Fund of \$3.2 million that was not required. This transfer was budgeted to balance General Fund revenues with expenditures. The pandemic continued to impact activity-based revenues during the fiscal year, resulting in fees and other revenues \$0.3 million under budget. However, development-related revenue was higher than expected in the fiscal year and 241 single-family residential building permits were issued while only 175 were budgeted, resulting in a \$1.3 million surplus in development revenue during the year. Additionally, property tax and sales tax revenues increased over the prior year 5.3% and 9.6%, respectively, resulting in taxes exceeding final budget by \$1.5 million.

On the expenditure side, due to the pandemic and resulting economic uncertainty, the City postponed planned service level increases in the Police Department and filling certain vacancies. Although budgeted for in the current fiscal year, delays in filling these positions resulted in budget savings. In addition, due to the pandemic, Parks and Recreation programs and activities were limited resulting in reduced part-time staffing and contractual services costs. Finally, the City continued limiting certain non-essential purchases during the fiscal year which contributed to expenditures being below budget.

Supplemental changes to the FY 2020/21 General Fund expenditures and transfers out budget were:

- Decrease of \$599,856 in Parks and Recreation due to decreased program activities
- Decrease of \$203,377 in Strategic Initiative budgets for timing changes
- Increase of \$102,600 funding transfers out to Parks and Trails Improvements Capital Project Fund
- Increase of \$307,239 funding transfers out to the annual Pavement Management Program

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, 2021, capital assets, net of accumulated amortization and depreciation, of the Governmental activities totaled \$505.0 million. Capital assets, net of accumulated amortization and depreciation, of the Business-Type activities totaled \$294.2 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.

	Original Cost	Accumulated Depreciation and Amortization	Book Value
Capital Assets – Governmental:			
Intangible Assets	\$ 6,258,156	\$ 1,555,205	\$ 4,702,951
Land	39,820,624	-	39,820,624
Buildings	71,589,455	12,964,156	58,625,299
Infrastructure	486,026,319	127,911,423	358,114,896
Machinery and Equipment	10,287,405	6,279,951	4,007,454
Vehicles	16,633,991	10,064,868	6,569,123
Land Improvements	33,592,078	7,836,710	25,755,368
Work in Progress – CIP and Infrastructure	7,362,613	-	7,362,613
Total Capital Assets – Governmental	\$ 671,570,641	\$ 166,612,313	\$ 504,958,328
Capital Assets – Business-Type:			
Intangible Assets	\$ 18,950,632	\$ 5,086,359	\$ 13,864,273
Land	2,661,597	-	2,661,597
Buildings	30,656,893	8,846,608	21,810,285
Infrastructure	280,932,377	64,345,594	216,586,783
Machinery and Equipment	5,918,964	2,121,574	3,797,390
Land Improvements	11,046,659	3,556,777	7,489,882
Work in Progress – CIP and Infrastructure	27,997,110	-	27,997,110
Total Capital Assets – Business-Type	\$ 378,164,232	\$ 83,956,912	\$ 294,207,320

Long-Term Obligations

Debt, considered a liability of Governmental Activities, decreased during the fiscal year by \$0.8 million. Included in this amount was a \$5.3 million decrease due to annual debt service payments on outstanding notes and bonds payable offset by an increase in net pension liability of \$4.7 million. Per capita debt outstanding increased from \$2,083 to \$2,119 compared to the prior fiscal year. Debt, considered a liability of Business-Type Activities, increased by \$10.7 million during the fiscal year. During the year, net increases to notes payable totaled \$17.4 million due to SRF draws for Wastewater projects offset by SRF loan forgiveness of \$3.9 million. Additionally, net pension liability increased by \$1.5 million with the remaining decreases due to annual debt service payments on outstanding notes and bonds payable.



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

	<u>Balance</u> <u>June 30, 2020</u>	<u>Incurred or</u> <u>Issued</u>	<u>Satisfied or</u> <u>Matured</u>	<u>Balance</u> <u>June 30, 2021</u>
Governmental Activities:				
Bonds Payable	\$ 68,827,209	\$ 326,413 ⁽¹⁾	\$ 3,727,644	\$ 65,425,978
Notes Payable	9,250,623	-	1,548,919	7,701,704
Net OPEB Liability	24,369,258	-	594,595 ⁽²⁾	23,774,663
Net Pension Liability	30,705,364	4,738,736 ⁽²⁾	-	35,444,100
Accumulated Compensated Absences	<u>2,076,132</u>	<u>2,048,561</u>	<u>2,014,530</u>	<u>2,110,163</u>
Total Governmental Activities	<u>\$ 135,228,586</u>	<u>\$ 7,113,710</u>	<u>\$ 7,885,688</u>	<u>\$ 134,456,608</u>
Business-Type Activities:				
Bonds Payable	\$ 42,497,664	\$ -	\$ 2,027,092	\$ 40,470,572
Notes Payable and Other	15,056,443	17,425,128	6,018,085	26,463,486
Net OPEB Liability	9,590,576	-	196,720	9,393,856
Net Pension Liability	7,876,682	1,470,202	-	9,346,884
Accumulated Compensated Absences	<u>596,160</u>	<u>700,655</u>	<u>640,687</u>	<u>656,128</u>
Total Business-Type Activities	<u>\$ 75,617,525</u>	<u>\$ 19,595,985</u>	<u>\$ 8,882,584</u>	<u>\$ 86,330,926</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. In response, significant cuts were made to the City's 2020/21 – 2021/22 Operating Budget in preparation for the unprecedented financial impacts. As the City emerges from the pandemic, the 2021/22 Operating Budget was updated during the 2020/21 fiscal year as potential negative impacts of the pandemic subside, while remaining conservative 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 2021/22 are as follows:

- A continued slowdown from prior years was projected in residential development activity, with 175 new single-family and 100 multi-family building permits budgeted.
- Property tax assessed valuations were projected to increase by 4.0%. The recently announced assessed valuation for FY 2021/22 was 0.7% higher than the adopted budget assumption due to stronger than expected housing value increases and development activity.
- Sales tax revenue budgets have been adjusted to be back to the levels expected for FY 2021/22 before the pandemic struck, supported by the City's sales tax consultant projections that include both the impact of federal stimulus packages and positive impacts of the vaccination roll out.
- Slight reductions in certain other activity-based revenue sources such as hotel tax, business license tax and Parks and Recreation program revenues were included in the FY 2021/22 budget.

Outside of 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 1.3% during calendar year 2020. Population increases are expected to be less than 1% per year over the next several years with residential development expected to return to a more moderate pace as the City nears buildout.

The following key budgetary expenditure postponements or deferrals, incorporated into the original FY 2021/22 budget, have been reinstated:

- The Police Department 5th Beat salaries and benefits and one-time costs have been included.
- Four Parks and Recreation Master Plan programs and projects were reinstated totaling \$487,640 of General Fund contribution: Creekside Park Pickleball Courts CIP project, Creekside Park and Garin Park Restrooms CIP project, City Wide Trail Enhancement CIP project, and fencing at Sunset Park.
- Certain Strategic Initiatives were reinstated: the Downtown Beautification Program (\$121,555); marketing materials for specific industries (\$30,000); and funding for the Main Street America initiative (\$190,000).
- Budgets were restored for ongoing costs to provide for twelve additional weekly library hours bringing the total operational hours to 52 per week.
- Personnel cost budgets previously reduced, due to the postponement of filling existing vacancies, have been restored.

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

- The costs associated with the three-year labor contracts with each of the City's bargaining groups, which became effective July 2021, combined with an increase of two General Fund full-time positions and the elimination of one permanent part-time position approved in June 2021.
- 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 of the 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 ("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. Other future cost increases included in the City's long-term forecasts include increased replacement needs as the City's facilities and infrastructure age and increased operational costs as the City adds new amenities.

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 four fiscal years. These new positions include five Police Officer positions for a new Police Department 5th Beat.

Although the long-term impacts of the pandemic remain unknown, the City continues to budget conservatively, based on current economic information, in both the 2021/22 Operating Budget and Fiscal

Model. The City will continue to update the Fiscal Model as new information becomes available 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.



Statement of Net Position

June 30, 2021

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Investments	\$ 181,471,847	\$ 98,341,764	\$ 279,813,611
Restricted Cash and Investments	4,862,105	843,645	5,705,750
Receivables, Net of Allowance for Doubtful Accounts	3,131,702	25,763,877	28,895,579
Inventories	108,624	-	108,624
Prepays	631,197	60,015	691,212
Land Held for Resale	1,040,359	-	1,040,359
Total Current Assets	<u>191,245,834</u>	<u>125,009,301</u>	<u>316,255,135</u>
Non-Current Assets:			
Long-Term Notes and Loans Receivable	21,752,894	654,084	22,406,978
Capital Assets:			
Land and Work In Progress	47,183,237	30,658,707	77,841,944
Depreciable, Net of Accumulated Depreciation and Amortization	<u>457,775,091</u>	<u>263,548,613</u>	<u>721,323,704</u>
Total Non-Current Assets	<u>526,711,222</u>	<u>294,861,404</u>	<u>821,572,626</u>
Total Assets	<u>717,957,056</u>	<u>419,870,705</u>	<u>1,137,827,761</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding Related to OPEB	-	6,014,504	6,014,504
Related to Pensions	2,975,530	1,041,656	4,017,186
Related to Pensions	<u>11,456,820</u>	<u>2,734,683</u>	<u>14,191,503</u>
Total Deferred Outflows of Resources	<u>14,432,350</u>	<u>9,790,843</u>	<u>24,223,193</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	4,828,154	6,927,983	11,756,137
Unearned Revenue	3,768,087	-	3,768,087
Deposits Held	3,379,425	129,655	3,509,080
Long-Term Liabilities Due Within One Year	<u>6,469,788</u>	<u>4,454,790</u>	<u>10,924,578</u>
Total Current Liabilities	<u>18,445,454</u>	<u>11,512,428</u>	<u>29,957,882</u>
Non-Current Liabilities Due in More Than One Year:			
Bonds Payable	61,860,978	38,610,572	100,471,550
Notes Payable and Other	6,063,014	24,262,373	30,325,387
Net OPEB Liability	23,774,663	9,393,856	33,168,519
Net Pension Liability	35,444,100	9,346,884	44,790,984
Compensated Absences Payable	<u>844,065</u>	<u>262,451</u>	<u>1,106,516</u>
Total Non-Current Liabilities	<u>127,986,820</u>	<u>81,876,136</u>	<u>209,862,956</u>
Total Liabilities	<u>146,432,274</u>	<u>93,388,564</u>	<u>239,820,838</u>
DEFERRED INFLOWS OF RESOURCES			
Related to OPEB	2,884,707	999,207	3,883,914
Related to Pensions	<u>2,346,604</u>	<u>525,590</u>	<u>2,872,194</u>
Total Deferred Inflows of Resources	<u>5,231,311</u>	<u>1,524,797</u>	<u>6,756,108</u>
NET POSITION			
Net Investment in Capital Assets and Capacity Rights	439,532,350	233,287,769	672,820,119
Restricted for:			
Nonexpendable - Riparian Site Mitigation Endowment	80,000	-	80,000
Expendable:			
Capital Projects	28,723,094	16,981,337	45,704,431
Debt Service	23,288,204	-	23,288,204
Housing	1,056,297	6,616,553	7,672,850
Streets and Roadways	17,088,798	-	17,088,798
Landscape and Lighting Assessment Districts	7,834,319	-	7,834,319
Agricultural/Farmland Mitigation	3,255,937	-	3,255,937
Public Art	3,470,210	-	3,470,210
Development Impact Fee Program	9,414,604	27,518,869	36,933,473
Other Restricted Purposes	3,531,866	18,851	3,550,717
Unrestricted	<u>43,450,142</u>	<u>50,324,808</u>	<u>93,774,950</u>
Total Net Position	<u>\$ 580,725,821</u>	<u>\$ 334,748,187</u>	<u>\$ 915,474,008</u>

City of Brentwood

Statement of Activities and Changes in Net Position

For Year Ended June 30, 2021

Functions/Programs	Program Revenues					Net Revenues (Expenses) and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	Primary Government		
						Governmental Activities	Business-Type Activities	Total
Primary Government:								
Governmental Activities								
General Government	\$ 14,773,773	\$ 9,500,309	\$ 3,491,085	\$ 2,704,431	\$ 15,695,825	\$ 922,052	\$ -	\$ 922,052
Public Safety	24,396,882	369,513	3,607,231	223,136	4,199,880	(20,197,002)	-	(20,197,002)
Community Development	5,196,191	3,237,586	-	509,211	3,746,797	(1,449,394)	-	(1,449,394)
Engineering	3,297,183	2,378,156	-	-	2,378,156	(919,027)	-	(919,027)
Public Works	7,564,560	-	5,011,872	10,410,501	15,422,373	7,857,813	-	7,857,813
Parks and Recreation	16,177,997	461,168	3,185,632	7,973,062	11,619,862	(4,558,135)	-	(4,558,135)
Community Services	9,119,958	-	9,488,243	-	9,488,243	368,285	-	368,285
Interest on Long-Term Debt	2,540,294	-	-	-	-	(2,540,294)	-	(2,540,294)
Total Governmental Activities	83,066,838	15,946,732	24,784,063	21,820,341	62,551,136	(20,515,702)	-	(20,515,702)
Business-Type Activities								
Wastewater	11,803,229	14,899,845	-	7,325,947	22,225,792	-	10,422,563	10,422,563
Solid Waste	13,648,764	15,608,738	-	-	15,608,738	-	1,959,974	1,959,974
Water	25,708,546	27,801,513	-	3,102,262	30,903,775	-	5,195,229	5,195,229
City Rentals	124,962	130,105	-	-	130,105	-	5,143	5,143
Housing	793,820	327,577	182,113	-	509,690	-	(284,130)	(284,130)
Total Business-Type Activities	52,079,321	58,767,778	182,113	10,428,209	69,378,100	-	17,298,779	17,298,779
Total Primary Government	\$ 135,146,159	\$ 74,714,510	\$ 24,966,176	\$ 32,248,550	\$ 131,929,236	\$ (20,515,702)	\$ 17,298,779	\$ (3,216,923)

General Revenues:

Taxes:			
Property Taxes	\$ 16,754,167	\$ -	\$ 16,754,167
Sales Tax	9,380,307	-	9,380,307
Franchise Fees	1,547,505	-	1,547,505
Real Property Transfer Tax	781,173	-	781,173
Transient Occupancy Tax	486,632	-	486,632
Motor Vehicle Taxes, In-Lieu, Unrestricted	5,210,147	-	5,210,147
Investment Earnings	449,898	241,533	691,431
Miscellaneous	492,380	-	492,380
Transfers	(850,274)	850,274	-
Total General Revenues and Transfers	34,251,935	1,091,807	35,343,742
Change in Net Position	13,736,233	18,390,586	32,126,819
Net Position - Beginning of Year	566,989,588	316,357,601	883,347,189
Net Position - End of Year	\$ 580,725,821	\$ 334,748,187	\$ 915,474,008

City of Brentwood

Balance Sheet

Governmental Funds

June 30, 2021

	<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>
ASSETS				
Current Assets:				
Cash and Investments	\$ 35,029,633	\$ 8,438,939	\$ 68,726,123	\$ 112,194,695
Restricted Cash and Investments	-	-	4,862,105	4,862,105
Receivables	1,463,243	1,466	23,562,153	25,026,862
Prepays	76,064	-	1,469	77,533
Due from Other Funds	-	-	223,414	223,414
Land Held for Resale	-	-	1,040,359	1,040,359
Total Assets	\$ 36,568,940	\$ 8,440,405	\$ 98,415,623	\$ 143,424,968
LIABILITIES				
Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 1,488,831	\$ 606,086	\$ 2,050,461	\$ 4,145,378
Due to Other Funds	-	-	223,414	223,414
Unearned Revenue	306,418	-	3,461,669	3,768,087
Deposits Held	3,379,425	-	-	3,379,425
Total Liabilities	5,174,674	606,086	5,735,544	11,516,304
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue:				
Accounts Receivable	367,911	-	-	367,911
Total Deferred Inflows of Resources	367,911	-	-	367,911
FUND BALANCES				
Nonspendable	76,064	-	81,469	157,533
Restricted	95,930	7,834,319	89,655,547	97,585,796
Committed	11,467,875	-	3,166,477	14,634,352
Unassigned	19,386,486	-	(223,414)	19,163,072
Total Fund Balances	31,026,355	7,834,319	92,680,079	131,540,753
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 36,568,940	\$ 8,440,405	\$ 98,415,623	\$ 143,424,968

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

June 30, 2021

Total Fund Balances - Total Governmental Funds \$ 131,540,753

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. 498,213,416

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. 71,031,785

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

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. (5,407,306)

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	(60,018,672)
Notes Payable	(7,701,704)
Net OPEB Liabilities	(20,878,086)
Deferred Outflows of Resources Related to OPEB	2,696,335
Deferred Inflows of Resources Related to OPEB	(2,574,264)
Net Pension Liabilities	(32,687,294)
Deferred Outflows of Resources Related to Pensions	10,654,992
Deferred Inflows of Resources Related to Pensions	(2,191,585)
Compensated Absences	(1,903,021)
Accrued Liabilities	(49,528)

Total Net Position of Governmental Activities \$ 580,725,821

City of Brentwood

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For Year Ended June 30, 2021

	<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>
REVENUES				
Taxes	\$ 26,984,231	\$ -	\$ 7,412,642	\$ 34,396,873
Licenses	741,747	-	185,437	927,184
Permits and Fines	5,941,970	-	-	5,941,970
Uses of Money and Property	399,164	14,761	211,047	624,972
Intergovernmental	5,272,198	-	8,919,333	14,191,531
Franchises	1,547,505	-	-	1,547,505
Charges for Other Services	186,996	-	544	187,540
Charges to Other Funds	8,179,116	-	-	8,179,116
Fees and Other Revenues	668,293	9,488,243	14,251,540	24,408,076
Total Revenues	49,921,220	9,503,004	30,980,543	90,404,767
EXPENDITURES				
Current:				
General Government	7,406,375	-	3,891,064	11,297,439
Public Safety	25,078,790	-	165,515	25,244,305
Community Development	5,208,917	-	261,394	5,470,311
Engineering	3,402,200	-	-	3,402,200
Public Works	3,863,868	-	-	3,863,868
Parks and Recreation	5,949,619	-	6,820,403	12,770,022
Community Services	744,707	8,482,784	33,253	9,260,744
Capital Outlay	-	-	1,044,413	1,044,413
Debt Service:				
Principal	1,548,919	-	3,415,000	4,963,919
Interest and Fiscal Charges	-	-	2,526,525	2,526,525
Total Expenditures	53,203,395	8,482,784	18,157,567	79,843,746
REVENUES OVER (UNDER) EXPENDITURES	(3,282,175)	1,020,220	12,822,976	10,561,021
OTHER FINANCING SOURCES (USES)				
Transfers In	8,702,738	2,850,793	19,267,447	30,820,978
Transfers Out	(4,983,954)	(2,794,708)	(24,873,813)	(32,652,475)
Total Other Financing Sources (Uses)	3,718,784	56,085	(5,606,366)	(1,831,497)
NET CHANGE IN FUND BALANCES	436,609	1,076,305	7,216,610	8,729,524
Fund Balance, Beginning of Year	30,589,746	6,758,014	85,463,469	122,811,229
Fund Balance, End of Year	\$ 31,026,355	\$ 7,834,319	\$ 92,680,079	\$ 131,540,753

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, 2021

Net Change in Fund Balances - Total Governmental Funds	\$ 8,729,524
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.	1,044,413
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.	(10,209,730)
The net effect of various miscellaneous transactions involving Capital Assets (e.g. sales, trade-ins and contributions) is to increase net position.	6,918,582
To record the net change in compensated absences in the Statement of Activities and Changes in Net Position.	(55,020)
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	4,963,919
This amount represents the increase in accrued liabilities	(6,061)
This amount represents the decrease in Net OPEB Liability	495,015
This amount represents the decrease in Deferred Outflows related to OPEB	(100,685)
This amount represents the increase in Deferred Inflows related to OPEB	(107,291)
This amount represents the increase in Net Pension Liability	(4,694,319)
This amount represents the decrease in Deferred Outflows related to Pensions	(1,602,481)
This amount represents the decrease in Deferred Inflows related to Pensions	1,747,677
This amount represents accreted interest	(326,413)
This amount represents amortized bond premiums	312,644
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.	6,626,459
Change in Net Position of Governmental Activities	\$ 13,736,233

City of Brentwood

Statement of Net Position

Proprietary Funds

June 30, 2021

	Business-Type Activities - Enterprise Funds					Totals	Governmental Activities - Internal Service Funds
	Wastewater	Solid Waste	Water	City Rentals	Housing		
ASSETS							
Current Assets:							
Cash and Investments	\$ 37,941,904	\$ 11,379,321	\$ 41,094,461	\$ 474,304	\$ 7,451,774	\$ 98,341,764	\$ 69,277,152
Restricted Cash and Investments	843,645	-	-	-	-	843,645	-
Receivables, Net of Allowance for Doubtful Accounts	19,809,584	2,175,974	3,733,516	6,819	37,984	25,763,877	225,645
Inventories	-	-	-	-	-	-	108,624
Prepays	17,567	9,909	22,469	9,629	441	60,015	553,664
Total Current Assets	58,612,700	13,565,204	44,850,446	490,752	7,490,199	125,009,301	70,165,085
Non-Current Assets:							
Long-Term Notes Receivable	-	-	-	-	654,084	654,084	-
Capital Assets:							
Land and Work In Progress	26,678,427	254,420	1,856,864	-	1,868,996	30,658,707	-
Depreciable	118,148,359	15,203,858	211,801,637	-	2,351,671	347,505,525	19,348,674
Less: Accumulated Depreciation and Amortization	(28,781,225)	(2,485,624)	(52,134,663)	-	(555,400)	(83,956,912)	(12,603,762)
Total Capital Assets, Net of Accumulated Depreciation and Amortization	116,045,561	12,972,654	161,523,838	-	3,665,267	294,207,320	6,744,912
Total Non-Current Assets	116,045,561	12,972,654	161,523,838	-	4,319,351	294,861,404	6,744,912
Total Assets	174,658,261	26,537,858	206,374,284	490,752	11,809,550	419,870,705	76,909,997
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Amount on Refunding	-	-	6,014,504	-	-	6,014,504	-
Related to OPEB	303,297	357,128	357,530	-	23,701	1,041,656	279,195
Related to Pensions	791,163	889,457	976,199	-	77,864	2,734,683	801,828
Total Deferred Outflows of Resources	1,094,460	1,246,585	7,348,233	-	101,565	9,790,843	1,081,023
LIABILITIES							
Current Liabilities:							
Accounts Payable and Accrued Liabilities	3,652,615	807,685	2,430,959	660	36,064	6,927,983	633,248
Deposits Held	-	18,851	75,000	-	35,804	129,655	-
Long-Term Debt Due Within One Year	2,201,113	-	1,860,000	-	-	4,061,113	-
Compensated Absences Payable	113,505	130,639	136,190	-	13,343	393,677	124,285
Total Current Liabilities	5,967,233	957,175	4,502,149	660	85,211	11,512,428	757,533
Non-Current Liabilities Due in More Than One Year:							
Bonds Payable	-	-	38,610,572	-	-	38,610,572	-
Notes Payable and Other	24,262,373	-	-	-	-	24,262,373	-
Net OPEB Liability	2,446,182	3,301,847	3,397,063	-	248,764	9,393,856	2,896,577
Net Pension Liability	2,672,205	3,054,366	3,351,926	-	268,387	9,346,884	2,756,806
Compensated Absences Payable	75,670	87,092	90,793	-	8,896	262,451	82,857
Total Non-Current Liabilities	29,456,430	6,443,305	45,450,354	-	526,047	81,876,136	5,736,240
Total Liabilities	35,423,663	7,400,480	49,952,503	660	611,258	93,388,564	6,493,773
DEFERRED INFLOWS OF RESOURCES							
Related to OPEB	289,076	346,922	344,057	-	19,152	999,207	310,443
Related to Pensions	150,262	171,752	188,484	-	15,092	525,590	155,019
Total Deferred Inflows of Resources	439,338	518,674	532,541	-	34,244	1,524,797	465,462
NET POSITION							
Net Investment in Capital Assets and Capacity Rights	89,582,075	12,972,654	127,067,773	-	3,665,267	233,287,769	6,744,912
Restricted for:							
Capital Projects	571,429	-	16,409,908	-	-	16,981,337	-
Special Projects and Programs	27,518,869	18,851	-	-	6,616,553	34,154,273	-
Unrestricted	22,217,347	6,873,784	19,759,792	490,092	983,793	50,324,808	64,286,873
Total Net Position	\$ 139,889,720	\$ 19,865,289	\$ 163,237,473	\$ 490,092	\$ 11,265,613	\$ 334,748,187	\$ 71,031,785

City of Brentwood

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For Year Ended June 30, 2021

	Business-Type Activities - Enterprise Funds					Totals	Governmental Activities - Internal Service Funds
	Wastewater	Solid Waste	Water	City Rentals	Housing		
Operating Revenues:							
Charges for Services	\$ 14,833,697	\$ 15,377,360	\$ 27,727,333	\$ 130,105	\$ 326,558	\$ 58,395,053	\$ 19,984,938
Other Income	66,148	231,378	74,180	-	1,019	372,725	133,542
Total Operating Revenues	14,899,845	15,608,738	27,801,513	130,105	327,577	58,767,778	20,118,480
Operating Expenses:							
Personnel Services	3,823,757	4,527,402	4,681,667	-	366,551	13,399,377	6,791,781
Repairs and Maintenance	312,739	1,221,823	1,102,602	58,627	83,297	2,779,088	484,601
Materials, Supplies and Services	5,593,738	7,679,195	14,442,508	66,335	296,939	28,078,715	5,762,175
Depreciation and Amortization	1,973,091	220,344	3,742,669	-	47,033	5,983,137	1,766,389
Total Operating Expenses	11,703,325	13,648,764	23,969,446	124,962	793,820	50,240,317	14,804,946
Operating Income (Loss)	3,196,520	1,959,974	3,832,067	5,143	(466,243)	8,527,461	5,313,534
Non-Operating Revenues (Expenses):							
Interest Income	98,844	22,035	87,276	433	32,945	241,533	148,693
Developer Fees and Credits	-	-	-	-	182,113	182,113	-
Interest Expense	(99,904)	-	(1,739,100)	-	-	(1,839,004)	-
Gain or (Loss) on Disposal of Capital Assets	-	-	-	-	-	-	135,248
Total Non-Operating Revenues (Expenses)	(1,060)	22,035	(1,651,824)	433	215,058	(1,415,358)	283,941
Income (Loss) Before Contributions and Transfers	3,195,460	1,982,009	2,180,243	5,576	(251,185)	7,112,103	5,597,475
Contributions - Impact Fees and Credits	3,469,947	-	3,043,312	-	-	6,513,259	-
Capital Grants	3,856,000	-	-	-	-	3,856,000	-
Capital Asset Contributions	-	-	58,950	-	-	58,950	-
Capital Assets Contributed from (to) Governmental Activities	18,441	18,442	49,177	-	-	86,060	(38,299)
Transfers In	2,040,338	2,470	1,346,436	345,626	-	3,734,870	3,537,446
Transfers Out	(1,300,848)	(76,846)	(1,386,280)	(206,682)	-	(2,970,656)	(2,470,163)
Change in Net Position	11,279,338	1,926,075	5,291,838	144,520	(251,185)	18,390,586	6,626,459
Net Position, Beginning of Year	128,610,382	17,939,214	157,945,635	345,572	11,516,798	316,357,601	64,405,326
Net Position, End of Year	\$ 139,889,720	\$ 19,865,289	\$ 163,237,473	\$ 490,092	\$ 11,265,613	\$ 334,748,187	\$ 71,031,785

City of Brentwood

Statement of Cash Flows

Proprietary Funds

For Year Ended June 30, 2021

	Business-Type Activities - Enterprise Funds					Totals	Governmental Activities - Internal Service Funds
	Wastewater	Solid Waste	Water	City Rentals	Housing		
Cash Flows from Operating Activities							
Cash Received from Customers/Other Funds	\$ 14,536,807	\$ 15,177,408	\$ 27,348,572	\$ 230,032	\$ 356,526	\$ 57,649,345	\$ 19,846,873
Cash Payments to Suppliers of Goods and Services	(2,320,749)	(6,174,284)	(13,596,031)	(82,300)	(299,979)	(22,473,343)	(5,540,907)
Cash Payments to Employees for Services	(3,533,835)	(4,360,053)	(4,440,156)	-	(356,677)	(12,690,721)	(6,951,131)
Cash Payments for Interfund Services	(990,765)	(2,549,157)	(1,047,723)	(52,230)	(56,043)	(4,695,918)	(558,899)
Other Receipts	66,148	231,378	74,180	-	-	371,706	133,542
Other Payments	-	-	-	-	(922)	(922)	-
Net Cash Provided By (Used for) Operating Activities	7,757,606	2,325,292	8,338,842	95,502	(357,095)	18,160,147	6,929,478
Cash Flows from Non-Capital Financing Activities							
Transfers Received	2,040,338	2,470	1,346,436	345,626	-	3,734,870	3,537,446
Transfers Paid	(1,300,848)	(76,846)	(217,335)	(206,682)	-	(1,801,711)	(2,470,163)
Due from Other Funds	-	-	-	-	-	-	784,825
Developer Fees and Credits	-	-	-	-	182,113	182,113	-
Net Cash Provided By (Used for) Non-Capital Financing Activities	739,490	(74,376)	1,129,101	138,944	182,113	2,115,272	1,852,108
Cash Flows from Capital and Related Financing Activities							
Proceeds from Notes Payable	2,304,826	-	-	-	-	2,304,826	-
Contributions - Impact Fees and Credits	3,469,947	-	3,043,312	-	-	6,513,259	-
Capital Grants	3,856,000	-	-	-	-	3,856,000	-
Interest Paid on Debt	(99,904)	-	(1,739,100)	-	-	(1,839,004)	-
Principal Paid on Debt	(2,162,085)	-	(1,775,000)	-	-	(3,937,085)	-
Capital Assets Contributed to Governmental Funds	-	-	-	-	-	-	(38,299)
Proceeds from Sale of Capital Assets	-	-	-	-	-	-	186,096
Acquisition and Construction of Capital Assets	(26,548,378)	(227,362)	(2,173,718)	-	-	(28,949,458)	(1,201,222)
Net Cash Provided By (Used for) Capital and Related Financing Activities	(19,179,594)	(227,362)	(2,644,506)	-	-	(22,051,462)	(1,053,425)
Cash Flows from Investing Activities							
Interest on Investments	123,292	26,084	103,166	446	36,606	289,594	177,281
Net Cash Provided By Investing Activities	123,292	26,084	103,166	446	36,606	289,594	177,281
Net Increase (Decrease) in Cash and Cash Equivalents	(10,559,206)	2,049,638	6,926,603	234,892	(138,376)	(1,486,449)	7,905,442
Cash and Cash Equivalents - Beginning of Year	49,344,755	9,329,683	34,167,858	239,412	7,590,150	100,671,858	61,371,710
Cash and Cash Equivalents - End of Year	\$ 38,785,549	\$ 11,379,321	\$ 41,094,461	\$ 474,304	\$ 7,451,774	\$ 99,185,409	\$ 69,277,152
Reconciliation of Operating Income to Net Cash Provided By (Used for) Operating Activities:							
Operating Income (Loss)	\$ 3,196,520	\$ 1,959,974	\$ 3,832,067	\$ 5,143	\$ (466,243)	\$ 8,527,461	\$ 5,313,534
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used for) Operating Activities:							
Depreciation and Amortization	1,973,092	220,344	3,742,669	-	47,033	5,983,138	1,766,389
Change in Assets, Liabilities and Deferred Outflows/Inflows of Resources:							
Receivables	(288,547)	(199,951)	(366,597)	98,608	28,027	(728,460)	(118,355)
Prepaid Items	(7,732)	1,096	(11,095)	1,321	6	(16,404)	(25,975)
Accounts Payable and Other Payables	2,594,962	176,888	886,355	(9,570)	25,233	3,673,868	146,970
Net OPEB Liability and Deferred Outflows/Inflows of Resources related to OPEB	(32,287)	(74,547)	(38,062)	-	(2,523)	(147,419)	(29,723)
Net Pension Liability and Deferred Outflows/Inflows of Resources related to Pensions	295,367	223,891	258,083	-	15,986	793,327	(102,373)
Compensated Absences Payable	26,231	16,909	20,422	-	(3,595)	59,967	(20,989)
Deposits	-	688	15,000	-	(1,019)	14,669	-
Net Cash Provided By (Used for) Operating Activities	\$ 7,757,606	\$ 2,325,292	\$ 8,338,842	\$ 95,502	\$ (357,095)	\$ 18,160,147	\$ 6,929,478
Noncash Capital Activities:							
Capital Asset Contributions	\$ -	\$ -	\$ 58,950	\$ -	\$ -	\$ 58,950	\$ -
Capital Asset Contributions from Governmental Activities	18,441	18,442	49,177	-	-	86,060	-
Assets Received (Contributed) from (to) Other Funds	1,168,945	-	(1,168,945)	-	-	-	-

City of Brentwood

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2021

	Private-Purpose Trust Fund - Successor Agency	Custodial Funds
ASSETS		
Current Assets:		
Cash and Investments	\$ 2,166,778	\$ 12,101,737
Restricted Cash and Investments	-	3,552,700
Interest Receivable	838	1,706
Accounts Receivable	15,112	-
Total Current Assets	2,182,728	15,656,143
Non-Current Assets:		
Nondepreciable Capital Assets	1,327,129	-
Total Non-Current Assets	1,327,129	-
Total Assets	3,509,857	15,656,143
LIABILITIES		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	-	3,811
Due to Local Governments	-	393,507
Long-Term Liabilities Due Within One Year	1,152,368	-
Total Current Liabilities	1,152,368	397,318
Non-Current Liabilities Due in More Than One Year:		
Long-Term Liabilities	20,600,526	-
Total Non-Current Liabilities	20,600,526	-
Total Liabilities	21,752,894	397,318
NET POSITION (DEFICIT)		
Restricted for:		
Individuals and Organizations	-	14,172,215
Other Governments	(18,243,037)	1,086,610
Total Net Position (Deficit)	\$ (18,243,037)	\$ 15,258,825

City of Brentwood

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For Year Ended June 30, 2021

	Private-Purpose Trust Fund - Successor Agency	Custodial Funds
	<u> </u>	<u> </u>
ADDITIONS		
Contributions:		
Property Taxes	\$ 2,587,445	\$ -
Assessments	-	12,767,036
Private Contributions	-	9,011,121
Other	99,751	-
Total Contributions	<u>2,687,196</u>	<u>21,778,157</u>
Investment earnings:		
Interest	7,533	12,644
Less Investment Expense	-	4,953
Net Investment Earnings	<u>7,533</u>	<u>7,691</u>
Total Additions	<u>2,694,729</u>	<u>21,785,848</u>
DEDUCTIONS		
Administrative Expenses	221,385	311,080
Interest and Fiscal Agent Expenses	1,374,146	12,490,404
Recipient Payments	-	8,297,655
Total Deductions	<u>1,595,531</u>	<u>21,099,139</u>
Net Increase (Decrease) in Fiduciary Net Position	1,099,198	686,709
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION		
Net Position (Deficit) - Beginning of Year, as Restated	(19,342,235)	14,572,116
Net Position (Deficit) - End of Year	<u>\$ (18,243,037)</u>	<u>\$ 15,258,825</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 Custodial 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.

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 2020/21, 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.
- American Rescue Plan Act of 2021 – This fund accounts for Coronavirus State and Local Fiscal Recovery Funds requiring segregated fund accounting.
- Citywide Park Assessment District – This fund accounts for special benefit assessments levied on property owners for citywide park maintenance.

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

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

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

- 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.
- 2015 Lease Financing Acquisition – This fund accounts for transactions related to proceeds from the 2015 Lease Financing and their use to acquire and construct certain capital facilities and infrastructure.
- Civic Center Capital Improvement Financing Program – This fund accounts for savings from refinanced City Capital Improvement Financing Program (CIFP) bonds and their use to finance a portion of the Civic Center project.
- City Capital Improvement Financing Program – This fund accounts for savings from refinanced City CIFP bonds and their use to acquire and construct certain capital facilities and infrastructure.
- Capital Infrastructure – Under the oversight of the CIP Executive 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.

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

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.
- 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.
- Vehicle and 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.

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

- Insurance – To provide a source of funding for future insurance costs and unforeseen expenses due to legal matters or lawsuits.
- Pension/Other Post-Employment Benefits (OPEB) Obligation – To provide an intermediate-term funding source for OPEB and pension expenses.

Fiduciary Funds account for Private-Purpose Trust Funds and Custodial 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 Private-Purpose Trust Funds and Custodial Funds consist of:

- 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.
- Assessments – Special obligations payable from and secured by specific revenue sources. The City acts as custodian of these funds which are not for the benefit of the City.
- Asset Seizure – Special funds to be used exclusively to support law enforcement and prosecutorial efforts. The City acts as custodian of these funds which are not for the benefit of the City.
- Pass-Through Funds – Special funds used for the collection and distribution of development fees collected on behalf of other agencies.

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, 2021.

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.

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

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.

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

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

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.

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.

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

x. New Governmental Accounting Standards Board (GASB) Pronouncements

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 implemented GASB Statement No. 84 for the presentation of the FY 2020/21 financial statements. As a result of the implementation, at July 1, 2020 the City restated the beginning net positions of the Assessments, Asset Seizure and Pass-Through Custodial Funds by increasing the balances in the amounts of \$14,158,005, \$40,967 and \$373,144 respectively.

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. GASB Statement No. 90 did not have an effect on the FY 2020/21 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.

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

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 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, 2020. The requirement in paragraph 11b is effective for reporting periods ending after December 31, 2021. The requirements in paragraphs 13 and 14 are effective for fiscal years beginning after June 15, 2021. 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. 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

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

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 paragraph 4 of this Statement as it applies to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans and paragraph 5 of this Statement are effective immediately. There was no significant impact from paragraph 4 and 5 on the City's financial statements in FY 2020/21. Paragraphs 6 through 9 of this Statement are effective for reporting periods beginning after June 15, 2021. The City is in the process of determining the impact GASB Statement No. 97, paragraph 6 through 9, will have on its financial statements.

xi. New Funds, Closed Funds and Renamed Funds

The American Rescue Plan Act of 2021 Special Revenue Fund was created in FY 2020/21 for the purpose of accounting for Coronavirus State and Local Fiscal Recovery Funds requiring segregated fund accounting.

In FY 2020/21, the 2015 Lease Financing Acquisition Fund was reopened.

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 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

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

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.

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

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

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.



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

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, 2021, is shown below. 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>
Community Facilities Improvements	Community Facilities Development Impact Fee	\$ 223,414
Capital Project Fund	Special Revenue Fund	
	Total	\$ 223,414

Fund Description	<u>Interfund Transfers</u>								Total Transfers In
	General Fund	Landscape and Lighting Assessment Districts	Non-Major Governmental Funds	Internal Service Funds	Wastewater Enterprise	Solid Waste Enterprise	Water Enterprise	City Rentals Enterprise	
General Fund	-	-	\$ 8,702,738	-	-	-	-	-	\$ 8,702,738
Landscape and Lighting Assessment Districts	1,792,190	-	1,535	1,057,068	-	-	-	-	2,850,793
Non-Major Governmental Funds	409,839	2,794,708	14,084,504	1,413,095	76,848	76,846	204,925	206,682	19,267,447
Internal Service Funds	2,641,925	-	895,521	-	-	-	-	-	3,537,446
Wastewater Enterprise	-	-	858,983	-	-	-	1,181,355	-	2,040,338
Solid Waste Enterprise	-	-	2,470	-	-	-	-	-	2,470
Water Enterprise	-	-	122,436	-	1,224,000	-	-	-	1,346,436
City Rentals Enterprise	140,000	-	205,626	-	-	-	-	-	345,626
Total Transfers Out	\$ 4,983,954	\$ 2,794,708	\$ 24,873,813	\$ 2,470,163	\$ 1,300,848	\$ 76,846	\$ 1,386,280	\$ 206,682	\$ 38,093,294

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	\$ 6,438,843	Provide a subsidy to cover a portion of the costs for Public Safety Services
Internal Services	\$ 1,972,425	Transfer of unassigned General Fund balance in excess of reserve requirement
General Fund	\$ 1,672,009	Gas Tax and Measure J revenue to subsidize the Street Maintenance Division
Capital Projects	\$ 4,100,000	Provide funding to cover a portion of the costs for the Vineyards at Marsh Creek Event Center project
Capital Projects	\$ 1,593,500	Provide funding to cover a portion of the costs for the Priority Area 1 Infrastructure Improvements project
Enterprises	\$ 635,000	Provide funding to cover a portion of the costs for the Downtown Alley Rehabilitation - Mid Way project
Enterprises	\$ 558,877	Provide funding to cover a portion of the costs for the Non-Potable Storage Facility project
Enterprises	\$ 432,500	Provide funding to cover a portion of the costs for the Water and Wastewater SCADA System Upgrade project
Special Revenue	\$ 717,465	Return prior year funding for the Lone Tree Way - Union Pacific Undercrossing project
Capital Projects	\$ 608,271	Return prior year funding for the Library - New Construction project
Internal Services	\$ 350,000	Return prior year funding for the Aquatic Complex Mechanical Room project

In addition, governmental activities transferred capital assets of \$18,441, \$18,442 and \$49,177 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, 2021, are shown on the following page:



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

	<u>General Fund</u>	<u>Special Revenue Fund Landscape and Lighting Assessment Districts</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Fund Balances:				
Nonspendable:				
Prepays	\$ 76,064	\$ -	\$ 1,469	\$ 77,533
Riparian Site Mitigation Endowment	-	-	80,000	80,000
Total Nonspendable Fund Balances	<u>76,064</u>	<u>-</u>	<u>81,469</u>	<u>157,533</u>
Restricted for:				
Debt Service	-	-	23,288,204	23,288,204
Community Facilities Projects	-	-	9,629,397	9,629,397
Parks and Trails Projects	-	-	672,562	672,562
Low Income Housing	-	-	1,056,297	1,056,297
Vineyards Development Projects	-	-	732,076	732,076
Infrastructure Projects	-	-	2,090,961	2,090,961
Streets and Roadways	-	-	14,806,503	14,806,503
CIFP Projects	-	-	4,049,345	4,049,345
Landscape and Lighting Assessment Districts	-	7,834,319	-	7,834,319
Off Street Parking Facilities in Downtown	-	-	438	438
Agricultural/Farmland Mitigation	-	-	3,255,937	3,255,937
Brentwood Redevelopment Escrow	95,930	-	-	95,930
Fire Facilities	-	-	6,759,625	6,759,625
Public Art	-	-	3,470,210	3,470,210
Development Impact Fee Program	-	-	16,486,027	16,486,027
Drug Prevention Programs	-	-	183,324	183,324
Public Safety	-	-	368,764	368,764
Disability Access and Education	-	-	79,569	79,569
Abandoned Vehicle Abatement	-	-	105,093	105,093
Grants	-	-	1,689,885	1,689,885
PEG Media	-	-	927,959	927,959
Riparian Mitigation Site Maintenance	-	-	3,371	3,371
Total Restricted Fund Balances	<u>95,930</u>	<u>7,834,319</u>	<u>89,655,547</u>	<u>97,585,796</u>
Committed to:				
Public Safety	-	-	2,360,486	2,360,486
Successor Agency Payment Plan	6,421,476	-	-	6,421,476
Future Strategic Initiatives	3,743,399	-	-	3,743,399
General Plan Update	600,000	-	-	600,000
City Council Redistricting	25,000	-	-	25,000
Parks Maintenance	-	-	805,991	805,991
Streets and Roadways	678,000	-	-	678,000
Total Committed Fund Balances	<u>11,467,875</u>	<u>-</u>	<u>3,166,477</u>	<u>14,634,352</u>
Unassigned:				
General Fund	19,386,486	-	-	19,386,486
Other Fund Deficit	-	-	(223,414)	(223,414)
Total Unassigned Fund Balances	<u>19,386,486</u>	<u>-</u>	<u>(223,414)</u>	<u>19,163,072</u>
Total Fund Balances	<u>\$ 31,026,355</u>	<u>\$ 7,834,319</u>	<u>\$ 92,680,079</u>	<u>\$ 131,540,753</u>

NOTE #3 – CASH AND INVESTMENTS

A. CASH AND DEPOSITS

The City of Brentwood maintains a cash investment pool that is available for all funds. The City follows the practice of pooling cash and investments of all funds, except for funds required 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.

NOTE #3 – CASH AND INVESTMENTS (Continued)

The carrying amounts of the City's cash deposits were \$1,363,190 at June 30, 2021. The bank balance, before reconciling items, was \$2,841,294. 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% of the bank balance less the insured amount as required 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:

Pooled Deposits:	
Demand Deposits	\$ 1,363,190
Petty Cash	10,550
Investments	301,966,836
Total Cash and Investments	\$ 303,340,576

Cash and investments appear on the financial statements as follows:

Cash and Investments:	
Governmental Activities	\$ 181,471,847
Business-Type Activities	98,341,764
Fiduciary Funds	14,268,515
	<u>294,082,126</u>

Restricted Cash and Investments:	
Governmental Activities	4,862,105
Business-Type Activities	843,645
Fiduciary Funds	3,552,700
	<u>9,258,450</u>
Total Cash and Investments	\$ 303,340,576

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 ⁽¹⁾	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% ⁽²⁾
Insured Savings Account	None	N/A	N/A	N/A
State of California's Local Agency Investment Fund	None	N/A	\$75M/Account	\$75M/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, 77% 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, 2021, 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)

	Fair Value	Credit Rating	% of Rated Portfolio
Medium-Term Notes	\$ 4,521,495	A	3.00
Medium-Term Notes	6,842,994	A-	4.54
Medium-Term Notes	9,908,556	A+	6.57
Medium-Term Notes	3,217,055	AA-	2.13
Medium-Term Notes	2,692,681	AA	1.79
Medium-Term Notes	1,257,041	AA+	0.83
Medium-Term Notes	1,649,905	AAA	1.09
Medium-Term Notes	4,612,569	BBB+ ⁽¹⁾	3.06
U.S. Agency Notes	70,621,918	AA+	46.87
California State, Local Agency and Other State Obligations	2,603,663	AA-	1.73
California State, Local Agency and Other State Obligations	2,273,264	AA	1.51
California State, Local Agency and Other State Obligations	821,833	AA+	0.55
California State, Local Agency and Other State Obligations	1,333,067	AAA	0.88
Negotiable Certificates of Deposit	4,497,915	AA-	2.98
Negotiable Certificates of Deposit	4,731,704	A+	3.14
Negotiable Certificates of Deposit	1,653,248	A	1.10
Negotiable Certificates of Deposit	2,090,586	A-1	1.39
U.S. Agency Collateralized Mortgage Obligations	7,618,672	AA+	5.06
Asset-Backed Securities	5,419,442	AAA	3.60
Supranationals	4,616,024	AAA	3.06
Money Market Funds	7,722,001	AAAm	5.12
Total Rated Investments	150,705,633		100.00
U.S. Treasury Notes	85,464,602	Exempt	
Government Obligations	1,417,944	Not Rated	
Local Agency Investment Fund	60,314,283	Not Rated	
Money Market Funds	858,802	Not Rated	
Asset-Backed Securities	3,205,572	Not Rated ⁽²⁾	
Total Unrated Investments	151,261,203		
Total Investments	\$ 301,966,836		

(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 on the following page:



NOTE #3 – CASH AND INVESTMENTS (Continued)

Issuers⁽¹⁾ and Investment Type	Fair Value	% of Portfolio
Federal National Mortgage Association - U.S. Agency Notes	\$ 47,196,517	15.63

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

Interest Rate Risk

The City's investment policy limits the investment portfolio to maturities of less than five years as a means of limiting exposure to fair value losses arising from interest rates. Currently, 46.03% of the investment portfolio is concentrated in the zero to two-year maturity range.

Investment Maturities

	Fair Value⁽¹⁾	0-6 months	6-12 months	1-2 years	2-3 years	3-5 years	% of Portfolio
U.S. Treasury Notes	\$ 85,464,602	\$ -	\$ -	\$ 16,520,761	\$ 32,021,533	\$ 36,922,308	28.30
Medium-Term Notes ⁽²⁾	34,702,296	824,236	1,943,510	8,950,472	11,707,470	11,276,608	11.49
U.S. Agency Notes ⁽²⁾	70,621,918	2,803,663	-	16,222,168	16,770,220	34,825,867	23.39
Government Obligations	1,417,944	1,417,944	-	-	-	-	0.47
California State, Local Agency and Other State Obligations	7,031,827	-	-	-	2,757,540	4,274,287	2.33
Supranationals	4,616,024	-	-	3,020,893	1,595,131	-	1.53
Negotiable Certificates of Deposit	12,973,453	-	2,090,586	10,882,867	-	-	4.30
Local Agency Investment Fund	60,314,283	60,314,283	-	-	-	-	19.97
Asset-Backed Securities	8,625,014	-	-	752,949	5,053,364	2,818,701	2.86
Federal Agency Collateralized Mortgage Obligations	7,618,672	24,661	2,704,741	1,957,520	1,204,601	1,727,149	2.52
Money Market Funds	8,580,803	8,580,803	-	-	-	-	2.84
Totals	\$ 301,966,836	\$ 73,965,590	\$ 6,738,837	\$ 58,307,630	\$ 71,109,859	\$ 91,844,920	
% of Portfolio		24.49	2.23	19.31	23.55	30.42	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, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Investments Measured by Fair Value Level:			
U.S. Treasury Notes	\$ 85,464,602	\$ -	\$ 85,464,602
Medium-Term Notes	-	34,702,296	34,702,296
U.S. Agency Notes	-	70,621,918	70,621,918
Government Obligations	-	1,417,944	1,417,944
California State, Local Agency and Other State Obligations	-	7,031,827	7,031,827
Supranationals	-	4,616,024	4,616,024
Negotiable Certificates of Deposit	-	12,973,453	12,973,453
Asset-Backed Securities	-	8,625,014	8,625,014
Federal Agency Collateralized Mortgage Obligations	-	7,618,672	7,618,672
Subtotal	<u>\$ 85,464,602</u>	<u>\$ 147,607,148</u>	233,071,750
Investments Measured at Amortized Cost:			
Held by Trustee:			
Money Market Funds			8,580,803
Investments Not Subject to Fair Value Hierarchy:			
Local Agency Investment Fund			<u>60,314,283</u>
Total Investments			<u>\$ 301,966,836</u>

Investments classified in Level 1 of the fair value hierarchy of \$85,464,602 are valued using unadjusted quoted prices in an active market for identical assets at the measurement date. Level 2 investments totaling \$147,607,148 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, 2021, the amortized cost of the pool was \$193,304,977,285 and the fair value was \$193,321,015,759. 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 \$75 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, 2021 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>
Governmental Activities:							
General Fund	\$ 467,532	\$ 972,201	\$ 16,588	\$ 6,922	\$ -	\$ -	\$ 1,463,243
Landscape and Lighting Assessment Districts	-	-	-	1,466	-	-	1,466
Non-Major Funds:							
Internal Service	-	214,409	-	11,236	-	-	225,645
Special Revenue	-	170,390	1,627,622	5,703	-	-	1,803,715
Permanent Fund	-	-	-	14	-	-	14
Debt Service	-	-	-	75	-	21,752,894 ⁽¹⁾	21,752,969
Capital Projects	-	-	-	5,455	-	-	5,455
Subtotal Governmental Activities	467,532	1,357,000	1,644,210	30,871	-	21,752,894	25,252,507
Less: Allowance	-	(367,911) ⁽²⁾	-	-	-	-	(367,911)
Total Governmental Activities	\$ 467,532	\$ 989,089	\$ 1,644,210	\$ 30,871	\$ -	\$ 21,752,894	\$ 24,884,596
Business-Type Activities:							
Wastewater	\$ -	\$ 17,642,674	\$ -	\$ 6,553	\$ 2,160,357	\$ -	\$ 19,809,584
Solid Waste	-	1,706	-	1,877	2,172,391	-	2,175,974
Water	-	83,085	-	6,995	3,643,436	-	3,733,516
City Rentals	-	6,761	-	58	-	-	6,819
Housing	-	36,727	-	1,257	-	654,084 ⁽³⁾	692,068
Total Business-Type Activities	\$ -	\$ 17,770,953	\$ -	\$ 16,740	\$ 7,976,184	\$ 654,084	\$ 26,417,961

(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, 2021 were comprised of the following:

Governmental Activities:	
Amounts Due from Successor Agency	\$ 21,752,894
Loans under City Low Income Housing (including interest)	<u>5,056,538</u>
Subtotal Governmental Funds	26,809,432
Less: Reservation for Loans Expected to be Forgiven	<u>(5,056,538)</u>
Notes and Loans Receivable, Net	<u>\$ 21,752,894</u>
Business-Type Activities:	
Down Payment Assistance and Gap Assistance Program Loans	\$ 654,084
Loans under Affordable Housing (including interest)	<u>7,209,370</u>
Subtotal Business-Type Activities	7,863,454
Less: Reservation for Loans Expected to be Forgiven	<u>(7,209,370)</u>
Notes and Loans Receivable, Net	<u>\$ 654,084</u>

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, 2021 the City is owed \$654,084, 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, 2021 was \$21,752,894. 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, 2021, the City’s Low Income Housing and Affordable Housing loans were comprised of the amounts shown below:

Governmental Activities:	
Brentwood/202 Senior Housing	\$ 314,550
Christian Church Homes/Sycamore II	1,157,062
Eden Housing	148,125
Mercy Housing	2,009,000
Brentwood Senior Commons	400,000
Brentwood Green Valley	1,027,801
Subtotal Loans under City Low Income Housing	5,056,538
Less: Reservation for Loans Expected to be Forgiven	(5,056,538)
Net Notes and Loans Receivable	\$ -
Business-Type Activities:	
Eden Housing	\$ 1,327,000
Mercy Housing	861,000
Meta Housing	5,021,370
Subtotal Loans under Affordable Housing	7,209,370
Less: Reservation for Loans Expected to be Forgiven	(7,209,370)
Net Notes and Loans Receivable	\$ -

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, 2021 was \$314,550.

Christian Church Homes/Sycamore II

In June 2003, the Brentwood Redevelopment Agency entered into a note with Christian Church Homes of Northern California 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

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

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, 2021, principal and accrued interest total \$1,157,062. 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, 2021, principal and accrued interest for both notes total \$1,475,125. 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, 2021, the principal and accrued interest due for both notes total \$2,870,000. 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 the repayment of all or part of the Loan. As of June 30, 2021, the principal due totaled \$400,000. There is a reasonable expectation this note will be forgiven upon successful completion of the terms and conditions of the note and, as such, a reservation for forgiveness of the note has been included in these financial statements.

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

Brentwood Green Valley

In January 2011, the Brentwood Redevelopment Agency entered into a Loan Agreement with Brentwood Green Valley Associates 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, 2021, the principal due for the note, before the forgiveness, totaled \$1,050,713. Per the terms of the note, \$22,912 of the principal balance was forgiven at June 30, 2020. The remaining principal balance at June 30, 2021 totaled \$1,027,801. 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, 2021, principal and accrued interest total \$5,021,370. There is a reasonable expectation this note will be forgiven upon successful completion of the terms and conditions of the note and, as such, a reservation for forgiveness of the note has been included in these financial statements.



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, 2021, are as follows:

	Balance July 1, 2020	Increases	Decreases	Transfers	Balance June 30, 2021
Governmental Activities:					
Capital Assets, Not Being Depreciated or Amortized:					
Land	\$ 35,122,624	\$ 4,698,000	\$ -	\$ -	\$ 39,820,624
Work in Progress - CIP	6,441,143	1,044,413	-	(122,943)	7,362,613
Total Capital Assets, Not Being Depreciated or Amortized	41,563,767	5,742,413	-	(122,943)	47,183,237
Capital Assets, Being Depreciated and Amortized:					
Intangible Assets	6,258,156	-	-	-	6,258,156
Buildings	71,552,572	-	-	36,883	71,589,455
Infrastructure	484,172,976	1,853,343	-	-	486,026,319
Machinery and Equipment	10,335,653	38,299	(86,547)	-	10,287,405
Vehicles	15,910,192	1,436,332	(712,533)	-	16,633,991
Land Improvements	33,177,078	415,000	-	-	33,592,078
Total Capital Assets Being Depreciated and Amortized	621,406,627	3,742,974	(799,080)	36,883	624,387,404
Less Accumulated Depreciation and Amortization for:					
Intangible Assets	1,458,926	96,279	-	-	1,555,205
Buildings	11,596,147	1,368,009	-	-	12,964,156
Infrastructure	120,455,083	7,456,340	-	-	127,911,423
Machinery and Equipment	5,752,413	614,085	(86,547)	-	6,279,951
Vehicles	8,981,017	1,745,536	(661,685)	-	10,064,868
Land Improvements	7,140,840	695,870	-	-	7,836,710
Total Accumulated Depreciation and Amortization	155,384,426	11,976,119	(748,232)	-	166,612,313
Total Capital Assets, Being Depreciated and Amortized, Net	466,022,201	(8,233,145)	(50,848)	36,883	457,775,091
Governmental Activities Capital Assets, Net	\$ 507,585,968	\$ (2,490,732)	\$ (50,848)	\$ (86,060)	\$ 504,958,328

	Balance July 1, 2020	Increases	Decreases	Transfers	Balance June 30, 2021
Business-Type Activities:					
Capital Assets, Not Being Depreciated or Amortized:					
Land	\$ 2,661,597	\$ -	\$ -	\$ -	\$ 2,661,597
Work in Progress - CIP	6,575,730	21,455,926	-	(34,546)	27,997,110
Total Capital Assets, Not Being Depreciated or Amortized	9,237,327	21,455,926	-	(34,546)	30,658,707
Capital Assets, Being Depreciated and Amortized:					
Intangible Assets	18,950,632	-	-	-	18,950,632
Buildings	30,570,833	-	-	86,060	30,656,893
Infrastructure	280,838,881	58,950	-	34,546	280,932,377
Machinery and Equipment	5,691,602	227,362	-	-	5,918,964
Land Improvements	11,046,659	-	-	-	11,046,659
Total Capital Assets Being Depreciated and Amortized	347,098,607	286,312	-	120,606	347,505,525
Less: Accumulated Depreciation and Amortization for:					
Intangible Assets	4,698,656	387,703	-	-	5,086,359
Buildings	8,234,096	612,512	-	-	8,846,608
Infrastructure	59,976,649	4,368,945	-	-	64,345,594
Machinery and Equipment	1,809,861	311,713	-	-	2,121,574
Land Improvements	3,356,216	200,561	-	-	3,556,777
Total Accumulated Depreciation and Amortization	78,075,478	5,881,434	-	-	83,956,912
Total Capital Assets, Being Depreciated and Amortized, Net	269,023,129	(5,595,122)	-	120,606	263,548,613
Business-Type Activities Capital Assets, Net	\$ 278,260,456	\$ 15,860,804	\$ -	\$ 86,060	\$ 294,207,320

NOTE #5 – CAPITAL ASSETS (Continued)

For the year ending June 30, 2021, depreciation and amortization expense on capital assets was charged as follows:

Governmental Activities:	
General Government	\$ 3,705,636
Public Safety	414,620
Community Development	1,839
Public Works	4,597,017
Parks and Recreation	1,490,618
Internal Service	1,766,389
Total Depreciation and Amortization Expense - Governmental Activities	\$ 11,976,119
Business-Type Activities:	
Wastewater	\$ 1,973,091
Solid Waste	220,344
Water	3,640,966
Housing	47,033
Total Depreciation and Amortization Expense - Business-Type Activities	\$ 5,881,434

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, 2020	Additions	Payments/ Adjustments	Balance June 30, 2021	Amounts Due Within One Year
Bonds					
Capital Improvement Revenue Refunding Bonds Series 2012	\$ 16,555,000	\$ -	\$ (1,130,000)	\$ 15,425,000	\$ 1,185,000
General Obligation Bonds Series 2002	5,702,259	326,413 ⁽¹⁾	(570,000)	5,458,672	595,000
2019 Civic Center Project Lease Revenue Refunding Bonds	31,020,000	-	(1,235,000)	29,785,000	1,290,000
2015 Lease Financing (Direct Placement)	9,830,000	-	(480,000)	9,350,000	495,000
Bond Premium	5,719,950	-	(312,644)	5,407,306	-
Total Bonds	<u>68,827,209</u>	<u>326,413</u>	<u>(3,727,644)</u>	<u>65,425,978</u>	<u>3,565,000</u>
Notes Payable					
Successor Agency Payment Plan	9,250,623	-	(1,548,919)	7,701,704	1,638,690
Total Notes Payable	<u>9,250,623</u>	<u>-</u>	<u>(1,548,919)</u>	<u>7,701,704</u>	<u>1,638,690</u>
Other					
Net OPEB Liability	24,369,258	-	(594,595) ⁽²⁾	23,774,663	-
Net Pension Liability	30,705,364	4,738,736	-	35,444,100	-
Accumulated Compensated Absences	2,076,132	2,048,561	(2,014,530)	2,110,163	1,266,098
Total Other	<u>57,150,754</u>	<u>6,787,297</u>	<u>(2,609,125)</u>	<u>61,328,926</u>	<u>1,266,098</u>
Total Governmental Activities Long-Term Obligations	<u>\$ 135,228,586</u>	<u>\$ 7,113,710</u>	<u>\$ (7,885,688)</u>	<u>\$ 134,456,608</u>	<u>\$ 6,469,788</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, 2021, 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, 2022. 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 \$14,870,125 remaining share of debt service on the bonds, which is scheduled to occur in 2032. For FY 2020/21, gross tax revenue available to be distributed to the Successor Agency totaled \$10,513,510, which represented coverage of 7.74 times \$1,357,809 of the Successor Agency's debt service. The remaining portion of the bonds is repayable from any source of the City's available funds.

Year Ending			
June 30	Principal	Interest	Total
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	1,445,000	460,550	1,905,550
2027-2031	7,250,000	1,251,157	8,501,157
2032	1,605,000	38,119	1,643,119
Total	\$ 15,425,000	\$ 4,266,382	\$ 19,691,382

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.

Year Ending June 30	Principal	Total
2022	\$ 595,000	\$ 595,000
2023	625,000	625,000
2024	655,000	655,000
2025	690,000	690,000
2026	725,000	725,000
2027-2031	<u>4,205,000</u>	<u>4,205,000</u>
Subtotal	7,495,000	<u>\$ 7,495,000</u>
Future Accretion	<u>(2,036,328)</u>	
Total	<u>\$ 5,458,672</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, 2021, 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, 2022.

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
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	1,550,000	1,116,650	2,666,650
2027-2031	8,750,000	4,312,500	13,062,500
2032-2036	8,140,000	2,155,750	10,295,750
2037-2040	5,835,000	421,100	6,256,100
Total	\$ 29,785,000	\$ 13,167,550	\$ 42,952,550

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
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	560,000	227,338	787,338
2027-2031	3,090,000	846,463	3,936,463
2032-2036	3,625,000	302,006	3,927,006
Total	\$ 9,350,000	\$ 2,459,113	\$ 11,809,113

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.

Year Ending June 30	Principal	Interest	Total
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
Total	\$ 7,701,704	\$ -	\$ 7,701,704



NOTE #6 – LONG-TERM OBLIGATIONS (Continued)

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, 2021 were:

Governmental	\$ 844,065
Business-Type	\$ 262,451

B. BUSINESS-TYPE ACTIVITIES

	Balance July 1, 2020	Additions	Payments Adjustments	Balance June 30, 2021	Amounts Due Within One Year
Bonds					
Water Revenue Refunding Bonds Series 2014	\$ 37,960,000	\$ -	\$ (1,775,000)	\$ 36,185,000	\$ 1,860,000
Net Bond Premium	4,537,664	-	(252,092)	4,285,572	-
Total Bonds	<u>42,497,664</u>	<u>-</u>	<u>(2,027,092)</u>	<u>40,470,572</u>	<u>1,860,000</u>
Notes Payable (Direct Placement)					
State Water Resources Loan (Wastewater)	6,604,044	-	(2,162,085)	4,441,959	2,201,113
State Water Resources Loan (WWTP Expansion Ph. II)	-	15,120,302	(3,856,000)	11,264,302	-
State Water Resources Loan (Recycled Water Projects)	8,452,399	2,304,826	-	10,757,225	-
Total Notes Payable	<u>15,056,443</u>	<u>17,425,128</u>	<u>(6,018,085)</u>	<u>26,463,486</u>	<u>2,201,113</u>
Other					
Net OPEB Liability	9,590,576	-	(196,720)	9,393,856	-
Net Pension Liability	7,876,682	1,470,202	-	9,346,884	-
Accumulated Compensated Absences	596,160	700,655	(640,687)	656,128	393,677
Total Other	<u>18,063,418</u>	<u>2,170,857</u>	<u>(837,407)</u>	<u>19,396,868</u>	<u>393,677</u>
Total Business-Type Activities Long-Term Obligations	<u>\$ 75,617,525</u>	<u>\$ 19,595,985</u>	<u>\$ (8,882,584)</u>	<u>\$ 86,330,926</u>	<u>\$ 4,454,790</u>

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 on the following page:

NOTE #6 – LONG-TERM OBLIGATIONS (Continued)

Year Ending June 30	Principal	Interest	Total
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	2,260,000	1,249,350	3,509,350
2027-2031	9,305,000	4,951,150	14,256,150
2032-2036	11,305,000	2,934,350	14,239,350
2037-2038	5,295,000	400,250	5,695,250
Total	\$ 36,185,000	\$ 15,560,000	\$ 51,745,000

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 2020/21, the Water Fund's principal and interest paid was \$3,514,100, Net Operating Revenues were \$7,662,012 and Adjusted Annual Net Water Revenues were \$10,705,324 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. 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, 2021, the City's gross repayment obligation of \$4,562,590 is reported in the accompanying financial statement net of the unamortized discount of \$120,631. During FY 2020/21, the City repaid \$2,162,085 on the obligation and amortized \$119,210 of the discount, which was reported as interest expense.

NOTE #6 – LONG-TERM OBLIGATIONS (Continued)

Year Ending June 30	Principal	Interest	Total
2022	\$ 2,201,113	\$ 80,182	\$ 2,281,295
2023	2,240,846	40,449	2,281,295
Total	\$ 4,441,959	\$ 120,631	\$ 4,562,590

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 agreement were amended in September 2018, under which the City was to start construction no later than June 25, 2018, and amended again in March 2021, under which the construction is to be completed by June 30, 2022. 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, 2021, the City has incurred \$10,757,225 of eligible project costs and financing disbursement requests have been submitted to the State.

State Water Resources Loan (Wastewater Treatment Plant Expansion – Phase II Project)

In December 2019, the City entered into a loan agreement with the State of California’s State Water Resources Control Board for a not-to-exceed amount of \$65,102,000 to fund the City’s Wastewater Treatment Plant Expansion – Phase II Project. Project financing will consist of a State Revolving Fund loan of a not-to-exceed amount of \$61,246,000 and a principal forgiveness component of \$3,856,000. Certain terms of the agreement were amended in April 2021, under which the City was to have construction completed by December 30, 2024. Construction on the project began in September 2020. The loan bears annual interest of 1.3%, 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, 2021, the City has incurred \$15,120,302 of eligible project costs and financing disbursement requests have been submitted to the State. Of this amount, \$3,856,000 has been allocated by the State as loan forgiveness.



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
<hr/> City of Brentwood - Limited Obligation Improvement Bonds, Randy Way Sewer Line <ul style="list-style-type: none"> • 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 	\$ 620,000
<hr/> Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2012 A (Refinancing of CIFP's 96-1, 98-1 and 99-1) <ul style="list-style-type: none"> • 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 	\$ 8,720,000
<hr/> Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2014 A&B (Refinancing of CIFP's 94-1, 2000-1, 2005-1 and 2006-1) <ul style="list-style-type: none"> • 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 	\$ 53,640,000
<hr/> Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2018A (Refinancing of CIFP's 2002-1, 2003-1 and 2004-1) <ul style="list-style-type: none"> • 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 	\$ 32,790,000
<hr/> Total Assessment District Debt	<hr/> \$ 95,770,000

NOTE #8 – CLASSIFICATION OF NET POSITION

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

- Net Investment in Capital Assets 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 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). During FY 2009/10, the City Council passed a resolution to participate in the California Employers' Retiree Benefit Trust (CERBT) program, an irrevocable trust established to fund OPEB. CERBT is an agent multiple-employer defined benefit other postemployment benefits plan administered by CalPERS, and is managed by an appointed board not under the control of the City Council. CERBT consists of participating employers of the State of California and public agencies. Individual employers may establish more than one plan.

The CERBT was established by Chapter 331 of the 1988 California Statutes, and employers elect to participate in the CERBT to pre-fund health, dental, and other non-pension postemployment benefits for their retirees and survivors, if applicable. The CERBT has pooled administrative and investment functions, while separate employer accounts are maintained to prefund and pay for health care or other postemployment benefits in accordance with the terms of the participating employers' plans. There are three CalPERS Board approved investment strategies for employers to choose from depending on their expected levels of return and volatility. Benefit provisions are established by participating employers.

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

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:

Eligibility	Retire directly from the City under CalPERS (Age 50 ⁽¹⁾ with 5 years CalPERS service, or disability)					
Medical	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 ⁽²⁾	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 ⁽³⁾ +	Kaiser Dual	1,326.63 ⁽⁴⁾	1,500.00 ⁽⁴⁾	PEMHCA Minimum		
Surviving Spouse	100% of retiree benefit continues to surviving spouse if retiree elects CalPERS survivor annuity					
Other	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, 2020:

	Number of Covered Participants
Active employees	302
Inactive employees or beneficiaries currently receiving benefits	141
Inactive participants entitled to benefit payments	21
Total	464

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, 2020 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:

Actuarial Assumption	June 30, 2020 Measurement Date
Actuarial Valuation Date	June 30, 2019
Contribution Policy	City contributes 85% of ADC
Discount Rate	6.75% at June 30, 2020 6.75% at June 30, 2019
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 - 6.3% 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 improvement assumptions were based on the Scale MP-2019 and all other actuarial assumptions used in the June 30, 2019 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 ⁽¹⁾	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
Balances at June 30, 2020 (Measurement date June 30, 2019)	\$ 49,649,808	\$ 15,689,974	\$ 33,959,834
Changes for the year:			
Service Cost	1,481,221	-	1,481,221
Interest	3,385,324	-	3,385,324
Difference between actual and expected experience	-	-	-
Assumption changes	(880,615)	-	(880,615)
Contributions - employer ⁽¹⁾	-	4,221,000	(4,221,000)
Contributions - employee	-	-	-
Net investment income	-	569,190	(569,190)
Benefit payments and refunds ⁽¹⁾	(1,956,140)	(1,956,140)	-
Administrative Expenses ⁽²⁾	-	(12,945)	12,945
Net Changes	2,029,790	2,821,105	(791,315)
Balances at June 30, 2021 (Measurement date June 30, 2020)	\$ 51,679,598	\$ 18,511,079	\$ 33,168,519

(1) Measurement period July 1, 2019 to June 30, 2020.

(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 \$338,000.

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:

	Discount Rate		
	5.75%	6.75%	7.75%
	(1% Decrease)	(Current Rate)	(1% Increase)
Net OPEB Liability	\$ 40,818,623	\$ 33,168,519	\$ 26,982,990

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 or 1 percentage-point higher than the current healthcare cost trend rates:

	Healthcare Cost Trend Rate		
	1% Decrease	Current Rate	1% Increase
	Net OPEB Liability	\$ 25,908,260	\$ 33,168,519

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

For the year ended June 30, 2021, the City recognized OPEB expense of \$3,229,347. At June 30, 2021, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	June 30, 2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (2,718,006)
Changes of assumptions	-	(1,165,908)
Net difference between projected and actual earning on plan investments	360,186	-
Employer contributions made subsequent to the measurement date	3,657,000	-
Total	\$ 4,017,186	\$ (3,883,914)

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

For the year ended June 30, 2021, the City reported \$3,657,000 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, 2022. 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:

Year ended June 30	Annual Amortization
2021	\$ (590,279)
2022	(550,280)
2023	(531,418)
2024	(546,009)
2025	(644,543)
Thereafter	(661,199)

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, 2021 are summarized below:

	Miscellaneous Plan		
	Tier 1	Tier 2	Tier 3
	Prior to	After	After
Hire Date	October 1, 2010	September 30, 2010	December 31, 2012
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%	6.75%
Required Employer Contribution Rates (Normal Cost)	12.006%	12.006%	12.006%
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 \$1,424,743.

b. Employees Covered

At the June 30, 2020 measurement date, the most recent valuation available, the following plan participants were covered by the benefit terms:

	Miscellaneous Plan			Total
	Tier 1	Tier 2	Tier 3	
Active Employees	113	47	82	242
Total	113	47	82	242
Inactive Employees or Beneficiaries Currently Receiving Benefits				183
Inactive Employees Entitled to but not yet Receiving Benefits				150
	Total			333

c. Contributions

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

NOTE #10 – DEFINED BENEFIT PENSION PLANS (Continued)

For the year ended June 30, 2021, the contributions to the Miscellaneous Plan were \$4,261,887 for the employer paid contributions.

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, 2020, using an annual actuarial valuation as of June 30, 2019 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.

	Miscellaneous Plan		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2019	\$ 145,716,565	\$ 121,818,866	\$ 23,897,699
Changes recognized for the measurement period			
Service Cost	\$ 4,215,396	\$ -	\$ 4,215,396
Interest on the Total Pension Liability	10,557,564	-	10,557,564
Changes in Assumptions	-	-	-
Differences Between Actual and Expected Experience	2,185,887	-	2,185,887
Net Plan to Plan Resource Movement	-	-	-
Contribution - Employer	-	4,002,159	(4,002,159)
Contribution - Employees	-	1,780,994	(1,780,994)
Net Investment Income	-	6,075,887	(6,075,887)
Benefit Payments, Including Refunds of Employee Contributions	(4,703,813)	(4,703,813)	-
Other Misc Income/(Expense)	-	(3,307)	3,307
Administrative Expense	-	(171,735)	171,735
Net Changes	12,255,034	6,980,185	5,274,849
Balance at June 30, 2020	\$ 157,971,599	\$ 128,799,051	\$ 29,172,548

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

The table below 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.

	Miscellaneous Plan		
	6.15% (1% Decrease)	7.15% (Current Rate)	8.15% (1% Increase)
Net Pension Liability	\$ 52,817,562	\$ 29,172,548	\$ 9,792,776

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, 2021, the City recognized pension expense for the Miscellaneous Plan of \$7,263,539. At June 30, 2021, the Miscellaneous Plan has Deferred Outflows and Deferred Inflows of Resources related to the pension plan as follows:

	Miscellaneous Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 4,261,887	\$ -
Differences Between Actual and Expected Experience	2,717,372	-
Changes in Assumptions	393,388	(1,640,417)
Net Differences Between Projected and Actual Earnings on Plan Investments	1,128,161	-
Total	\$ 8,500,808	\$ (1,640,417)

Deferred Outflows of Resources related to contributions subsequent to the measurement date of \$4,261,887 will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2022. Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized as pension expense below:

Miscellaneous Plan	
Fiscal Year Ended June 30	Annual Amortization
2021	\$ (40,289)
2022	738,303
2023	1,216,362
2024	684,128
2025	-
Thereafter	-

v. Payable to the Miscellaneous Plan

At June 30, 2021, the City reported a payable of \$196,765 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2021.

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, 2021, are summarized below:

	Safety Plan		
	Tier 1	Tier 2	Tier 3
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%	13%
Required Employer Contribution Rates	25.391%	20.585%	13.044%
COLA	5.00%	2.00%	2.00%
Final Average Compensation Period	One Year	Three Years	Three Years
Unfunded Accrued Liability Annual Payment	\$ 787,012	\$ 6,876	\$ 7,810

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 \$801,698 in FY 2020/21.

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, 2021, the contributions to the Safety Plan were \$2,640,402 for the employer paid contributions.

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

As of June 30, 2021, the City reported Net Pension Liabilities for its proportionate share of the Net Pension Liability of the Safety Plan of \$15,618,436.

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, 2020, 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, 2019 rolled forward to June 30, 2020 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, 2019 and 2020 was as follows:

<u>Proportionate Share of Net Pension Liability</u>	<u>Safety Plan</u>
Proportion - June 30, 2019	0.23523%
Proportion - June 30, 2020	<u>0.23443%</u>
Change - Increase (Decrease)	(0.00080%)



NOTE #10 – DEFINED BENEFIT PENSION PLANS (Continued)

For the year ended June 30, 2021, the City recognized pension expense of \$4,842,299 for the Safety Plan. At June 30, 2021, the Safety Plan reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Safety Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 2,640,402	\$ -
Differences Between Actual and Expected Experience	1,211,130	-
Changes in Assumptions	-	(52,025)
Change in the Employer's Proportion and Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	1,499,709	(1,179,752)
Net Differences Between Projected and Actual Earnings on Plan Investments	339,454	-
Total	\$ 5,690,695	\$ (1,231,777)

Deferred outflows of resources related to contributions subsequent to the measurement date of \$2,640,402 will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2022. Other amounts, reported as Deferred outflows/inflows of resources related to pensions, will be recognized as pension expense, as summarized as follows:

Safety Plan	
Fiscal Year Ended June 30	Annual Amortization
2022	\$ 643,432
2023	639,773
2024	365,226
2025	170,085

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.

	Safety Plan		
	6.15% (1% Decrease)	7.15% (Current Rate)	8.15% (1% Increase)
Net Pension Liability	\$ 27,107,429	\$ 15,618,436	\$ 6,190,629

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 closing and final reconciled reserves.

iii. Payable to the Safety Plan

At June 30, 2021, the City reported a payable of \$106,172 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2021.

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, 2021, the City reported Net Pension Liabilities for the Miscellaneous and Safety Plans combined of \$44,790,984 and recognized combined pension expenses for the Miscellaneous and Safety Plans of \$12,105,838.

At June 30, 2021, the Miscellaneous and Safety Plans reported combined Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Miscellaneous and Safety Plans	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 6,902,289	\$ -
Differences Between Actual and Expected Experience	3,928,502	-
Changes in Assumptions	393,388	(1,692,442)
Change in the Employer's Proportion and Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	1,499,709	(1,179,752)
Net Differences Between Projected and Actual Earnings on Plan Investments	1,467,615	-
Total	\$ 14,191,503	\$ (2,872,194)

NOTE #10 – DEFINED BENEFIT PENSION PLANS (Continued)

ii. Actuarial Assumptions

The June 30, 2020 total pension liabilities were based on the following actuarial methods and assumptions:

	Miscellaneous and Safety Plans
Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50% (Safety), 2.50% (Miscellaneous)
Projected Salary Increase	(1)
Payroll Growth	2.75%
Investment Rate of Return ⁽²⁾	7.15%
Mortality Rate Table ⁽³⁾	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) Depending on age, service and type of employment.

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

(3) 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 and forecasted information for 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 rates of return by asset class for both the Miscellaneous and Safety Plans.

<u>Asset Class</u> ⁽¹⁾	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1 - 10</u> ⁽²⁾	<u>Real Return Years 11+</u> ⁽³⁾
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	<u>1.0%</u>	0.00%	(0.92%)
Total	<u><u>100%</u></u>		

(1) In CalPERS Comprehensive Annual Financial Report, 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 2.0% 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

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for the fiscal year ended June 30, 2021. Under a Funding Risk Mitigation Policy, approved by the CalPERS Board of Administration in 2015, this level of net return in investments will trigger a reduction in the discount rate used to calculate employer and PEPR member contributions. The Funding Risk Mitigation Policy lowers the discount rate in years of good investment returns. The discount rate, or assumed rate of return, will drop to 6.8%, from its current level of 7%. Although a drop in the discount rate will increase the required annual contribution rates, this increase is expected to be offset by the decrease in required annual lump sum payments on the unfunded pension obligation due to the preliminary net return on investments for fiscal year ended June 30, 2021 being much greater than the current discount rate.

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 (\$800 million 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, 2021 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 #200, Walnut Creek, CA 94596, as well as on the agency's website at www.mpa-nc.com.

In FY 2020/21, All Risk Fire and Property coverage was reduced from \$1 billion to \$800 million of coverage. 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, 2021, 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, 2021.



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

B. CAPITAL ASSETS

Capital assets of the Successor Agency, as of June 30, 2021, 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, 2021.

	<u>Balance</u> <u>June 30, 2020</u>	<u>Payments</u> <u>Adjustments</u>	<u>Balance</u> <u>June 30, 2021</u>	<u>Amounts Due</u> <u>Within One Year</u>
Capital Improvement Revenue Refunding Bonds Series 2012	\$ 12,210,000	\$ (765,000)	\$ 11,445,000	\$ 805,000
2009 Civic Center Project Lease Revenue Bonds	10,640,789	(332,895)	10,307,894	347,368
Total	<u>\$ 22,850,789</u>	<u>\$ (1,097,895)</u>	<u>\$ 21,752,894</u>	<u>\$ 1,152,368</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, 2022. 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 \$14,870,125 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, 2022. 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 \$18,850,010 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
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	1,391,842	1,029,572	2,421,414
2027-2031	8,065,263	3,835,992	11,901,255
2032-2036	4,335,000	1,784,065	6,119,065
2037-2040	3,009,210	474,164	3,483,374
Total Payments Due	\$ 21,752,894	\$ 11,967,241	\$ 33,720,135

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 \$33,720,135 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 2020/21, gross tax increment available to be distributed to the Successor Agency was \$10,513,510, which represents coverage of 425% of the FY 2020/21 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, 2021, 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, 2021, was \$1,488,608, after a total of \$1,127,015 was used as credits or expired and there were no additional amounts added by agreements during FY 2020/21. 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, 2021, 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	\$ 2,719,036
Downtown Alley Rehabilitation - Diablo Way	1,333,310
Pavement Management Program - 2021	226,849
Priority Area 1 Infrastructure Improvements	402,501
Public Art Spaces	166,250
Vineyards at Marsh Creek - Event Center/Amphitheater	315,545
Wastewater Treatment Plant Expansion - Phase II	41,234,406
Water and Wastewater SCADA System	3,479,401
Water Emergency Back-up Generators	1,268,606
Total	<u>\$ 51,145,904</u>

E. SOLAR POWER PURCHASE AGREEMENTS

On December 9, 2014, the City executed three Solar Power Purchase agreements with SolarCity Corporation. The terms of the agreements required SolarCity to construct solar power systems, to be owned and maintained by SolarCity, at three City sites, the Police Department, Wastewater Treatment Plant and Brentwood Family Aquatic Complex. These systems are expected to generate approximately 2.14 million kilowatt hours (kWh) of power per year. 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

NOTE #13 – CONTINGENT LIABILITIES (Continued)

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 twentieth year of the contracts. Early termination by SolarCity would result in payments to the City for the net present value of the excess energy costs that would be incurred over the remaining contract term.

NOTE #14 – SUBSEQUENT EVENTS

On November 2, 2021, the Brentwood Infrastructure Financing Authority issued \$12,324,524 in a direct placement to CN Financing, Inc. (Series 2021A, tax-exempt) and issued \$2,125,967 in a direct placement to City National Bank (Series 2021B, taxable). The proceeds were used to refinance the existing Brentwood Infrastructure Financing Authority Capital Improvement Revenue Refunding Bonds Series 2012. Total annual debt service payments for Series 2021A, including interest at 1.35%, range from \$82,728 to \$1,709,416 through FY 2031/32. Total annual debt service payments for Series 2021B, including interest at 0.63%, range from \$6,660 to \$1,513,712 through FY 2023/24. The savings received by the City as a result of the refinance will be restricted for future capital improvements or debt service.





Budgetary Comparison Schedule, General Fund
For Year Ended June 30, 2021

	Budget Amounts		Actual	Variance
	Original	Final		
REVENUES				
Taxes	\$ 24,352,473	\$ 25,512,576	\$ 26,984,231	\$ 1,471,655
Licenses	583,151	583,151	741,747	158,596
Permits and Fines	4,698,835	4,688,385	5,941,970	1,253,585
Uses of Money and Property	480,431	472,147	399,164	(72,983)
Intergovernmental	5,177,073	5,270,307	5,272,198	1,891
Franchises	1,430,225	1,430,225	1,547,505	117,280
Charges for Other Services	258,308	258,308	186,996	(71,312)
Charges to Other Funds	8,203,196	8,203,196	8,179,116	(24,080)
Fees and Other Revenues	1,403,952	942,138	668,293	(273,845)
Total Revenues	46,587,644	47,360,433	49,921,220	2,560,787
EXPENDITURES				
Current:				
General Government	7,872,086	7,859,328	7,406,375	452,953
Public Safety	27,569,418	27,569,418	25,078,790	2,490,628
Community Development	5,942,757	5,752,138	5,208,917	543,221
Engineering	3,694,505	3,694,505	3,402,200	292,305
Public Works	4,084,076	4,084,076	3,863,868	220,208
Parks and Recreation	7,198,591	6,598,735	5,949,619	649,116
Community Services	770,285	770,285	744,707	25,578
Debt Service:				
Principal	1,548,920	1,548,920	1,548,919	1
Total Expenditures	58,680,638	57,877,405	53,203,395	4,674,010
REVENUES OVER (UNDER) EXPENDITURES	(12,092,994)	(10,516,972)	(3,282,175)	7,234,797
OTHER FINANCING SOURCES (USES)				
Transfers In	13,028,871	13,028,871	8,702,738	(4,326,133)
Transfers Out	(2,601,690)	(3,011,529)	(4,983,954)	(1,972,425)
Total Other Financing Sources (Uses)	10,427,181	10,017,342	3,718,784	(6,298,558)
Net Change in Fund Balances	\$ (1,665,813)	\$ (499,630)	436,609	\$ 936,239
Fund Balance, Beginning of Year			30,589,746	
Fund Balance, End of Year			\$ 31,026,355	



Budgetary Comparison Schedule, Landscape and Lighting Assessment Districts
For Year Ended June 30, 2021

	Budget Amounts		Actual	Variance
	Original	Final		
REVENUES				
Uses of Money and Property	\$ 31,422	\$ 31,422	\$ 14,761	\$ (16,661)
Fees and Other Revenues	9,400,746	9,400,746	9,488,243	87,497
Total Revenues	9,432,168	9,432,168	9,503,004	70,836
EXPENDITURES				
Current:				
Community Services	9,475,509	9,557,689	8,482,784	1,074,905
Total Expenditures	9,475,509	9,557,689	8,482,784	1,074,905
REVENUES OVER (UNDER) EXPENDITURES	(43,341)	(125,521)	1,020,220	1,145,741
OTHER FINANCING SOURCES (USES)				
Transfers In	14,915,366	14,915,366	2,850,793	(12,064,573)
Transfers Out	(14,837,920)	(14,837,920)	(2,794,708)	12,043,212
Total Other Financing Sources (Uses)	77,446	77,446	56,085	(21,361)
Net Change in Fund Balances	\$ 34,105	\$ (48,075)	1,076,305	\$ 1,124,380
Fund Balance, Beginning of Year			6,758,014	
Fund Balance, End of Year			\$ 7,834,319	

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 ⁽¹⁾

Fiscal Year	2017/18	2018/19	2019/20	2020/21
Measurement Date	6/30/2017	6/30/2018	6/30/2019	6/30/2020
Changes in Total OPEB Liability				
Service Cost	\$ 1,629,000	\$ 1,679,380	\$ 1,640,302	\$ 1,481,221
Contributions - employee	-	-	-	-
Interest	3,050,000	3,253,745	3,462,146	3,385,324
Difference between actual and expected experience	-	-	(3,639,364)	-
Assumption changes	-	-	(537,151)	(880,615)
Other changes	-	-	-	-
Benefit payments including refunds	(1,653,000)	(1,759,490)	(1,853,760)	(1,956,140)
Changes of benefit terms	-	-	-	-
Net Changes	3,026,000	3,173,635	(927,827)	2,029,790
Total OPEB Liability (beginning of year)	44,378,000	47,404,000	50,577,635	49,649,808
Total OPEB Liability (end of year)	\$ 47,404,000	\$ 50,577,635	\$ 49,649,808	\$ 51,679,598
Changes in Plan Fiduciary Net Position				
Contributions - employer	\$ 5,708,000	\$ 4,510,871	\$ 4,136,357	\$ 4,221,000
Net investment income	632,000	717,022	784,122	569,190
Benefit payments and refunds	(1,653,000)	(1,759,490)	(1,853,760)	(1,956,140)
Administrative expenses	(3,000)	(17,072)	(7,076)	(12,945)
Net Changes	4,684,000	3,451,331	3,059,643	2,821,105
Plan Fiduciary Net Position (beginning of year)	4,495,000	9,179,000	12,630,331	15,689,974
Plan Fiduciary Net Position (end of year)	\$ 9,179,000	\$ 12,630,331	\$ 15,689,974	\$ 18,511,079
Net OPEB Liability/(Asset)	\$ 38,225,000	\$ 37,947,304	\$ 33,959,834	\$ 33,168,519
Fiduciary Net Position as a percentage of the Total OPEB Liability	19.4%	25.0%	31.6%	35.8%
Covered employee payroll ⁽²⁾⁽³⁾	\$ 29,051,000	\$ 31,002,370	\$ 32,173,000	\$ 34,648,422
Net OPEB Liability as a percentage of covered employee payroll ⁽³⁾	132%	122%	105.6%	95.7%

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

(2) Determined for the 12 month periods ending on June 30, 2017, 2018, 2019, 2020 [measurement date]

(3) OPEB contributions are not based on pay.



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

Fiscal Year	2017/18	2018/19	2019/20	2020/21
Actuarially Determined Contribution (ADC)	\$ 5,306,000	\$ 4,861,000	\$ 4,966,000	\$ 4,303,000
Contributions in relation to the actuarially determined contribution	4,510,000	4,136,357	4,221,000	3,657,000
Contribution deficiency/(excess)	\$ 796,000	\$ 724,643	\$ 745,000	\$ 646,000
Covered employee payroll ⁽²⁾	\$ 31,002,370	\$ 32,173,000	\$ 34,648,422	\$ 35,282,755
Contributions as a percentage of covered employee payroll	15.0%	12.9%	12.2%	10.4%

(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:

Valuation Date	6/30/2015	6/30/2017	6/30/2019	6/30/2019
ADC for Fiscal Year	2017/18	2018/19	2019/20	2020/21
Actuarial Cost Method	Entry Age Normal, Level Percentage of Payroll	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	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	Approximately 15-year fixed period for 2020/21
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	Investment gains and losses spread over 5-year rolling period
Discount Rate	7.25%	6.75%	6.75%	6.75%
General Inflation	3.00%	2.75%	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	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	Projected fully generational with Scale MP-2019



**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 ⁽¹⁾**

Fiscal Year	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Measurement date	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020
Total Pension Liability							
Service Cost	\$ 3,353,880	\$ 3,211,232	\$ 3,290,164	\$ 3,661,191	\$ 3,825,866	\$ 4,046,384	\$ 4,215,396
Interest on Total Pension Liability	6,770,097	7,308,678	7,977,448	8,667,128	8,960,855	9,726,556	10,557,564
Differences Between Expected and Actual Experience	-	(304,364)	1,001,785	450,022	211,977	1,771,866	2,185,887
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)	(4,703,813)
Net Change in Total Pension Liability	7,917,338	5,545,397	9,222,231	17,634,481	4,295,865	11,406,922	12,255,034
Total Pension Liability - Beginning	89,694,331	97,611,669	103,157,066	112,379,297	130,013,778	134,309,643	145,716,565
Total Pension Liability - Ending (a)	<u>\$ 97,611,669</u>	<u>\$ 103,157,066</u>	<u>\$ 112,379,297</u>	<u>\$ 130,013,778</u>	<u>\$ 134,309,643</u>	<u>\$ 145,716,565</u>	<u>\$ 157,971,599</u>
Plan Fiduciary Net Position							
Contributions - Employer ⁽²⁾	\$ 3,057,063	\$ 2,781,741	\$ 3,437,164	\$ 3,478,686	\$ 3,754,584	\$ 13,725,567	\$ 4,002,159
Contributions - Employee	1,024,271	1,314,854	1,370,153	1,462,634	1,582,087	1,703,581	1,780,994
Net Investment Income ⁽³⁾	11,435,505	1,744,327	437,912	9,349,273	7,974,015	7,502,561	6,075,887
Benefit Payments	(2,206,639)	(2,590,999)	(3,047,166)	(3,404,988)	(3,781,586)	(4,137,884)	(4,703,813)
Plan to Plan Resource Movement	-	(32,597)	-	-	(238)	-	(3,307)
Administrative Expense	-	(91,288)	(49,416)	(122,886)	(146,469)	(73,573)	(171,735)
Other Misc Income/Expense ⁽⁴⁾	-	-	-	-	(278,147)	238	-
Net Change in Plan Fiduciary Net Position	13,310,200	3,126,038	2,148,647	10,762,719	9,104,246	18,720,490	6,980,185
Plan Fiduciary Net Position - Beginning	64,646,526	77,956,726	81,082,764	83,231,411	93,994,130	103,098,376	121,818,866
Plan Fiduciary Net Position - Ending (b)	<u>\$ 77,956,726</u>	<u>\$ 81,082,764</u>	<u>\$ 83,231,411</u>	<u>\$ 93,994,130</u>	<u>\$ 103,098,376</u>	<u>\$ 121,818,866</u>	<u>\$ 128,799,051</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 19,654,943</u>	<u>\$ 22,074,302</u>	<u>\$ 29,147,886</u>	<u>\$ 36,019,648</u>	<u>\$ 31,211,267</u>	<u>\$ 23,897,699</u>	<u>\$ 29,172,548</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.86%	78.60%	74.06%	72.30%	76.76%	83.60%	81.53%
Covered Payroll	\$ 16,773,838	\$ 17,716,086	\$ 19,133,306	\$ 20,640,271	\$ 22,031,330	\$ 23,890,915	\$ 23,704,081
Net Pension Liability as Percentage of Covered Payroll	117.18%	124.60%	152.34%	174.51%	141.67%	100.03%	123.07%

(1) FY 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 FY 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 ⁽¹⁾**

Fiscal Year	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Measurement date	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020
Actuarially Determined Contribution (ADC)	\$ 2,786,805	\$ 3,061,100	\$ 3,478,686	\$ 3,754,584	\$ 4,214,219	\$ 4,000,699	\$ 4,261,887
Contributions in Relation to the Actuarially Determined Contributions	<u>(2,786,805)</u>	<u>(3,061,100)</u>	<u>(3,478,686)</u>	<u>(3,754,584)</u>	<u>(13,725,567)</u>	<u>(4,000,699)</u>	<u>(4,261,887)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,511,348)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	<u>\$ 16,773,838</u>	<u>\$ 17,716,086</u>	<u>\$ 19,133,306</u>	<u>\$ 20,640,271</u>	<u>\$ 22,031,330</u>	<u>\$ 23,890,915</u>	<u>\$ 23,704,081</u>
Contributions as a Percentage of Covered Payroll	16.61%	17.28%	18.18%	18.19%	19.13%	16.75%	17.98%

(1) FY 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	6/30/2018
ADC for Fiscal Year	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Actuarial Cost Method	Entry age normal	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	Level percent of payroll
Average Remaining Period	26 years as of the valuation date	N/A	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	Market Value
Inflation	2.750%	2.750%	2.750%	2.750%	2.750%	2.750%	2.625%
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	Varies by Entry Age and Service
Payroll Growth	3.000%	3.000%	3.000%	3.000%	3.000%	3.000%	2.875%
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	7.25%, 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.	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
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.	The probabilities of mortality are based on the 2017 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 ⁽¹⁾**

Fiscal Year	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Measurement Date	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020
Safety Plan							
Proportion of the Net Pension Liability	0.2421%	0.2513%	0.2646%	0.2687%	0.2766%	0.2352%	0.2344%
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	\$ 15,618,436
Covered Payroll	\$ 12,883,348	\$ 5,577,559	\$ 5,274,445	\$ 7,585,314	\$ 8,033,945	\$ 8,269,499	\$ 8,457,701
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%	184.67%
Plan's Fiduciary Net Position	\$ 39,786,396	\$ 44,008,978	\$ 45,031,490	\$ 46,175,307	\$ 56,350,461	\$ 64,421,577	\$ 68,981,562
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	79.82%	78.40%	74.06%	73.31%	75.26%	75.26%	75.10%

(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 ⁽²⁾**

Fiscal Year	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Safety Plan							
Actuarially Determined Contribution (ADC)	\$ 1,801,047	\$ 1,777,004	\$ 1,915,780	\$ 2,126,779	\$ 5,493,690 ⁽³⁾	\$ 3,573,095 ⁽⁴⁾	\$ 2,640,402
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)	(2,640,402)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 5,577,559	\$ 5,274,445	\$ 7,585,314	\$ 8,033,945	\$ 8,269,499	\$ 8,457,701	\$ 8,929,257
Contributions as a Percentage of Covered Payroll	32.29%	33.69%	25.26%	26.47%	66.43%	42.25%	29.57%

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

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

(4) Includes a lump sum pension pay down of \$1,110,683

City of Brentwood

**Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2021**

Special Revenue Funds

	Gas Tax	Disability Access and Education	Police Grants	Other Grants	Economic Development Grant	American Rescue Plan Act of 2021	Citywide Park Assessment District	Community Facilities Districts
ASSETS								
Current Assets:								
Cash and Investments	\$ 1,137,506	\$ 80,221	\$ 376,584	\$ 198,256	\$ 400,556	\$ 3,461,669	\$ 1,111,231	\$ 2,363,577
Restricted Cash and Investments	-	-	-	-	-	-	-	-
Receivables	117,867	13	13,489	1,658,014	67	-	302	582
Prepays	-	-	-	-	-	-	1,469	-
Due from Other Funds	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-
Total Assets	\$ 1,255,373	\$ 80,234	\$ 390,073	\$ 1,856,270	\$ 400,623	\$ 3,461,669	\$ 1,113,002	\$ 2,364,159
LIABILITIES								
Liabilities:								
Accounts Payable and Accrued Liabilities	\$ -	\$ 665	\$ 21,309	\$ 499,445	\$ 67,563	\$ -	\$ 333,061	\$ 3,673
Due to Other Funds	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	3,461,669	-	-
Total Liabilities	-	665	21,309	499,445	67,563	3,461,669	333,061	3,673
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	1,469	-
Restricted	1,255,373	79,569	368,764	1,356,825	333,060	-	-	-
Committed	-	-	-	-	-	-	778,472	2,360,486
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balances	1,255,373	79,569	368,764	1,356,825	333,060	-	779,941	2,360,486
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,255,373	\$ 80,234	\$ 390,073	\$ 1,856,270	\$ 400,623	\$ 3,461,669	\$ 1,113,002	\$ 2,364,159

Continued

City of Brentwood

Combining Balance Sheet
Non-Major Governmental Funds (Continued)
 June 30, 2021

Special Revenue Funds (Continued)

	Roadway Development Impact Fee	Parks and Trails Development Impact Fee	Community Facilities Development Impact Fee	Fire Development Impact Fee	Development Impact Fee Administration	Agriculture Land Administration	Agriculture Land Acquisition	Public Art Administration	Public Art Acquisition
ASSETS									
Current Assets:									
Cash and Investments	\$ 13,836,383	\$ 2,250,017	\$ -	\$ 6,759,503	\$ 404,540	\$ 703,486	\$ 2,551,900	\$ 845,130	\$ 2,622,878
Restricted Cash and Investments	-	-	-	-	-	-	-	-	-
Receivables	2,219	353	-	122	69	119	432	142	2,060
Prepays	-	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-	-
Total Assets	\$ 13,838,602	\$ 2,250,370	\$ -	\$ 6,759,625	\$ 404,609	\$ 703,605	\$ 2,552,332	\$ 845,272	\$ 2,624,938
LIABILITIES									
Liabilities:									
Accounts Payable and Accrued Liabilities	\$ 7,554	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	223,414	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-
Total Liabilities	7,554	-	223,414	-	-	-	-	-	-
FUND BALANCES									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	13,831,048	2,250,370	-	6,759,625	404,609	703,605	2,552,332	845,272	2,624,938
Committed	-	-	-	-	-	-	-	-	-
Unassigned	-	-	(223,414)	-	-	-	-	-	-
Total Fund Balances	13,831,048	2,250,370	(223,414)	6,759,625	404,609	703,605	2,552,332	845,272	2,624,938
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 13,838,602	\$ 2,250,370	\$ -	\$ 6,759,625	\$ 404,609	\$ 703,605	\$ 2,552,332	\$ 845,272	\$ 2,624,938

Continued

City of Brentwood

Combining Balance Sheet
Non-Major Governmental Funds (Continued)
 June 30, 2021

	Special Revenue Funds (Continued)							Permanent Fund
	Parking In-Lieu	Asset Forfeiture	Abandoned Vehicle Abatement	PEG Media	Parks Advertising	Measure J	City Low Income Housing	Riparian Mitigation Site Maintenance
ASSETS								
Current Assets:								
Cash and Investments	\$ 438	\$ 183,294	\$ 97,668	\$ 927,802	\$ 27,515	\$ 2,002,131	\$ 15,935	\$ 83,357
Restricted Cash and Investments	-	-	-	-	-	-	-	-
Receivables	-	30	7,425	157	4	246	3	14
Prepays	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	1,040,359	-
Total Assets	\$ 438	\$ 183,324	\$ 105,093	\$ 927,959	\$ 27,519	\$ 2,002,377	\$ 1,056,297	\$ 83,371
LIABILITIES								
Liabilities:								
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-	-	-
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	80,000
Restricted	438	183,324	105,093	927,959	-	2,002,377	1,056,297	3,371
Committed	-	-	-	-	27,519	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balances	438	183,324	105,093	927,959	27,519	2,002,377	1,056,297	83,371
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 438	\$ 183,324	\$ 105,093	\$ 927,959	\$ 27,519	\$ 2,002,377	\$ 1,056,297	\$ 83,371

Continued

City of Brentwood

**Combining Balance Sheet
Non-Major Governmental Funds (Continued)
June 30, 2021**

	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
ASSETS								
Current Assets:								
Cash and Investments	\$ 17,359	\$ 70,972	\$ 9,139	\$ -	\$ 12,469,355	\$ 8,946,585	\$ 700,599	\$ -
Restricted Cash and Investments	1,433,101	-	4,664	-	-	-	-	1,668,467
Receivables	11,445,003	71	10,307,895	-	2,087	2,558	117	-
Prepays	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	223,414	-	-
Land Held for Resale	-	-	-	-	-	-	-	-
Total Assets	\$ 12,895,463	\$ 71,043	\$ 10,321,698	\$ -	\$ 12,471,442	\$ 9,172,557	\$ 700,716	\$ 1,668,467
LIABILITIES								
Liabilities:								
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ 922,689	\$ 151,431	\$ 28,154	\$ -
Due to Other Funds	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	922,689	151,431	28,154	-
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	12,895,463	71,043	10,321,698	-	11,548,753	9,021,126	672,562	1,668,467
Committed	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balances	12,895,463	71,043	10,321,698	-	11,548,753	9,021,126	672,562	1,668,467
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 12,895,463	\$ 71,043	\$ 10,321,698	\$ -	\$ 12,471,442	\$ 9,172,557	\$ 700,716	\$ 1,668,467

Continued

City of Brentwood

**Combining Balance Sheet
Non-Major Governmental Funds (Continued)
June 30, 2021**

Capital Project Funds (Continued)

	Capital Improvement Financing Program 2005-1	2015 Lease Financing Acquisition	Civic Center Capital Improvement Financing Program	City Capital Improvement Financing Program	Capital Infrastructure	Vineyards Projects	Vineyards Event Center Projects	Total Non- Major Governmental Funds
ASSETS								
Current Assets:								
Cash and Investments	\$ -	\$ 608,271	\$ 36,677	\$ 588,141	\$ 2,105,512	\$ 700,878	\$ 31,058	\$ 68,726,123
Restricted Cash and Investments	1,755,873	-	-	-	-	-	-	4,862,105
Receivables	-	-	8	179	366	140	-	23,562,153
Prepays	-	-	-	-	-	-	-	1,469
Due from Other Funds	-	-	-	-	-	-	-	223,414
Land Held for Resale	-	-	-	-	-	-	-	1,040,359
Total Assets	\$ 1,755,873	\$ 608,271	\$ 36,685	\$ 588,320	\$ 2,105,878	\$ 701,018	\$ 31,058	\$ 98,415,623
LIABILITIES								
Liabilities:								
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ 14,917	\$ -	\$ -	\$ 2,050,461
Due to Other Funds	-	-	-	-	-	-	-	223,414
Unearned Revenue	-	-	-	-	-	-	-	3,461,669
Total Liabilities	-	-	-	-	14,917	-	-	5,735,544
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	81,469
Restricted	1,755,873	608,271	36,685	588,320	2,090,961	701,018	31,058	89,655,547
Committed	-	-	-	-	-	-	-	3,166,477
Unassigned	-	-	-	-	-	-	-	(223,414)
Total Fund Balances	1,755,873	608,271	36,685	588,320	2,090,961	701,018	31,058	92,680,079
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,755,873	\$ 608,271	\$ 36,685	\$ 588,320	\$ 2,105,878	\$ 701,018	\$ 31,058	\$ 98,415,623

City of Brentwood

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For Year Ended June 30, 2021**

Special Revenue Funds

	Gas Tax	Disability Access and Education	Police Grants	Other Grants	Economic Development Grant	American Rescue Plan Act of 2021	Citywide Park Assessment District	Community Facilities Districts
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,858,865
Licenses	-	-	-	-	185,437	-	-	-
Uses of Money and Property	2,882	151	840	1,214	826	-	1,132	4,782
Intergovernmental	2,624,107	-	223,136	3,672,479	-	-	11,846	-
Charges for Other Services	-	-	-	-	-	-	544	-
Fees and Other Revenues	-	23,253	-	-	-	-	3,192,250	-
Total Revenues	2,626,989	23,404	223,976	3,673,693	186,263	-	3,205,772	6,863,647
EXPENDITURES								
Current:								
General Government	1,644	-	-	1,438,069	-	-	-	-
Public Safety	-	-	165,438	-	-	-	-	-
Community Development	-	2,880	-	-	161,807	-	-	-
Parks and Recreation	-	-	-	-	-	-	5,615,381	-
Community Services	-	-	-	-	-	-	-	33,253
Capital Outlay	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Total Expenditures	1,644	2,880	165,438	1,438,069	161,807	-	5,615,381	33,253
REVENUES OVER (UNDER) EXPENDITURES	2,625,345	20,524	58,538	2,235,624	24,456	-	(2,409,609)	6,830,394
OTHER FINANCING SOURCES (USES)								
Transfers In	971,546	-	-	-	-	-	2,794,708	520,760
Transfers Out	(3,114,770)	-	-	(1,380,278)	-	-	-	(7,336,855)
Total Other Financing Sources (Uses)	(2,143,224)	-	-	(1,380,278)	-	-	2,794,708	(6,816,095)
Net Change in Fund Balances	482,121	20,524	58,538	855,346	24,456	-	385,099	14,299
Fund Balance, Beginning of Year	773,252	59,045	310,226	501,479	308,604	-	394,842	2,346,187
Fund Balance, End of Year	\$ 1,255,373	\$ 79,569	\$ 368,764	\$ 1,356,825	\$ 333,060	\$ -	\$ 779,941	\$ 2,360,486

Continued

City of Brentwood

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
For Year Ended June 30, 2021**

Special Revenue Funds (Continued)

	Roadway Development Impact Fee	Parks and Trails Development Impact Fee	Community Facilities Development Impact Fee	Fire Development Impact Fee	Development Impact Fee Administration	Agriculture Land Administration	Agriculture Land Acquisition	Public Art Administration	Public Art Acquisition
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses	-	-	-	-	-	-	-	-	-
Uses of Money and Property	22,083	3,524	-	1,477	854	1,544	5,225	1,809	5,633
Intergovernmental	-	-	-	-	-	-	-	-	-
Charges for Other Services	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	5,600,760	1,915,751	418,454	52,843	394,130	72,182	437,029	52,801	175,429
Total Revenues	5,622,843	1,919,275	418,454	54,320	394,984	73,726	442,254	54,610	181,062
EXPENDITURES									
Current:									
General Government	574,392	-	54,486	11,447	426,458	38,911	15,183	766	17,257
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	1,198,890	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Total Expenditures	574,392	1,198,890	54,486	11,447	426,458	38,911	15,183	766	17,257
REVENUES OVER (UNDER) EXPENDITURES	5,048,451	720,385	363,968	42,873	(31,474)	34,815	427,071	53,844	163,805
OTHER FINANCING SOURCES (USES)									
Transfers In	928,054	88	520	13,617	-	-	-	158	637
Transfers Out	(409,270)	-	(153,694)	(6,725)	-	-	-	-	(261)
Total Other Financing Sources (Uses)	518,784	88	(153,174)	6,892	-	-	-	158	376
Net Change in Fund Balances	5,567,235	720,473	210,794	49,765	(31,474)	34,815	427,071	54,002	164,181
Fund Balance, Beginning of Year	8,263,813	1,529,897	(434,208)	6,709,860	436,083	668,790	2,125,261	791,270	2,460,757
Fund Balance, End of Year	\$ 13,831,048	\$ 2,250,370	\$ (223,414)	\$ 6,759,625	\$ 404,609	\$ 703,605	\$ 2,552,332	\$ 845,272	\$ 2,624,938

Continued

City of Brentwood

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
For Year Ended June 30, 2021**

	Special Revenue Funds (Continued)							Permanent Fund
	Parking In-Lieu	Asset Forfeiture	Abandoned Vehicle Abatement	PEG Media	Parks Advertising	Measure J	City Low Income Housing	Riparian Mitigation Site Maintenance
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses	-	-	-	-	-	-	-	-
Uses of Money and Property	1	327	193	2,065	69	3,305	36	189
Intergovernmental	-	-	-	-	-	1,013,619	-	-
Charges for Other Services	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	41,670	35,984	-	-	-	-	-
Total Revenues	1	41,997	36,177	2,065	69	1,016,924	36	189
EXPENDITURES								
Current:								
General Government	-	129	-	802	-	8,067	14	-
Public Safety	-	-	77	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	6,059	-	-	73
Community Services	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Total Expenditures	-	129	77	802	6,059	8,067	14	73
REVENUES OVER (UNDER) EXPENDITURES	1	41,868	36,100	1,263	(5,990)	1,008,857	22	116
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	442	-	-
Transfers Out	-	-	-	-	-	(350,000)	-	(1,535)
Total Other Financing Sources (Uses)	-	-	-	-	-	(349,558)	-	(1,535)
Net Change in Fund Balances	1	41,868	36,100	1,263	(5,990)	659,299	22	(1,419)
Fund Balance, Beginning of Year	437	141,456	68,993	926,696	33,509	1,343,078	1,056,275	84,790
Fund Balance, End of Year	\$ 438	\$ 183,324	\$ 105,093	\$ 927,959	\$ 27,519	\$ 2,002,377	\$ 1,056,297	\$ 83,371

Continued

City of Brentwood

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
For Year Ended June 30, 2021**

	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
REVENUES								
Taxes	\$ -	\$ 553,777	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses	-	-	-	-	-	-	-	-
Uses of Money and Property	76,446	522	16	-	27,177	35,884	2,157	183
Intergovernmental	592,810	-	781,336	-	-	-	-	-
Charges for Other Services	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	-	-	-	-	-
Total Revenues	669,256	554,299	781,352	-	27,177	35,884	2,157	183
EXPENDITURES								
Current:								
General Government	-	-	-	-	939,167	225,711	-	-
Public Safety	-	-	-	-	-	-	-	-
Community Development	77,309	5,269	9,854	4,275	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	592,564	393,541	58,308	-
Principal	1,130,000	570,000	1,235,000	480,000	-	-	-	-
Interest and Fiscal Charges	785,550	-	1,429,300	311,675	-	-	-	-
Total Expenditures	1,992,859	575,269	2,674,154	795,950	1,531,731	619,252	58,308	-
REVENUES OVER (UNDER) EXPENDITURES	(1,323,603)	(20,970)	(1,892,802)	(795,950)	(1,504,554)	(583,368)	(56,151)	183
OTHER FINANCING SOURCES (USES)								
Transfers In	615,952	-	2,080,683	795,950	4,038,511	4,353,975	1,515,695	-
Transfers Out	(89,852)	-	(520,760)	-	(2,234,568)	(944,155)	(718,406)	-
Total Other Financing Sources (Uses)	526,100	-	1,559,923	795,950	1,803,943	3,409,820	797,289	-
Net Change in Fund Balances	(797,503)	(20,970)	(332,879)	-	299,389	2,826,452	741,138	183
Fund Balance, Beginning of Year	13,692,966	92,013	10,654,577	-	11,249,364	6,194,674	(68,576)	1,668,284
Fund Balance, End of Year	\$ 12,895,463	\$ 71,043	\$ 10,321,698	\$ -	\$ 11,548,753	\$ 9,021,126	\$ 672,562	\$ 1,668,467

Continued

City of Brentwood

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
For Year Ended June 30, 2021**

Capital Project Funds (Continued)

	Capital Improvement Financing Program 2005-1	2015 Lease Financing Acquisition	Civic Center Capital Improvement Financing Program	City Capital Improvement Financing Program	Capital Infrastructure	Vineyards Projects	Vineyards Event Center Projects	Total Non- Major Governmental Funds
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,412,642
Licenses	-	-	-	-	-	-	-	185,437
Uses of Money and Property	193	-	446	1,515	4,876	1,471	-	211,047
Intergovernmental	-	-	-	-	-	-	-	8,919,333
Charges for Other Services	-	-	-	-	-	-	-	544
Fees and Other Revenues	-	-	1,177,414	480,836	-	180,754	-	14,251,540
Total Revenues	193	-	1,177,860	482,351	4,876	182,225	-	30,980,543
EXPENDITURES								
Current:								
General Government	-	-	185	949	129,899	7,528	-	3,891,064
Public Safety	-	-	-	-	-	-	-	165,515
Community Development	-	-	-	-	-	-	-	261,394
Parks and Recreation	-	-	-	-	-	-	-	6,820,403
Community Services	-	-	-	-	-	-	-	33,253
Capital Outlay	-	-	-	-	-	-	-	1,044,413
Principal	-	-	-	-	-	-	-	3,415,000
Interest and Fiscal Charges	-	-	-	-	-	-	-	2,526,525
Total Expenditures	-	-	185	949	129,899	7,528	-	18,157,567
REVENUES OVER (UNDER) EXPENDITURES	193	-	1,177,675	481,402	(125,023)	174,697	-	12,822,976
OTHER FINANCING SOURCES (USES)								
Transfers In	-	608,271	-	1,076	8,933	17,871	-	19,267,447
Transfers Out	-	-	(1,182,671)	(536,513)	(1,593,500)	(4,100,000)	(200,000)	(24,873,813)
Total Other Financing Sources (Uses)	-	608,271	(1,182,671)	(535,437)	(1,584,567)	(4,082,129)	(200,000)	(5,606,366)
Net Change in Fund Balances	193	608,271	(4,996)	(54,035)	(1,709,590)	(3,907,432)	(200,000)	7,216,610
Fund Balance, Beginning of Year	1,755,680	-	41,681	642,355	3,800,551	4,608,450	231,058	85,463,469
Fund Balance, End of Year	\$ 1,755,873	\$ 608,271	\$ 36,685	\$ 588,320	\$ 2,090,961	\$ 701,018	\$ 31,058	\$ 92,680,079

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, 2021**

	Special Revenue Funds								
	Gas Tax			Disability Access and Education			Police Grants		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses	-	-	-	-	-	-	-	-	-
Uses of Money and Property	7,251	2,882	(4,369)	196	151	(45)	1,370	840	(530)
Intergovernmental	2,565,896	2,624,107	58,211	-	-	-	256,000	223,136	(32,864)
Charges for Other Services	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	-	23,253	23,253	-	-	-
Total Revenues	2,573,147	2,626,989	53,842	196	23,404	23,208	257,370	223,976	(33,394)
EXPENDITURES									
Current:									
General Government	1,645	1,644	1	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	281,270	165,438	115,832
Community Development	-	-	-	19,950	2,880	17,070	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Total Expenditures	1,645	1,644	1	19,950	2,880	17,070	281,270	165,438	115,832
REVENUES OVER (UNDER) EXPENDITURES	2,571,502	2,625,345	53,843	(19,754)	20,524	40,278	(23,900)	58,538	82,438
OTHER FINANCING SOURCES (USES)									
Transfers In	-	971,546	971,546	-	-	-	-	-	-
Transfers Out	(3,466,975)	(3,114,770)	352,205	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(3,466,975)	(2,143,224)	1,323,751	-	-	-	-	-	-
Net Change in Fund Balances	\$ (895,473)	482,121	\$ 1,377,594	\$ (19,754)	20,524	\$ 40,278	\$ (23,900)	58,538	\$ 82,438
Fund Balance, Beginning of Year		773,252			59,045			310,226	
Fund Balance, End of Year		\$ 1,255,373			\$ 79,569			\$ 368,764	

Continued

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Budgeted Non-Major Governmental Funds (Continued)
 For Year Ended June 30, 2021

	Special Revenue Funds (Continued)								
	Other Grants			Economic Development Grant			American Rescue Plan Act of 2021		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses	-	-	-	137,455	185,437	47,982	-	-	-
Uses of Money and Property	50	1,214	1,164	1,478	826	(652)	-	-	-
Intergovernmental	4,129,671	3,672,479	(457,192)	-	-	-	-	-	-
Charges for Other Services	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	-	-	-	-	-	-
Total Revenues	4,129,721	3,673,693	(456,028)	138,933	186,263	47,330	-	-	-
EXPENDITURES									
Current:									
General Government	1,829,868	1,438,069	391,799	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	281,291	161,807	119,484	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Total Expenditures	1,829,868	1,438,069	391,799	281,291	161,807	119,484	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	2,299,853	2,235,624	(64,229)	(142,358)	24,456	166,814	-	-	-
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	(2,644,814)	(1,380,278)	1,264,536	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(2,644,814)	(1,380,278)	1,264,536	-	-	-	-	-	-
Net Change in Fund Balances	\$ (344,961)	855,346	\$ 1,200,307	\$ (142,358)	24,456	\$ 166,814	\$ -	-	\$ -
Fund Balance, Beginning of Year		501,479			308,604			-	
Fund Balance, End of Year		\$ 1,356,825			\$ 333,060			\$ -	

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, 2021**

	Special Revenue Funds (Continued)								
	Citywide Park Assessment District			Community Facilities Districts			Roadway Development Impact Fee		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ 6,874,711	\$ 6,858,865	\$ (15,846)	\$ -	\$ -	\$ -
Licenses	-	-	-	-	-	-	-	-	-
Uses of Money and Property	1,882	1,132	(750)	2,606	4,782	2,176	37,233	22,083	(15,150)
Intergovernmental	-	11,846	11,846	-	-	-	-	-	-
Charges for Other Services	-	544	544	-	-	-	-	-	-
Fees and Other Revenues	2,717,436	3,192,250	474,814	-	-	-	2,656,672	5,600,760	2,944,088
Total Revenues	<u>2,719,318</u>	<u>3,205,772</u>	<u>486,454</u>	<u>6,877,317</u>	<u>6,863,647</u>	<u>(13,670)</u>	<u>2,693,905</u>	<u>5,622,843</u>	<u>2,928,938</u>
EXPENDITURES									
Current:									
General Government	-	-	-	-	-	-	669,892	574,392	95,500
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	5,729,470	5,615,381	114,089	-	-	-	-	-	-
Community Services	-	-	-	58,001	33,253	24,748	-	-	-
Total Expenditures	<u>5,729,470</u>	<u>5,615,381</u>	<u>114,089</u>	<u>58,001</u>	<u>33,253</u>	<u>24,748</u>	<u>669,892</u>	<u>574,392</u>	<u>95,500</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(3,010,152)</u>	<u>(2,409,609)</u>	<u>600,543</u>	<u>6,819,316</u>	<u>6,830,394</u>	<u>11,078</u>	<u>2,024,013</u>	<u>5,048,451</u>	<u>3,024,438</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	2,797,669	2,794,708	(2,961)	520,761	520,760	(1)	17,781	928,054	910,273
Transfers Out	-	-	-	(7,960,208)	(7,336,855)	623,353	(409,349)	(409,270)	79
Total Other Financing Sources (Uses)	<u>2,797,669</u>	<u>2,794,708</u>	<u>(2,961)</u>	<u>(7,439,447)</u>	<u>(6,816,095)</u>	<u>623,352</u>	<u>(391,568)</u>	<u>518,784</u>	<u>910,352</u>
Net Change in Fund Balances	<u>\$ (212,483)</u>	<u>385,099</u>	<u>\$ 597,582</u>	<u>\$ (620,131)</u>	<u>14,299</u>	<u>\$ 634,430</u>	<u>\$ 1,632,445</u>	<u>5,567,235</u>	<u>\$ 3,934,790</u>
Fund Balance, Beginning of Year		<u>394,842</u>			<u>2,346,187</u>			<u>8,263,813</u>	
Fund Balance, End of Year		<u>\$ 779,941</u>			<u>\$ 2,360,486</u>			<u>\$ 13,831,048</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, 2021**

	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
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses	-	-	-	-	-	-	-	-	-
Uses of Money and Property	9,587	3,524	(6,063)	50	-	(50)	18,774	1,477	(17,297)
Intergovernmental	-	-	-	-	-	-	-	-	-
Charges for Other Services	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	964,937	1,915,751	950,814	452,447	418,454	(33,993)	459,101	52,843	(406,258)
Total Revenues	974,524	1,919,275	944,751	452,497	418,454	(34,043)	477,875	54,320	(423,555)
EXPENDITURES									
Current:									
General Government	-	-	-	68,858	54,486	14,372	11,447	11,447	-
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	1,232,925	1,198,890	34,035	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Total Expenditures	1,232,925	1,198,890	34,035	68,858	54,486	14,372	11,447	11,447	-
REVENUES OVER (UNDER) EXPENDITURES	(258,401)	720,385	978,786	383,639	363,968	(19,671)	466,428	42,873	(423,555)
OTHER FINANCING SOURCES (USES)									
Transfers In	-	88	88	-	520	520	-	13,617	13,617
Transfers Out	-	-	-	(153,694)	(153,694)	-	(6,132,580)	(6,725)	6,125,855
Total Other Financing Sources (Uses)	-	88	88	(153,694)	(153,174)	520	(6,132,580)	6,892	6,139,472
Net Change in Fund Balances	\$ (258,401)	720,473	\$ 978,874	\$ 229,945	210,794	\$ (19,151)	\$ (5,666,152)	49,765	\$ 5,715,917
Fund Balance, Beginning of Year		1,529,897			(434,208)			6,709,860	
Fund Balance, End of Year		\$ 2,250,370			\$ (223,414)			\$ 6,759,625	

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, 2021**

	Special Revenue Funds (Continued)								
	Development Impact Fee Administration			Agriculture Land Administration			Agriculture Land Acquisition		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses	-	-	-	-	-	-	-	-	-
Uses of Money and Property	1,403	854	(549)	3,205	1,544	(1,661)	8,617	5,225	(3,392)
Intergovernmental	-	-	-	-	-	-	-	-	-
Charges for Other Services	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	375,846	394,130	18,284	-	72,182	72,182	-	437,029	437,029
Total Revenues	377,249	394,984	17,735	3,205	73,726	70,521	8,617	442,254	433,637
EXPENDITURES									
Current:									
General Government	426,458	426,458	-	49,940	38,911	11,029	34,876	15,183	19,693
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Total Expenditures	426,458	426,458	-	49,940	38,911	11,029	34,876	15,183	19,693
REVENUES OVER (UNDER) EXPENDITURES	(49,209)	(31,474)	17,735	(46,735)	34,815	81,550	(26,259)	427,071	453,330
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	\$ (49,209)	(31,474)	\$ 17,735	\$ (46,735)	34,815	\$ 81,550	\$ (26,259)	427,071	\$ 453,330
Fund Balance, Beginning of Year		436,083			668,790			2,125,261	
Fund Balance, End of Year		\$ 404,609			\$ 703,605			\$ 2,552,332	

Continued

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Budgeted Non-Major Governmental Funds (Continued)
 For Year Ended June 30, 2021

	Special Revenue Funds (Continued)								
	Public Art Administration			Public Art Acquisition			Parking In-Lieu		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses	-	-	-	-	-	-	-	-	-
Uses of Money and Property	3,037	1,809	(1,228)	9,686	5,633	(4,053)	50	1	(49)
Intergovernmental	-	-	-	-	-	-	-	-	-
Charges for Other Services	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	52,801	52,801	-	175,429	175,429	-	-	-
Total Revenues	<u>3,037</u>	<u>54,610</u>	<u>51,573</u>	<u>9,686</u>	<u>181,062</u>	<u>171,376</u>	<u>50</u>	<u>1</u>	<u>(49)</u>
EXPENDITURES									
Current:									
General Government	767	766	1	19,418	17,257	2,161	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>767</u>	<u>766</u>	<u>1</u>	<u>19,418</u>	<u>17,257</u>	<u>2,161</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>2,270</u>	<u>53,844</u>	<u>51,574</u>	<u>(9,732)</u>	<u>163,805</u>	<u>173,537</u>	<u>50</u>	<u>1</u>	<u>(49)</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	128	158	30	509	637	128	-	-	-
Transfers Out	-	-	-	(659)	(261)	398	-	-	-
Total Other Financing Sources (Uses)	<u>128</u>	<u>158</u>	<u>30</u>	<u>(150)</u>	<u>376</u>	<u>526</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 2,398</u>	<u>54,002</u>	<u>\$ 51,604</u>	<u>\$ (9,882)</u>	<u>164,181</u>	<u>\$ 174,063</u>	<u>\$ 50</u>	<u>1</u>	<u>\$ (49)</u>
Fund Balance, Beginning of Year		791,270			2,460,757			437	
Fund Balance, End of Year		<u>\$ 845,272</u>			<u>\$ 2,624,938</u>			<u>\$ 438</u>	

Continued

**Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Budgeted Non-Major Governmental Funds (Continued)
For Year Ended June 30, 2021**

	Special Revenue Funds (Continued)								
	Asset Forfeiture			Abandoned Vehicle Abatement			PEG Media		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses	-	-	-	-	-	-	-	-	-
Uses of Money and Property	1,000	327	(673)	135	193	58	4,258	2,065	(2,193)
Intergovernmental	-	-	-	-	-	-	-	-	-
Charges for Other Services	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	41,670	41,670	40,000	35,984	(4,016)	-	-	-
Total Revenues	1,000	41,997	40,997	40,135	36,177	(3,958)	4,258	2,065	(2,193)
EXPENDITURES									
Current:									
General Government	203	129	74	-	-	-	5,878	802	5,076
Public Safety	-	-	-	77	77	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Total Expenditures	203	129	74	77	77	-	5,878	802	5,076
REVENUES OVER (UNDER) EXPENDITURES	797	41,868	41,071	40,058	36,100	(3,958)	(1,620)	1,263	2,883
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	(30,000)	-	30,000	-	-	-
Total Other Financing Sources (Uses)	-	-	-	(30,000)	-	30,000	-	-	-
Net Change in Fund Balances	\$ 797	41,868	\$ 41,071	\$ 10,058	36,100	\$ 26,042	\$ (1,620)	1,263	\$ 2,883
Fund Balance, Beginning of Year		141,456			68,993			926,696	
Fund Balance, End of Year		\$ 183,324			\$ 105,093			\$ 927,959	

Continued

**Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Budgeted Non-Major Governmental Funds (Continued)
For Year Ended June 30, 2021**

	Special Revenue Funds (Continued)								
	Parks Advertising			Measure J			City Low Income Housing		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses	-	-	-	-	-	-	-	-	-
Uses of Money and Property	244	69	(175)	260	3,305	3,045	74	36	(38)
Intergovernmental	-	-	-	934,100	1,013,619	79,519	-	-	-
Charges for Other Services	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	1,000	-	(1,000)	-	-	-	-	-	-
Total Revenues	<u>1,244</u>	<u>69</u>	<u>(1,175)</u>	<u>934,360</u>	<u>1,016,924</u>	<u>82,564</u>	<u>74</u>	<u>36</u>	<u>(38)</u>
EXPENDITURES									
Current:									
General Government	-	-	-	8,950	8,067	883	50	14	36
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	9,835	6,059	3,776	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>9,835</u>	<u>6,059</u>	<u>3,776</u>	<u>8,950</u>	<u>8,067</u>	<u>883</u>	<u>50</u>	<u>14</u>	<u>36</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(8,591)</u>	<u>(5,990)</u>	<u>2,601</u>	<u>925,410</u>	<u>1,008,857</u>	<u>83,447</u>	<u>24</u>	<u>22</u>	<u>(2)</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	442	442	-	-	-
Transfers Out	-	-	-	(900,000)	(350,000)	550,000	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(900,000)</u>	<u>(349,558)</u>	<u>550,442</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (8,591)</u>	<u>(5,990)</u>	<u>\$ 2,601</u>	<u>\$ 25,410</u>	<u>659,299</u>	<u>\$ 633,889</u>	<u>\$ 24</u>	<u>22</u>	<u>\$ (2)</u>
Fund Balance, Beginning of Year		<u>33,509</u>			<u>1,343,078</u>			<u>1,056,275</u>	
Fund Balance, End of Year		<u>\$ 27,519</u>			<u>\$ 2,002,377</u>			<u>\$ 1,056,297</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, 2021

	Permanent Fund			Capital Project Funds								
	Riparian Mitigation Site Maintenance			2015 Lease Financing Acquisition			Civic Center Capital Improvement Financing Program			City Capital Improvement Financing Program		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES												
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses	-	-	-	-	-	-	-	-	-	-	-	-
Uses of Money and Property	600	189	(411)	-	-	-	601	446	(155)	1,082	1,515	433
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-
Charges for Other Services	-	-	-	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	-	-	-	1,176,966	1,177,414	448	478,489	480,836	2,347
Total Revenues	600	189	(411)	-	-	-	1,177,567	1,177,860	293	479,571	482,351	2,780
EXPENDITURES												
Current:												
General Government	-	-	-	-	-	-	185	185	-	950	949	1
Public Safety	-	-	-	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-	-	-	-
Parks and Recreation	90	73	17	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	90	73	17	-	-	-	185	185	-	950	949	1
REVENUES OVER (UNDER) EXPENDITURES	510	116	(394)	-	-	-	1,177,382	1,177,675	293	478,621	481,402	2,781
OTHER FINANCING SOURCES (USES)												
Transfers In	-	-	-	-	608,271	608,271	-	-	-	326,866	1,076	(325,790)
Transfers Out	(1,535)	(1,535)	-	-	-	-	(1,183,728)	(1,182,671)	1,057	(537,888)	(536,513)	1,375
Total Other Financing Sources (Uses)	(1,535)	(1,535)	-	-	608,271	608,271	(1,183,728)	(1,182,671)	1,057	(211,022)	(535,437)	(324,415)
Net Change in Fund Balances	\$ (1,025)	(1,419)	\$ (394)	\$ -	608,271	\$ 608,271	\$ (6,346)	(4,996)	\$ 1,350	\$ 267,599	(54,035)	\$ (321,634)
Fund Balance, Beginning of Year		84,790			-			41,681			642,355	
Fund Balance, End of Year		\$ 83,371			\$ 608,271			\$ 36,685			\$ 588,320	

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, 2021

	Capital Project Funds (Continued)								
	Capital Infrastructure			Vineyards Projects			Vineyards Event Center Projects		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses	-	-	-	-	-	-	-	-	-
Uses of Money and Property	13,213	4,876	(8,337)	30,171	1,471	(28,700)	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Charges for Other Services	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	146,825	180,754	33,929	-	-	-
Total Revenues	13,213	4,876	(8,337)	176,996	182,225	5,229	-	-	-
EXPENDITURES									
Current:									
General Government	132,851	129,899	2,952	7,529	7,528	1	515	-	515
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Total Expenditures	132,851	129,899	2,952	7,529	7,528	1	515	-	515
REVENUES OVER (UNDER) EXPENDITURES	(119,638)	(125,023)	(5,385)	169,467	174,697	5,230	(515)	-	515
OTHER FINANCING SOURCES (USES)									
Transfers In	25,950	8,933	(17,017)	-	17,871	17,871	-	-	-
Transfers Out	(1,593,500)	(1,593,500)	-	(4,100,000)	(4,100,000)	-	(200,000)	(200,000)	-
Total Other Financing Sources (Uses)	(1,567,550)	(1,584,567)	(17,017)	(4,100,000)	(4,082,129)	17,871	(200,000)	(200,000)	-
Net Change in Fund Balances	\$ (1,687,188)	(1,709,590)	\$ (22,402)	\$ (3,930,533)	(3,907,432)	\$ 23,101	\$ (200,515)	(200,000)	\$ 515
Fund Balance, Beginning of Year		3,800,551			4,608,450			231,058	
Fund Balance, End of Year		\$ 2,090,961			\$ 701,018			\$ 31,058	

City of Brentwood

Combining Statement of Net Position

All Internal Service Funds

June 30, 2021

	Information Services	Vehicle and Equipment Replacement	Information Systems Replacement	Facilities Replacement	Tuition
ASSETS					
Current Assets:					
Cash and Investments	\$ 1,646,962	\$ 10,204,261	\$ 3,725,367	\$ 8,124,157	\$ 94,622
Receivables, Net of Allowance for Doubtful Accounts	19,855	196,540	617	1,374	16
Inventories	-	-	-	-	-
Prepays	19,646	-	-	-	-
Total Current Assets	1,686,463	10,400,801	3,725,984	8,125,531	94,638
Capital Assets:					
Depreciable	-	19,348,674	-	-	-
Less: Accumulated Depreciation and Amortization	-	(12,603,762)	-	-	-
Total Capital Assets, Net of Accumulated Depreciation and Amortization	-	6,744,912	-	-	-
Total Non-Current Assets	-	6,744,912	-	-	-
Total Assets	1,686,463	17,145,713	3,725,984	8,125,531	94,638
DEFERRED OUTFLOWS OF RESOURCES					
Related to OPEB	145,422	-	-	-	-
Related to Pensions	457,893	-	-	-	-
Total Deferred Outflows of Resources	603,315	-	-	-	-
LIABILITIES					
Current Liabilities:					
Accounts Payable and Accrued Liabilities	108,087	236,973	6,397	-	9,624
Compensated Absences Payable	74,150	-	-	-	-
Total Current Liabilities	182,237	236,973	6,397	-	9,624
Non-Current Liabilities Due in More Than One Year:					
Net OPEB Liability	1,368,824	-	-	-	-
Net Pension Liability	1,572,400	-	-	-	-
Compensated Absences Payable	49,433	-	-	-	-
Total Non-Current Liabilities	2,990,657	-	-	-	-
Total Liabilities	3,172,894	236,973	6,397	-	9,624
DEFERRED INFLOWS OF RESOURCES					
Related to OPEB	141,252	-	-	-	-
Related to Pensions	88,418	-	-	-	-
Total Deferred Inflows of Resources	229,670	-	-	-	-
NET POSITION					
Net Investment in Capital Assets and Capacity Rights Unrestricted	- (1,112,786)	6,744,912 10,163,828	- 3,719,587	- 8,125,531	- 85,014
Total Net Position	\$ (1,112,786)	\$ 16,908,740	\$ 3,719,587	\$ 8,125,531	\$ 85,014

Continued

City of Brentwood

Combining Statement of Net Position

All Internal Service Funds (Continued)

June 30, 2021

	Fleet Maintenance Services	Facilities Maintenance Services	Parks and LLAD Replacement	Insurance	Pension/Other Post-Employment Benefits Obligation	Totals
ASSETS						
Current Assets:						
Cash and Investments	\$ 332,078	\$ 1,519,881	\$ 24,278,755	\$ 674,887	\$ 18,676,182	\$ 69,277,152
Receivables, Net of Allowance for Doubtful Accounts	26	252	3,990	-	2,975	225,645
Inventories	108,624	-	-	-	-	108,624
Prepays	1,161	1,091	-	-	531,766	553,664
Total Current Assets	441,889	1,521,224	24,282,745	674,887	19,210,923	70,165,085
Capital Assets:						
Depreciable	-	-	-	-	-	19,348,674
Less: Accumulated Depreciation and Amortization	-	-	-	-	-	(12,603,762)
Total Capital Assets, Net of Accumulated Depreciation and Amortization	-	-	-	-	-	6,744,912
Total Non-Current Assets	-	-	-	-	-	6,744,912
Total Assets	441,889	1,521,224	24,282,745	674,887	19,210,923	76,909,997
DEFERRED OUTFLOWS OF RESOURCES						
Related to OPEB	70,301	63,472	-	-	-	279,195
Related to Pensions	186,606	157,329	-	-	-	801,828
Total Deferred Outflows of Resources	256,907	220,801	-	-	-	1,081,023
LIABILITIES						
Current Liabilities:						
Accounts Payable and Accrued Liabilities	39,482	55,818	133,341	43,526	-	633,248
Compensated Absences Payable	27,677	22,458	-	-	-	124,285
Total Current Liabilities	67,159	78,276	133,341	43,526	-	757,533
Non-Current Liabilities Due in More Than One Year:						
Net OPEB Liability	601,160	926,593	-	-	-	2,896,577
Net Pension Liability	638,879	545,527	-	-	-	2,756,806
Compensated Absences Payable	18,452	14,972	-	-	-	82,857
Total Non-Current Liabilities	1,258,491	1,487,092	-	-	-	5,736,240
Total Liabilities	1,325,650	1,565,368	133,341	43,526	-	6,493,773
DEFERRED INFLOWS OF RESOURCES						
Related to OPEB	68,281	100,910	-	-	-	310,443
Related to Pensions	35,925	30,676	-	-	-	155,019
Total Deferred Inflows of Resources	104,206	131,586	-	-	-	465,462
NET POSITION						
Net Investment in Capital Assets and Capacity Rights Unrestricted	- (731,060)	- 45,071	- 24,149,404	- 631,361	- 19,210,923	6,744,912 64,286,873
Total Net Position	\$ (731,060)	\$ 45,071	\$ 24,149,404	\$ 631,361	\$ 19,210,923	\$ 71,031,785

City of Brentwood

**Combining Statement of Revenues, Expenses and Changes in Fund Net Position
All Internal Service Funds
For Year Ended June 30, 2021**

	Information Services	Vehicle and Equipment Replacement	Information Systems Replacement	Facilities Replacement	Tuition
Operating Revenues:					
Charges for Services	\$ 3,194,895	\$ 2,152,184	\$ 1,047,038	\$ 1,105,523	\$ 26,000
Other Income	78,774	52,208	550	-	-
Total Operating Revenues	3,273,669	2,204,392	1,047,588	1,105,523	26,000
Operating Expenses:					
Personnel Services	2,125,643	-	-	-	-
Repairs and Maintenance	77,418	-	-	39,324	-
Materials, Supplies and Services	1,048,412	196,271	267,840	207,472	18,780
Depreciation and Amortization	-	1,766,389	-	-	-
Total Operating Expenses	3,251,473	1,962,660	267,840	246,796	18,780
Operating Income (Loss)	22,196	241,732	779,748	858,727	7,220
Non-Operating Revenues (Expenses):					
Interest Income	3,326	21,895	7,439	17,200	192
Gain or (Loss) on Disposal of Capital Assets	-	135,248	-	-	-
Total Non-Operating Revenues (Expenses)	3,326	157,143	7,439	17,200	192
Income (Loss) Before Contributions and Transfers	25,522	398,875	787,187	875,927	7,412
Capital Assets Contributed from (to) Governmental Activities	-	-	(16,779)	-	-
Transfers In	1,383	-	168	-	-
Transfers Out	-	-	-	-	-
Change in Net Position	26,905	398,875	770,576	875,927	7,412
Net Position, Beginning of Year	(1,139,691)	16,509,865	2,949,011	7,249,604	77,602
Net Position, End of Year	\$ (1,112,786)	\$ 16,908,740	\$ 3,719,587	\$ 8,125,531	\$ 85,014

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, 2021**

	Fleet Maintenance Services	Facilities Maintenance Services	Parks and LLAD Replacement	Insurance	Pension/Other Post-Employment Benefits Obligation	Totals
Operating Revenues:						
Charges for Services	\$ 1,951,029	\$ 1,968,394	\$ 2,833,444	\$ 2,298,236	\$ 3,408,195	\$ 19,984,938
Other Income	1,672	338	-	-	-	133,542
Total Operating Revenues	1,952,701	1,968,732	2,833,444	2,298,236	3,408,195	20,118,480
Operating Expenses:						
Personnel Services	863,845	483,293	-	-	3,319,000	6,791,781
Repairs and Maintenance	40,579	37,737	289,543	-	-	484,601
Materials, Supplies and Services	881,375	774,621	325,419	1,941,263	100,722	5,762,175
Depreciation and Amortization	-	-	-	-	-	1,766,389
Total Operating Expenses	1,785,799	1,295,651	614,962	1,941,263	3,419,722	14,804,946
Operating Income (Loss)	166,902	673,081	2,218,482	356,973	(11,527)	5,313,534
Non-Operating Revenues (Expenses):						
Interest Income	363	2,804	50,414	-	45,060	148,693
Gain or (Loss) on Disposal of Capital Assets	-	-	-	-	-	135,248
Total Non-Operating Revenues (Expenses)	363	2,804	50,414	-	45,060	283,941
Income (Loss) Before Contributions and Transfers	167,265	675,885	2,268,896	356,973	33,533	5,597,475
Capital Assets Contributed from (to) Governmental Activities	-	-	(21,520)	-	-	(38,299)
Transfers In	241	4,020	1,559,209	-	1,972,425	3,537,446
Transfers Out	-	-	(1,685,338)	-	(784,825)	(2,470,163)
Change in Net Position	167,506	679,905	2,121,247	356,973	1,221,133	6,626,459
Net Position, Beginning of Year	(898,566)	(634,834)	22,028,157	274,388	17,989,790	64,405,326
Net Position, End of Year	\$ (731,060)	\$ 45,071	\$ 24,149,404	\$ 631,361	\$ 19,210,923	\$ 71,031,785

City of Brentwood

**Combining Statement of Cash Flows
All Internal Service Funds
For Year Ended June 30, 2021**

	Information Services	Vehicle and Equipment Replacement	Information Systems Replacement	Facilities Replacement	Tuition
Cash Flows from Operating Activities					
Cash Received from Customers/Other Funds	\$ 3,179,710	\$ 2,029,898	\$ 1,047,038	\$ 1,106,911	\$ 26,000
Cash Payments to Suppliers of Goods and Services	(769,851)	(197,688)	(280,788)	(246,796)	(14,992)
Cash Payments to Employees for Services	(2,052,850)	-	-	-	-
Cash Payments for Interfund Services	(261,879)	-	-	-	-
Other Receipts	78,774	52,208	550	-	-
Net Cash Provided By (Used for) Operating Activities	173,904	1,884,418	766,800	860,115	11,008
Cash Flows from Non-Capital Financing Activities					
Transfers Received	1,383	-	168	-	-
Transfers Paid	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Net Cash Provided By (Used for) Non-Capital Financing Activities	1,383	-	168	-	-
Cash Flows from Capital and Related Financing Activities					
Capital Assets Contributed to Governmental Funds	-	-	(16,779)	-	-
Proceeds from Sale of Capital Assets	-	186,096	-	-	-
Acquisition and Construction of Capital Assets	-	(1,201,222)	-	-	-
Net Cash Provided By (Used for) Capital and Related Financing Activities	-	(1,015,126)	(16,779)	-	-
Cash Flows from Investing Activities					
Interest on Investments	3,984	26,480	8,657	20,533	230
Net Cash Provided By Investing Activities	3,984	26,480	8,657	20,533	230
Net Increase (Decrease) in Cash and Cash Equivalents	179,271	895,772	758,846	880,648	11,238
Cash and Cash Equivalents - Beginning of Year	1,467,691	9,308,489	2,966,521	7,243,509	83,384
Cash and Cash Equivalents - End of Year	\$ 1,646,962	\$ 10,204,261	\$ 3,725,367	\$ 8,124,157	\$ 94,622
Reconciliation of Operating Income to Net Cash Provided By (Used for) Operating Activities:					
Operating Income (Loss)	\$ 22,196	\$ 241,732	\$ 779,748	\$ 858,727	\$ 7,220
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used for) Operating Activities:					
Depreciation and Amortization	-	1,766,389	-	-	-
Change in Assets, Liabilities and Deferred Outflows/Inflows of Resources:					
Receivables	1,997	(122,286)	-	1,388	-
Prepaid Items	(16,253)	-	-	-	-
Accounts Payable and Other Payables	94,100	(1,417)	(12,948)	-	3,788
Net OPEB Liability and Deferred Outflows/Inflows of Resources related to OPEB	(15,481)	-	-	-	-
Net Pension Liability and Deferred Outflows/Inflows of Resources related to Pensions	86,319	-	-	-	-
Compensated Absences Payable	1,026	-	-	-	-
Net Cash Provided By (Used for) Operating Activities	\$ 173,904	\$ 1,884,418	\$ 766,800	\$ 860,115	\$ 11,008

Continued

City of Brentwood

Combining Statement of Cash Flows
All Internal Service Funds (Continued)
For Year Ended June 30, 2021

	Fleet Maintenance Services	Facilities Maintenance Services	Parks and LLAD Replacement	Insurance	Pension/Other Post-Employment Benefits Obligation	Totals
Cash Flows from Operating Activities						
Cash Received from Customers/Other Funds	\$ 1,943,871	\$ 1,968,394	\$ 2,833,444	\$ 2,298,236	\$ 3,413,371	\$ 19,846,873
Cash Payments to Suppliers of Goods and Services	(802,771)	(697,508)	(525,901)	(1,903,892)	(100,720)	(5,540,907)
Cash Payments to Employees for Services	(849,301)	(722,291)	-	-	(3,326,689)	(6,951,131)
Cash Payments for Interfund Services	(142,935)	(154,085)	-	-	-	(558,899)
Other Receipts	1,672	338	-	-	-	133,542
Net Cash Provided By (Used for) Operating Activities	150,536	394,848	2,307,543	394,344	(14,038)	6,929,478
Cash Flows from Non-Capital Financing Activities						
Transfers Received	241	4,020	1,559,209	-	1,972,425	3,537,446
Transfers Paid	-	-	(1,685,338)	-	(784,825)	(2,470,163)
Due from Other Funds	-	-	-	-	784,825	784,825
Net Cash Provided By (Used for) Non-Capital Financing Activities	241	4,020	(126,129)	-	1,972,425	1,852,108
Cash Flows from Capital and Related Financing Activities						
Capital Assets Contributed to Governmental Funds	-	-	(21,520)	-	-	(38,299)
Proceeds from Sale of Capital Assets	-	-	-	-	-	186,096
Acquisition and Construction of Capital Assets	-	-	-	-	-	(1,201,222)
Net Cash Provided By (Used for) Capital and Related Financing Activities	-	-	(21,520)	-	-	(1,053,425)
Cash Flows from Investing Activities						
Interest on Investments	423	3,270	60,343	131	53,230	177,281
Net Cash Provided By Investing Activities	423	3,270	60,343	131	53,230	177,281
Net Increase (Decrease) in Cash and Cash Equivalents	151,200	402,138	2,220,237	394,475	2,011,617	7,905,442
Cash and Cash Equivalents - Beginning of Year	180,878	1,117,743	22,058,518	280,412	16,664,565	61,371,710
Cash and Cash Equivalents - End of Year	\$ 332,078	\$ 1,519,881	\$ 24,278,755	\$ 674,887	\$ 18,676,182	\$ 69,277,152
Reconciliation of Operating Income to Net Cash Provided By (Used for) Operating Activities:						
Operating Income (Loss)	\$ 166,902	\$ 673,081	\$ 2,218,482	\$ 356,973	\$ (11,527)	\$ 5,313,534
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used for) Operating Activities:						
Depreciation and Amortization	-	-	-	-	-	1,766,389
Change in Assets, Liabilities and Deferred Outflows/Inflows of Resources:						
Receivables	546	-	-	-	-	(118,355)
Prepaid Items	(7,440)	231	-	-	(2,513)	(25,975)
Accounts Payable and Other Payables	(23,752)	(39,235)	89,061	37,371	2	146,970
Net OPEB Liability and Deferred Outflows/Inflows of Resources related to OPEB	(7,485)	(6,757)	-	-	-	(29,723)
Net Pension Liability and Deferred Outflows/Inflows of Resources related to Pensions	17,400	(206,092)	-	-	-	(102,373)
Compensated Absences Payable	4,365	(26,380)	-	-	-	(20,989)
Net Cash Provided By (Used for) Operating Activities	\$ 150,536	\$ 394,848	\$ 2,307,543	\$ 394,344	\$ (14,038)	\$ 6,929,478

City of Brentwood

Combining Statement of Fiduciary Net Position

Custodial Funds

June 30, 2021

	<u>Assessments</u>	<u>Asset Seizure</u>	<u>Pass-Through Funds</u>	<u>Total Custodial Funds</u>
ASSETS				
Current Assets:				
Cash and Investments	\$ 10,621,620	\$ -	\$ 1,480,117	\$ 12,101,737
Restricted Cash and Investments	3,552,700	-	-	3,552,700
Interest Receivable	1,706	-	-	1,706
Total Current Assets	<u>14,176,026</u>	<u>-</u>	<u>1,480,117</u>	<u>15,656,143</u>
Total Assets	<u>14,176,026</u>	<u>-</u>	<u>1,480,117</u>	<u>15,656,143</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	3,811	-	-	3,811
Due to Local Governments	-	-	393,507	393,507
Total Current Liabilities	<u>3,811</u>	<u>-</u>	<u>393,507</u>	<u>397,318</u>
Total Liabilities	<u>3,811</u>	<u>-</u>	<u>393,507</u>	<u>397,318</u>
NET POSITION (DEFICIT)				
Restricted for:				
Individuals and Organizations	14,172,215	-	-	14,172,215
Other Governments	-	-	1,086,610	1,086,610
Total Net Position (Deficit)	<u>\$ 14,172,215</u>	<u>\$ -</u>	<u>\$ 1,086,610</u>	<u>\$ 15,258,825</u>

City of Brentwood

Combining Statement of Changes in Fiduciary Net Position

Custodial Funds

For Year Ended June 30, 2021

	<u>Assessments</u>	<u>Asset Seizure</u>	<u>Pass-Through Funds</u>	<u>Total Custodial Funds</u>
ADDITIONS				
Contributions:				
Assessments	\$ 12,767,036	\$ -	\$ -	\$ 12,767,036
Private Contributions	-	-	9,011,121	9,011,121
Other	-	-	-	-
Total Contributions	12,767,036	-	9,011,121	21,778,157
Investment earnings:				
Interest	11,991	653	-	12,644
Less Investment Expense	4,953	-	-	4,953
Net Investment Earnings	7,038	653	-	7,691
Total Additions	12,774,074	653	9,011,121	21,785,848
DEDUCTIONS				
Administrative Expenses	269,460	41,620	-	311,080
Interest and Fiscal Agent Expenses	12,490,404	-	-	12,490,404
Recipient Payments	-	-	8,297,655	8,297,655
Total Deductions	12,759,864	41,620	8,297,655	21,099,139
Net Increase (Decrease) in Fiduciary Net Position	14,210	(40,967)	713,466	686,709
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION, AS RESTATED				
Net Position (Deficit) - Beginning of Year	14,158,005	40,967	373,144	14,572,116
Net Position (Deficit) - End of Year	\$ 14,172,215	\$ -	\$ 1,086,610	\$ 15,258,825

STATISTICAL SECTION CONTENTS

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

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

OTHER AUDIT REPORT

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	S-25 to S-26
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City of Brentwood

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

(Unaudited)

	2012	2013	2014	2015 ⁽¹⁾	2016	2017 ⁽²⁾	2018	2019	2020	2021
Governmental Activities										
Net Investment in Capital Assets	\$ 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	\$ 439,532,350
Restricted	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	97,743,329
Unrestricted	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	43,450,142
Total Governmental Activities Net Position	\$ 531,497,950	\$ 549,927,985	\$ 557,334,324	\$ 527,686,968	\$ 537,509,067	\$ 547,764,208	\$ 546,000,236	\$ 550,709,146	\$ 566,989,588	\$ 580,725,821
Business-Type Activities										
Net Investment in Capital Assets										
and Capacity Rights	\$ 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	\$ 233,287,769
Restricted	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	51,135,610
Unrestricted	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	50,324,808
Total Business-Type Activities Net Position	\$ 228,105,082	\$ 237,521,682	\$ 244,281,957	\$ 240,692,628	\$ 252,520,123	\$ 263,521,432	\$ 273,647,262	\$ 296,177,669	\$ 316,357,601	\$ 334,748,187
Primary Government										
Net Investment in Capital Assets										
and Capacity Rights	\$ 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	\$ 672,820,119
Restricted	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	148,878,939
Unrestricted	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	93,774,950
Total Primary Government Net Position	\$ 759,603,032	\$ 787,449,667	\$ 801,616,281	\$ 768,379,596	\$ 790,029,190	\$ 811,285,640	\$ 819,647,498	\$ 846,886,815	\$ 883,347,189	\$ 915,474,008

(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)

	2012	2013	2014	2015	2016	2017 ⁽¹⁾	2018 ⁽¹⁾	2019	2020	2021
Expenses										
General Government	\$ 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	\$ 14,773,773
Public Safety	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	24,396,882
Community Development	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	5,196,191
Engineering	2,426,348	2,425,560	2,536,751	2,664,921	2,617,590	2,982,747	3,174,218	2,997,431	3,242,751	3,297,183
Public Works	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	7,564,560
Parks and Recreation	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	16,177,997
Community Services	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	9,119,958
Interest on Long-Term Debt	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	2,540,294
Total Expenses	65,778,276	66,492,528	65,803,060	67,607,770	70,639,638	71,905,769	74,434,822	82,967,949	83,359,215	83,066,838
Program Revenues										
Charges for Services:										
General Government	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	9,500,309
Public Safety	512,727	485,363	511,100	432,433	457,271	418,829	418,188	476,632	527,323	369,513
Community Development	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	3,237,586
Engineering	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	2,378,156
Public Works	39,302	1,250	-	-	-	-	-	-	-	-
Parks and Recreation	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	461,168
Operating Grants and Contributions	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	24,784,063
Capital Grants and Contributions	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	21,820,341
Total Program Revenues	29,575,708	52,386,247	48,364,073	47,390,816	51,195,613	54,209,838	58,585,830	58,201,318	61,030,217	62,551,136
Total Governmental Activities Net Expense	(36,202,568)	(14,106,281)	(17,438,987)	(20,216,954)	(19,444,025)	(17,695,931)	(15,848,992)	(24,766,631)	(22,328,998)	(20,515,702)
General Revenues and Other Changes in Net Position										
Taxes:										
Property Taxes	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	16,754,167
Sales Tax	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	9,380,307
Franchise Fees	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	1,547,505
Real Property Transfer Tax	257,426	396,148	389,109	452,426	506,626	547,975	641,279	491,249	473,351	781,173
Measure J, Transient Occupancy Tax	885,565	960,804	1,036,221	349,683	377,043	396,763	555,535	551,122	505,956	486,632
Motor Vehicle Taxes In-Lieu, Unrestricted	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	5,210,147
Investment Earnings	1,626,128	679,229	1,186,001	1,095,957	2,988,030	373,212	502,436	6,608,333	7,541,296	449,898
Miscellaneous	1,338,025	1,149,975	1,123,910	871,959	1,156,862	352,324	692,654	641,871	783,295	492,380
Transfers	99,753	(74,087)	52,112	702,328	762,119	(270,142)	(2,399,950)	(8,719,022)	(1,554,876)	(850,274)
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)	-	-	-
Total General Revenues and Other Changes in Net Position	54,055,298	19,067,995	24,845,326	15,039,475	29,266,124	27,951,072	27,062,009	29,475,541	38,609,440	34,251,935
Total Governmental Activities Change in Net Position	\$ 17,852,730	\$ 4,961,714	\$ 7,406,339	\$ (5,177,479)	\$ 9,822,099	\$ 10,255,141	\$ 11,213,017	\$ 4,708,910	\$ 16,280,442	\$ 13,736,233

(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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Wastewater	\$ 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	\$ 11,803,229
Solid Waste	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	13,648,764
Water	18,787,680	18,987,430	19,436,134	19,538,589	22,129,063	20,972,101	21,090,099	23,019,680	22,950,431	25,708,546
City Rentals	182,239	150,179	165,319	174,597	178,558	196,829	194,306	275,207	213,595	124,962
Housing	4,699,623	686,241	831,157	656,778	723,908	797,400	879,920	683,927	813,376	793,820
Total Expenses	39,700,777	36,977,275	38,372,439	40,744,194	43,715,468	43,788,286	45,189,599	47,238,803	48,363,298	52,079,321
Program Revenues										
Charges for Services:										
Wastewater	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	14,899,845
Solid Waste	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	15,608,738
Water	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	27,801,513
City Rentals	435,736	428,869	438,420	476,212	486,477	497,573	579,656	605,941	562,648	130,105
Housing	184,524	196,900	221,519	239,057	265,269	285,418	305,623	317,385	330,951	327,577
Operating Grants and Contributions	-	-	-	-	918,028	1,024,113	740,936	595,800	407,651	182,113
Capital Grants and Contributions	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	10,369,259
Total Program Revenues	38,031,487	46,100,378	44,419,193	44,830,772	46,638,787	53,261,801	57,613,799	57,224,248	62,453,325	69,319,150
Total Business-Type Activities Net Expense	(1,669,290)	9,123,103	6,046,754	4,086,578	2,923,319	9,473,515	12,424,200	9,985,445	14,090,027	17,239,829
General Revenues and Other Changes in Net Position										
Investment Earnings	935,886	417,783	765,633	719,108	1,759,735	233,539	200,691	3,825,940	4,535,029	241,533
Transfers	(99,753)	74,087	(52,112)	(702,328)	(762,119)	270,142	2,399,950	8,719,022	1,554,876	823,164
Total General Revenues and Other Changes in Net Position	836,133	491,870	713,521	16,780	997,616	503,681	2,600,641	12,544,962	6,089,905	1,064,697
Total Business-Type Activities Change in Net Position	(833,157)	9,614,973	6,760,275	4,103,358	3,920,935	9,977,196	15,024,841	22,530,407	20,179,932	18,304,526
Total Primary Government Change in Net Position	\$ 17,019,573	\$ 14,576,687	\$ 14,166,614	\$ (1,074,121)	\$ 13,743,034	\$ 20,232,337	\$ 26,237,858	\$ 27,239,317	\$ 36,460,374	\$ 32,040,759

City of Brentwood

FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

(Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	\$ 75,163	\$ 302,936	\$ 63,693	\$ 108,998	\$ 68,054	\$ 83,944	\$ 87,527	\$ 88,247	\$ 89,806	\$ 76,064
Restricted	27,500	74,426	92,426	92,426	92,426	94,464	95,620	95,930	95,930	95,930
Committed	-	-	-	1,250,000	9,266,345	7,553,950	11,986,875	12,271,706	11,605,158	11,467,875
Assigned	7,676,327	6,522,500	5,083,574	5,137,130	-	-	-	-	-	-
Unassigned	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	19,386,486
Total General Fund	\$ 18,539,970	\$ 18,034,685	\$ 17,139,493	\$ 18,907,466	\$ 22,546,910	\$ 23,405,903	\$ 28,569,458	\$ 29,859,880	\$ 30,589,746	\$ 31,026,355
Other Governmental Funds										
Nonspendable	\$ 1,324	\$ 1,310	\$ 845	\$ 576	\$ 889	\$ 80,914	\$ 81,092	\$ 80,904	\$ 81,680	\$ 81,469
Restricted	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	97,489,866
Committed	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	3,166,477
Unassigned	248,829	(2,839,605)	(2,792,828)	(2,421,683)	(561,034)	(510)	(1,280,327)	(966,997)	(502,784)	(223,414)
Total Other Governmental Funds	\$ 60,774,206	\$ 50,489,062	\$ 52,469,869	\$ 84,107,477	\$ 100,045,561	\$ 102,824,031	\$ 97,346,960	\$ 91,400,517	\$ 92,221,483	\$ 100,514,398
Total Governmental Funds	\$ 79,314,176	\$ 68,523,747	\$ 69,609,362	\$ 103,014,943	\$ 122,592,471	\$ 126,229,934	\$ 125,916,418	\$ 121,260,397	\$ 122,811,229	\$ 131,540,753

City of Brentwood

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

(Unaudited)

	2012	2013	2014	2015	2016	2017 ⁽¹⁾	2018 ⁽¹⁾	2019 ⁽¹⁾	2020	2021
REVENUES										
Taxes	\$ 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	\$ 34,396,873
Licenses	519,368	550,111	618,161	633,722	826,330	878,054	887,614	880,361	853,455	927,184
Permits and Fines	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	5,941,970
Uses of Money and Property	1,477,010	1,403,814	1,022,233	912,078	1,967,917	469,616	688,771	4,688,742	5,075,099	624,972
Intergovernmental	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	14,191,531
Franchises	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	1,547,505
Charges for Other Services	409,699	291,411	381,111	306,603	287,150	561,815	573,488	728,194	281,466	187,540
Charges to Other Funds	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	8,179,116
Fees and Other Revenues	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	24,408,076
Total Revenues	54,420,693	63,748,374	65,117,963	70,942,017	76,319,278	77,399,559	81,283,630	90,877,870	89,825,357	90,404,767
EXPENDITURES										
Current:										
General Government	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	11,297,439
Public Safety	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	25,244,305
Community Development	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	5,470,311
Engineering	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	3,402,200
Public Works	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	3,863,868
Parks and Recreation	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	12,770,022
Community Services	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	9,260,744
Capital Outlay	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	1,044,413
Debt Service:										
Principal	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	4,963,919
Interest and Fiscal Charges	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	2,526,525
Total Expenditures	74,998,771	64,408,932	60,683,821	63,355,772	68,822,861	73,644,736	86,595,329	86,766,976	85,404,822	79,843,746
REVENUES OVER (UNDER) EXPENDITURES	(20,578,078)	(660,558)	4,434,142	7,586,245	7,496,417	3,754,823	(5,311,699)	4,110,894	4,420,535	10,561,021
OTHER FINANCING SOURCES (USES)										
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)	-	-
Transfers In	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	30,820,978
Transfers Out	(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)	(32,652,475)
Total Other Financing Sources (Uses)	1,033,587	(2,473,423)	(3,348,527)	(2,558,032)	12,081,111	(117,360)	4,998,183	(8,766,915)	(2,869,703)	(1,831,497)
Net Change in Fund Balances before Extraordinary Items	\$ (19,544,491)	\$ (3,133,981)	\$ 1,085,615	\$ 5,028,213	\$ 19,577,528	\$ 3,637,463	\$ (313,516)	\$ (4,656,021)	\$ 1,550,832	\$ 8,729,524
EXTRAORDINARY ITEMS										
Assets Transferred to Successor Agency	(7,438,601)	(3,989,500)	-	-	-	-	-	-	-	-
Assets Transferred from Successor Agency	5,308,182	-	-	-	-	-	-	-	-	-
Total Extraordinary Items	(2,130,419)	(3,989,500)	-	-	-	-	-	-	-	-
Net Change in Fund Balances	\$ (21,674,910)	\$ (7,123,481)	\$ 1,085,615	\$ 5,028,213	\$ 19,577,528	\$ 3,637,463	\$ (313,516)	\$ (4,656,021)	\$ 1,550,832	\$ 8,729,524
Debt Service as a Percentage of Noncapital Expenditures	10.51%	10.77%	10.69%	10.39%	11.39%	12.29%	12.16%	12.05%	9.49%	9.51%

(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)

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
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%
2021	9,915,034,056	867,155,727	103,452,830	598,717,073	229,804,117	11,254,555,569	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 ⁽¹⁾		
	Basic Rate	General Obligation Debt Service	Total Direct Tax Rate	Liberty Union High School District	Brentwood Union School District	Other Districts
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%
2021	1.00%	0.0048%	1.0048%	0.0370%	0.0527%	0.0784%

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 2021			Fiscal Year 2012		
	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	\$ 94,979,151	1	0.85%	\$ -	-	-
Sand Creek Crossing LLC	60,017,148	2	0.54%	41,285,400	2	0.75%
DS Lone Tree Plaza LLC	50,258,765	3	0.45%	32,284,463	4	0.59%
John Muir Mt Diablo Health	42,298,122	4	0.38%	36,548,936	3	0.67%
CA Towncentre Owner LLC	28,594,339	5	0.26%			
AFE Brentwood Park LLC	25,708,865	6	0.23%	19,000,000	8	0.35%
Brentwood Arbor Ridge LP	25,203,949	7	0.23%	21,150,747	6	0.39%
SPT Ivey Brentwood CA Mob, LLC	23,824,117	8	0.21%			
WK LLC	23,760,000	9	0.21%	15,926,000	10	0.29%
Brentwood Assisted Living, LLC	22,483,616	10	0.20%	17,000,000	9	0.31%
Brentwood Specialty Center LLC				110,110,635	1	2.00%
Trilogy Vineyards, LLC				29,632,488	5	0.54%
New Urban Comm Sciortino, LLC				19,775,100	7	0.36%
Total	\$ 397,128,072		3.56%	\$ 342,713,769		6.25%

Source: HdL Coren & Cone, Contra Costa County Assessor

City of Brentwood

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN TAX YEARS

(Unaudited)

Fiscal Year Ended June 30	Taxes Levied For The Fiscal Year ⁽¹⁾	Collected Within the Fiscal Year of the Levy ⁽²⁾	
		Amount	Percentage of Levy
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%
2021	16,754,167	16,754,167	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)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Apparel Stores	\$ 43,872	\$ 47,782	\$ 51,009	\$ 49,524	\$ 53,502	\$ 57,143	\$ 57,848	\$ 60,142	\$ 58,902	\$ 41,813
Food Stores	42,881	44,710	46,829	47,983	50,251	50,026	51,721	53,567	55,623	62,983
Eating and Drinking Establishments	70,917	80,693	84,531	100,497	112,715	120,253	131,119	139,144	142,487	124,035
Building Materials	55,213	57,644	64,725	63,693	72,414	80,502	95,994	95,259	95,389	115,145
Auto Dealers and Supplies	41,466	39,996	43,202	54,180	68,267	76,852	86,794	98,184	98,979	97,078
Service Stations	100,906	105,065	104,865	106,658	94,021	90,449	105,328	124,856	121,639	89,535
Other Retail Stores	120,480	126,723	134,417	131,494	143,394	152,268	158,470	145,530	119,609	110,041
All Other Outlets	103,895	111,150	124,413	136,218	159,019	168,056	188,438	193,540	214,049	268,807
Total	\$ 579,630	\$ 613,763	\$ 653,991	\$ 690,247	\$ 753,583	\$ 795,549	\$ 875,712	\$ 910,222	\$ 906,676	\$ 909,436
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
2012	1.00%	1.00%	6.25%	8.25%
2013	1.00%	1.00%	6.50% ⁽¹⁾	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% ⁽¹⁾	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%
2021	1.00%	1.50% ⁽²⁾	6.25%	8.75%

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 0.25%. The increase expired January 1, 2017.

(2) On April 1, 2021 the County rate was increased by 0.50%. The increase will expire March 31, 2041.

City of Brentwood

TOP 25 SALES TAX PRODUCERS CURRENT YEAR AND NINE YEARS AGO

(Unaudited)

2021		2012	
Tax Remitter ⁽¹⁾	Business Category	Tax Remitter ⁽¹⁾	Business Category
Ace Hardware	Building Materials	Arco AM PM	Service Stations
Arco AM PM	Service Stations	AT&T Mobility	Electronics/Appliance Stores
Big B Lumber	Building Materials	Best Buy	Electronics/Appliance Stores
Bill Brandt Ford	New Motor Vehicle Dealers	Bill Brandt Ford	New Motor Vehicle Dealers
Brentwood Ready Mix	Contractors	BJ's Restaurant & Brewhouse	Casual Dining
Chevron	Service Stations	Brentwood Service Station	Service Stations
Circle K Gas	Service Stations	Chevron	Service Stations
Dallas Shanks Services	Service Stations	Circle K Gas	Service Stations
Food Maxx	Grocery Stores	CVS Pharmacy	Drug Stores
Home Depot	Building Materials	Dallas Shanks Chevron Services	Service Stations
Home Goods	Home Furnishings	Food Maxx	Grocery Stores
In N Out Burger	Quick-Service Restaurants	Home Depot	Building Materials
Kohl's	Department Stores	Home Goods	Home Furnishings
Los Primos Auto Plaza	Used Automotive Dealers	Kohl's	Department Stores
Michael's Arts & Crafts	Art/Gift/Novelty Stores	Michael's Arts & Crafts	Art/Gift/Novelty Stores
Power Market	Service Stations	Pena's Motors	Used Automotive Dealers
Quik Stop	Service Stations	Quik Stop	Service Stations
Ross	Family Apparel	Raley's	Grocery Stores
Safeway	Grocery Stores	Ross	Family Apparel
Sportsman's Warehouse Southwest	Sporting Goods/Bike Stores	Safeway	Grocery Stores
TJ Maxx	Family Apparel	TJ Maxx	Family Apparel
Tractor Supply Garden	Agricultural Supplies	Tower Mart	Service Stations
Ulta Beauty	Specialty Stores	Vintners Shell Stations	Service Stations
Walgreens	Drug Stores	Walgreens	Drug Stores
Winco Foods	Grocery Stores	Winco Foods	Grocery Stores

Percent of Fiscal Year Total Paid by Top 25 Accounts = 52.06%

Percent of Fiscal Year Total Paid by Top 25 Accounts = 51.08%

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 ⁽¹⁾
LAST TEN FISCAL YEARS
(Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Type of Customer										
Residential	\$ 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	\$ 13,708,235
Commercial	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	2,527,881
Industrial	496,542	588,820	544,326	566,740	429,897	467,446	526,072	643,601	720,373	824,694
Government	1,001,728	1,278,646	1,371,209	919,019	726,120	933,648	1,161,546	1,318,552	1,518,578	1,741,075
Total	\$ 10,867,596	\$ 12,477,634	\$ 12,656,094	\$ 11,158,270	\$ 7,869,185	\$ 10,569,241	\$ 13,770,585	\$ 14,320,278	\$ 16,653,998	\$ 18,801,885

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)

	2012	2013	2014	2015	2016	2017 ⁽¹⁾	2018	2019	2020	2021
Monthly Base Rate										
5/8" or 3/4" meter	\$ 18.53	\$ 19.08	\$ 19.65	\$ 20.24	\$ 20.85	\$ 21.61	\$ 23.56	\$ 24.03	\$ 24.88	\$ 25.76
1" meter	27.79	28.62	29.48	30.36	31.27	29.83	32.52	34.00	35.19	36.43
1 1/2" meter	55.58	57.24	58.96	60.73	62.55	50.39	54.93	58.90	60.97	63.11
2" meter	92.63	95.40	98.26	101.21	104.25	75.07	81.83	88.79	91.90	95.12
3" meter	166.73	171.73	176.88	182.19	187.65	153.21	167.00	183.44	189.87	196.52
4" meter	240.83	248.05	255.49	263.16	271.05	268.36	292.65	322.91	292.65	293.65
6" meter	500.18	515.19	530.65	546.57	562.96	543.89	592.85	656.65	679.64	703.43
Consumption Charge (per 1,000 gallons = 1 unit)										
Residential Tiers										
Tier 1: Units 1-10	\$ 2.90	\$ 2.99	\$ 3.08	\$ 3.17	\$ 3.27					
Tier 1: Units 1-5						\$ 2.49	\$ 2.72	\$ 2.84	\$ 2.94	\$ 3.05
Tier 2: Units 11-20	3.45	3.56	3.67	3.78	3.89					
Tier 2: Units 6-14						4.96	5.41	5.48	5.68	5.88
Tier 3: Units 21-30	4.14	4.26	4.39	4.52	4.66					
Tier 3: Units 15-20						5.93	6.47	6.43	6.66	6.90
Tier 4: Units 31+	4.82	4.97	5.12	5.27	5.43					
Tier 4: Units 21+						6.52	7.11	6.64	6.88	7.13
Non Residential Tiers										
Tier 1: Units 1-10	\$ 2.90	\$ 2.99	\$ 3.08	\$ 3.17	\$ 3.27					
Tier 1: Units 1-5						\$ 2.31	\$ 2.52	\$ 2.93	\$ 3.04	\$ 3.15
Tier 2: Units 11+	3.45	3.56	3.67	3.78	3.89					
Tier 2: Units 6+						4.60	5.02	5.97	6.18	6.40
Non Potable										
Tier 1: Units 1+	\$ 1.07	\$ 1.10	\$ 1.13	\$ 1.17	\$ 1.20	\$ 1.31	\$ 1.43	\$ 1.43	\$ 1.47	\$ 1.51

(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	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)		
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	-		
2021	5,458,672	16,095,135	-	9,350,000	34,522,171	7,701,704	-		

Business-Type Activities									
Fiscal Year	2008 Water Revenue Bonds	2014 Water Revenue Bonds	State Water Resources Loan (Wastewater)	State Water Resources Loan (WWTP Expansion Ph. II)	State Water Resources Loan (Recycled Water)	Notes Payable ⁽¹⁾	Total Primary Government	Percentage of Personal Income ⁽²⁾	Per Capita ⁽²⁾
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
2021	-	40,470,572	4,441,959	11,264,302	10,757,225	-	140,061,740	5.37%	2,119

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)

Fiscal Year	2002 General Obligation Bonds	Less: Amounts Restricted in the Debt Service Fund	Net Total Debt	Percentage of Actual Taxable Value of Property	Per Capita
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
2021	5,458,672	71,043	5,387,629	0.05%	82

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, 2021

(Unaudited)

2019/20 Assessed Valuation	\$ 11,254,555,569
Redevelopment Incremental Valuation	1,032,517,110
Adjusted Assessed Valuation	\$ 10,222,038,459

	Total Debt 6/30/21	Percentage Applicable ⁽¹⁾	City's Share of Debt 6/30/21
DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:			
Bay Area Rapid Transit	\$ 1,871,890,000	1.314%	\$ 24,596,635
Contra Costa Community College District	596,325,000	4.990%	29,756,618
Liberty Union High School District	83,875,000	52.761%	44,253,289
Brentwood Union School District	63,119,704	93.140%	58,789,692
Oakley Union School District	41,190,000	0.001%	412
City of Brentwood	5,458,672 ⁽²⁾	100.000%	5,458,672
City of Brentwood Community Facilities Districts	16,492,632	100.000%	16,492,632
City of Brentwood 1915 Act Bonds	105,316,402	100.000%	105,316,402
California Statewide Communities Development Authority Assessment Districts	26,987,353	100.000%	26,987,353
East Bay Regional Park District	133,170,000	2.102%	2,799,233
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT	\$ 2,943,824,763		\$ 314,450,938
DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:			
Contra Costa County General Fund Obligations	\$ 254,570,000	4.973%	\$ 12,659,766
Contra Costa County Pension Obligations	44,925,000	4.973%	2,234,120
Liberty Union High School District Certificates of Participation	4,954,911	52.761%	2,614,261
City of Brentwood General Fund Obligations	51,176,378	100.000%	51,176,378
GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT	\$ 355,626,289		\$ 68,684,525
Less: Contra Costa Obligations Supported From Revenue Funds			3,444,429
NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 65,240,096
OVERLAPPING TAX INCREMENT DEBT (SUCCESSOR AGENCY)	\$ 21,752,894	100.000%	\$ 21,752,894
TOTAL DIRECT DEBT			\$ 73,127,682
TOTAL GROSS OVERLAPPING DEBT			\$ 331,760,675
TOTAL NET OVERLAPPING DEBT			\$ 328,316,246
GROSS COMBINED TOTAL DEBT			\$ 404,888,357 ⁽³⁾
NET COMBINED TOTAL DEBT			\$ 401,443,928
Ratios to Adjusted Assessed Valuation:			
Total Direct Debt (\$73,127,682)	0.72%		
Gross Combined Total Debt	3.96%		
Net Combined Total Debt	3.93%		

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 \$4,898,695 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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt Limit	\$ 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	\$ 422,045,834
Total Net Debt Applicable to Limit	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	5,387,629
Legal Debt Margin	\$ 203,448,639	\$ 199,004,086	\$ 216,440,934	\$ 258,068,114	\$ 290,681,051	\$ 314,875,013	\$ 342,222,215	\$ 368,050,692	\$ 393,439,229	\$ 416,658,205
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	3.09%	3.15%	2.88%	2.40%	2.10%	1.91%	1.72%	1.55%	1.41%	1.28%

Legal Debt Margin Calculation for Fiscal Year 2021

Assessed Value ⁽¹⁾	\$ 11,254,555,569
Debt Limit (3.75% of Assessed Value) ⁽²⁾	422,045,834
Debt Applicable to Limit:	
General Obligation Bonds	5,387,629
Total Net Debt Applicable to Limit	5,387,629
Legal Debt Margin	\$ 416,658,205

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	
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 ⁽¹⁾	18,963,542	(14,473,726)	4,489,816	1,255,000	1,342,923	1.73
2016 ⁽²⁾	21,206,265	(13,999,154)	7,207,111	1,320,000	2,192,225	2.05
2017 ⁽²⁾	20,999,938	(15,531,834)	5,468,104	1,385,000	2,126,225	1.56
2018 ⁽³⁾	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
2021	30,932,101	(20,226,777)	10,705,324	1,775,000	1,739,100	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 ⁽¹⁾	Personal Income (In Thousands) ⁽²⁾	Per Capita Personal Income	Median Age ⁽³⁾	School Enrollment	Unemployment Rate
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%
2020	66,097	2,610,054	39,488	40.0	17,245	9.0%

*(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	2021			2012		
	No. Employees	Rank	Percent of Total City Employment	No. Employees	Rank	Percent of Total City Employment
Liberty Union High School District	745	1	5.33%	275	2	2.20%
Brentwood Union School District	697	2	4.99%	425	1	3.52%
City of Brentwood	423	3	3.03%	275	3	2.20%
Precision Cabinets	259	4	1.85%			
Winco Foods, Inc.	176	5	1.26%	175	7	0.88%
Home Depot	150	6	1.07%	175	6	1.32%
Safeway Stores, Inc.	141	7	1.01%	225	4	1.76%
John Muir	132	8	0.94%	125	10	0.44%
Raley's	132	9	0.94%			
Kohl's	123	10	0.88%	125	9	0.88%
BJ's Brewhouse	100	11	0.72%	225	5	1.76%
Save Mart Supermarkets (FoodMax)	79	12	0.57%			
Town & Country Roofing	77	13	0.55%			
Thorpe Design, Inc.	77	14	0.55%			
Capital Builders	77	15	0.55%			
Town & Country Roofing - Solar	75	16	0.54%			
Black Angus	70	17	0.50%			
Red Robin Gourmet Burgers	65	18	0.47%			
Brentwood ACE Hardware	60	19	0.43%			
Rodda Electric Inc.	60	20	0.43%			
Total City Employment	13,971					

Source: East Bay Economic Development Alliance

City of Brentwood

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

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government	38	37	35	34	34	35	35	37	37	37
Public Safety	79	79	83	83	85	95	95	95	105	105
Community Development	24	23	21	20	19	19	22	23	23	23
Engineering	12	13	13	14	14	14	14	14	14	13
Public Works	24	23	24	23	23	23	26	26	26	27
Parks and Recreation	24	24	24	24	25	24	25	26	27	27
Wastewater	17	17	18	18	18	19	20	24	24	24
Solid Waste	24	24	25	26	27	26	27	28	29	29
Water	26	26	26	26	26	26	27	27	28	29
Housing	2	1	2	2	2	2	2	2	2	2
Total ⁽¹⁾	270	267	271	270	273	284	293	302	315	315

(1) Amounts by Function/Program are rounded. Rounding differences may result.

Source: City of Brentwood Finance and Information Systems Department

City of Brentwood

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

(Unaudited)

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government										
Single-Family Dwelling Permits Issued	175	290	500	451	519	541	411	352	274	241
Accounts Payable Invoices Processed	10,885	10,458	10,440	12,023	13,364	13,625	12,463	12,222	12,044	10,624
Purchase Orders Issued	320	355	291	286	269	279	264	244	354	360
Checks Issued	14,047	14,064	13,692	14,299	15,764	15,844	15,133	14,753	14,129	13,593
Public Works										
Debris Collected (tons)	1,995	2,229	2,226	1,890	1,756	1,687	1,568	1,880	2,032	1,798
Streetlights Maintenance Requests	659	680	713	697	410	424	293	422	415	336
Police										
Physical Arrests (est.)	1,745	1,626	1,563	1,679	1,648	1,626	1,629	1,596	1,226	1,023
Calls for Service (est.)	37,124	36,781	36,192	39,934	40,661	44,417	50,300	51,777	51,867	46,042
Case Files Taken (est.)	6,044	5,823	5,821	6,133	5,925	6,335	6,396	6,217	5,870	5,891
Parks and Recreation										
Total Programs Offered (est.)	1,053	997	924	852	852	891	962	993	993	1,069
Refuse Collection										
Refuse Collected (tons per day)	88	93	95	97	102	110	114	119	114	118
Yard Waste (tons per day)	34	35	35	38	35	38	37	40	42	41
Recyclables Collected (tons per day)	22	22	22	23	25	26	25	30	29	30
Residential Services	15,907	16,337	16,729	17,245	17,802	18,310	18,806	19,329	19,884	20,285
Commercial Services	451	468	465	475	487	499	508	497	507	516
Water										
New Connections	125	197	338	467	475	527	470	353	304	321
Average Daily Production (millions of gallons)	9	11	11	10	7	8	9	9	10	11
Peak Daily Production (millions of gallons)	15	16	17	17	18	16	20	19	19	18
Number of Utility Customers	16,952	17,120	17,505	18,289	18,785	19,385	19,736	20,285	20,628	20,964
Wastewater										
New Connections	125	199	338	467	480	529	471	356	307	323
Average Daily Sewage Treatment (millions of gallons)	3	3	4	4	3	4	4	3	4	4

Source: Various City Departments

City of Brentwood

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

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
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	52	52	49	49	49	49	44	42
Parks and Recreation										
Developed Park Acreage ⁽¹⁾	260	221	223	226	231	234	253	237	240	240
Play Areas	46	48	48	51	52	56	61	61	65	67
Multi-Use Trails (miles)	16	16	17	18	18	19	19	19	19	19
Multi-Use Ball and Soccer Fields	23	23	23	23	19	19	20	20	20	20
Picnic Tables	287	290	292	305	311	331	351	353	364	374
Refuse Collection										
Collection Trucks	14	14	14	16	16	17	17	18	19	19
Water										
Water Mains (miles)	219	256	266	284	287	302	324	345	347	348
Fire Hydrants	2,153	2,535	2,588	2,704	2,719	2,841	2,901	2,990	3,013	3,019
Number of Wells	8	7	7	7	7	7	7	7	7	6
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
Wastewater										
Sanitary Sewers (miles)	179	202	209	225	226	235	237	242	243	244
Lift Stations	2	2	2	2	2	2	2	3	3	3
Other Public Works										
Streets (miles)	190	192	192	192	192	192	192	192	192	192
Street Lights	5,889	5,948	5,957	5,957	6,691	6,693	7,403	7,592	7,645	7,740

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)

Date of Incorporation:	January 19, 1948
Forms of Government:	General Law Council-Manager
Fiscal Year Begins:	July 1
Area of City:	14.83 Sq. Miles
Population as of January 2021:	66,097

<u>Municipal Water System</u>	
Number of Wells	6
Number of Reservoirs	6
Storage Capacity (gallons)	19 MG
Average Daily Production	11 MGD
Peak Daily Production	18 MGD
Number of Connections	20,964

<u>Municipal Solid Waste</u>	
Number of Residential Services	20,285
Number of Commercial Services	516

<u>Number of Full-time Equivalent Positions</u>	<u>Year-End</u>
315	2021
315	2020
302	2019
293	2018
284	2017
273	2016
270	2015
271	2014
267	2013
270	2012

<u>Parks and Recreation</u>	
Developed Park Acreage	240.39 acres
Aquatic Complex	7.5 acres
Skate Park	.50 acres
Play Areas	67
Sunset Park Athletic Complex	38 acres
Veterans Park	10.5 acres

<u>Parks Facilities</u>	
Multi-Use Trails	19.28 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	374
BBQ Areas	34
Restrooms (Permanent)	9

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

<u>Police Protection</u>	
Sworn Officers	71
Vehicles	42
Motorcycles	5

<u>Miles of Streets</u>	
Miles of Streets	192
Miles of Sanitary Sewers	244
Miles of Water Mains	348
Number of Street Lights	7,740

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

<u>Municipal Wastewater System</u>	
Sanitary Lift Stations	3
Number of Connections	20,533
Average Daily Flow	3.98 MGD

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, 2021, and have issued our report thereon dated November 15, 2021. Our report included an emphasis of a matter paragraph disclosing the implementation of new accounting principles.

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.

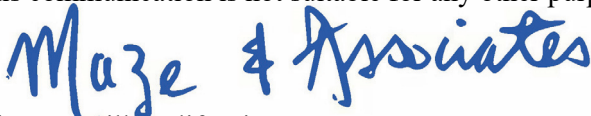
Compliance and Other Matters

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 15, 2021 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.



Pleasant Hill, California
November 15, 2021