



ANNUAL COMPREHENSIVE FINANCIAL REPORT

*Fiscal Year Ended
June 30, 2022*

150 City Park Way
Brentwood, CA 94513



Prepared By: Finance and Information Systems Department



For Fiscal Year Ended June 30, 2022

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December 13, 2022

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 Annual Comprehensive Financial Report for the City of Brentwood, California ("the City"), for the fiscal year (FY) ended June 30, 2022. Each year, the City publishes a complete set of financial statements that are 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 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 to fairly present the financial position and results of the operations of the various entities of the City. All disclosures necessary for the reader to understand 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 complements the MD&A, which can be found immediately following the report of the independent auditors.

INTERNAL CONTROLS

The Finance and Information Systems Department accounts for the City's programs and activities. In conjunction with the City's management, the Finance and Information Systems Department is responsible for maintaining the integrity of the City's recorded financial data and establishing and maintaining an internal control structure 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, 2022.

INDEPENDENT AUDIT

The City Council is responsible for: 1) assuring the City's management 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 meets 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 both on the fair presentation of the financial statements and on the audited government's internal controls and compliance with legal requirements.

PROFILE OF BRENTWOOD

The City was founded in 1878 and incorporated in 1948 as a general law city under the laws of the State of California. Brentwood encompasses approximately 14.83 square miles and 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, 2022, the City had an estimated population of 64,342.

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 was financially accountable for the Brentwood Redevelopment Agency prior to its dissolution, 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 with final Council approval in June. The 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, Fiduciary Funds, Internal Service Funds and certain Capital Project Funds are included in the annual appropriated budget.

ECONOMIC CONDITION AND FINANCIAL OUTLOOK

Fiscal Year 2021/22 was marked by economic change. As the fiscal year began, the country and the City were emerging from pandemic conditions. Economic indicators were strong, as a combination of continued Federal stimuli and historical low interest rates served to supercharge the recovery. Low interest rates and remote working options helped drive the demand for housing in suburban areas like Brentwood, and property values reached record levels. The demand for housing resulted in development-related revenue and property tax revenues exceeding projections. Property taxes, the General Fund's top revenue source, has risen by an average of approximately 7% per year over the past five years.

Economic stimulus provided by the Federal government provided consumers with plenty of available cash. Sales tax, the General Fund's second largest revenue source, was significantly impacted by this increase in money supply. The return to in-person shopping, dining activities, and price inflation also contributed to an 18% annual increase in sales tax revenue. With property and sales taxes being the General Fund's top two revenue sources, the City's revenues were well above original projections. After funding was set aside for City Council Strategic Plan priorities, these positive revenue trends combined with budgetary savings in the General Fund resulted in a surplus of just over \$1 million, before required transfers to the Pension/Other Post-Employment Benefits (OPEB) Obligation Fund.

On a more challenging note, signs of inflation began to appear early in the fiscal year. At a national level the hope was that inflation was a short-term problem associated with supply chain issues and pandemic-related reopening challenges. Unfortunately, by the middle of the fiscal year it became clear that inflation was entrenched and the economy was facing a significant threat. Although economic conditions remained strong through the second half of the fiscal year, the combination of rapidly rising interest rates and a significant equity market correction signaled the potential for an economic downturn. The City's operating costs were negatively impacted, and supply chain issues forced the delay of multiple projects.

While fiscal year results were strong, economic trends have clearly shifted in recent months and the most recently completed fiscal year's strong financial performance is not expected to continue. Rapid interest rate increases by the Federal Reserve have effectively doubled mortgage interest rates in the last year. In the coming months and years, this could impact demand for housing as mortgage payments become less affordable and could result in a cooling impact on housing prices. The chance of a recession occurring in the near-term has also increased, which would have a negative impact on activity-based revenues like sales taxes. Equity losses will result in consumers feeling less financially stable, and liquidity is rapidly being removed from the economy. The historical inflation rate is also driving up the cost of City services and construction costs and will have a negative impact on future years' expenses.

In addition, significant intermediate-term pension cost increases are expected as CalPERS looks to shore up their pension funds following investment losses. These cost increases would be even worse, if not for the City's proactive approach to actively paying down unfunded pension and retiree medical liabilities. During FY 2018/19, the City Council approved a policy providing for annual pay downs of pension or retiree medical unfunded liabilities when certain levels of excess reserves are available. In the last four fiscal years, the City has made pension prepayments of \$18.2 million against the City's net pension liability, which will help mitigate the impacts of increases in funding requirements following investment losses. Additionally, the City has taken steps to address funding required for Other OPEB by making significant pre-funding contributions on an annual basis.

The City's Strategic Plan continues to focus on economic development strategies to attract future sources of sales tax revenue and employment opportunities for the community. The Innovation Center @ Brentwood Infrastructure 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.

As a part of the City Council's Strategic Planning process in FY 2021/22, the City Council directed that the City's \$6.9 million allocation from the Federal American Rescue Plan Act (ARPA) be used to help fund the construction of the Sand Creek Sports Complex capital project starting in FY 2022/23. Without the ARPA allocation this project would not have been feasible for several years.

The City's Water, Wastewater and Solid Waste Enterprise Funds were impacted by account delinquencies resulting from pandemic restrictions on collection-related service interruptions. During the pandemic, the State of California prohibited water shutoffs for non-payment, resulting in significant delinquent balances. During FY 2021/22, the City received relief through the State's Water and Wastewater Arrearage Payment Program for a portion of the delinquent balances. The City received \$559,000 in grant funding which was applied to delinquent accounts; however, as of June 30, 2022, delinquent balances were still approximately \$800,000 higher than comparable pre-pandemic balances. Despite the collection challenges, all three of the City's enterprise funds achieved the 30% cash reserve goal.

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. The Water rate study incorporated updated assumptions to account for ongoing impacts of the previous drought and continued conservation efforts 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. A new rate study will be conducted in FY 2022/23 to set the Enterprise rates for the next five fiscal years beginning FY 2023/24.

Although the City's forecasts indicate that it can maintain its strong financial position, caution is warranted as fiscal conditions have already changed and more challenging conditions could be experienced in the future. 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.

Balanced Budget

The City's Budget and Fiscal Policy requires the City to maintain a balanced General Fund budget over the two-year Operating Budget period. 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 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. The Strategic Planning process occurs every two years in conjunction with the two-year budget process and identifies 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.

In February of 2022, the City Council adopted the City of Brentwood Strategic Plan FY 2022/23 - FY 2023/24 ("Strategic Plan"). Highlights of the Strategic Plan include the development of both phases of the Sand Creek Sports Complex which will include sports fields and related amenities; preparation of various land use policy plans affecting housing and open space; continued development of the Vineyards at Marsh Creek - Event Center/Amphitheater; and continued construction of the Innovation Center @ Brentwood Infrastructure project.

The Strategic Plan focuses on the City's economic development, land use, infrastructure and parks and recreation programs and facilities. 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 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 Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive 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 Annual Comprehensive 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.

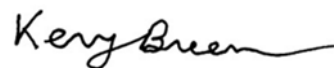
ACKNOWLEDGEMENTS

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 participated in the development of this year's Annual Comprehensive Financial Report. Special recognition is given to the Finance and Information Systems Department and specifically the Business Services and Financial Services staff. We wish to thank and express our appreciation to the Mayor and the City Council for providing the clear policy direction and goals used to prepare this Annual Comprehensive Financial Report and for 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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO



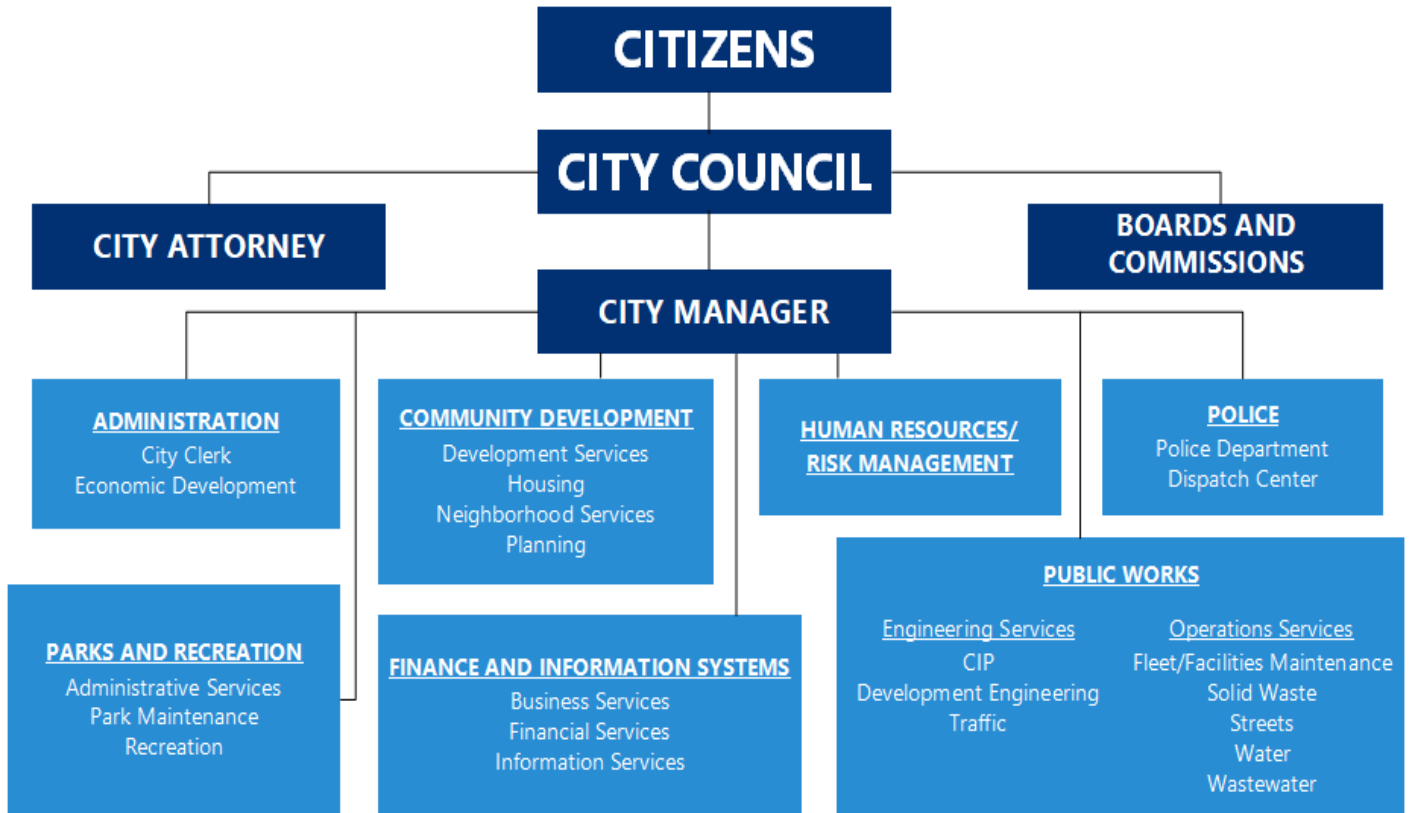
City Council as of June 30, 2022

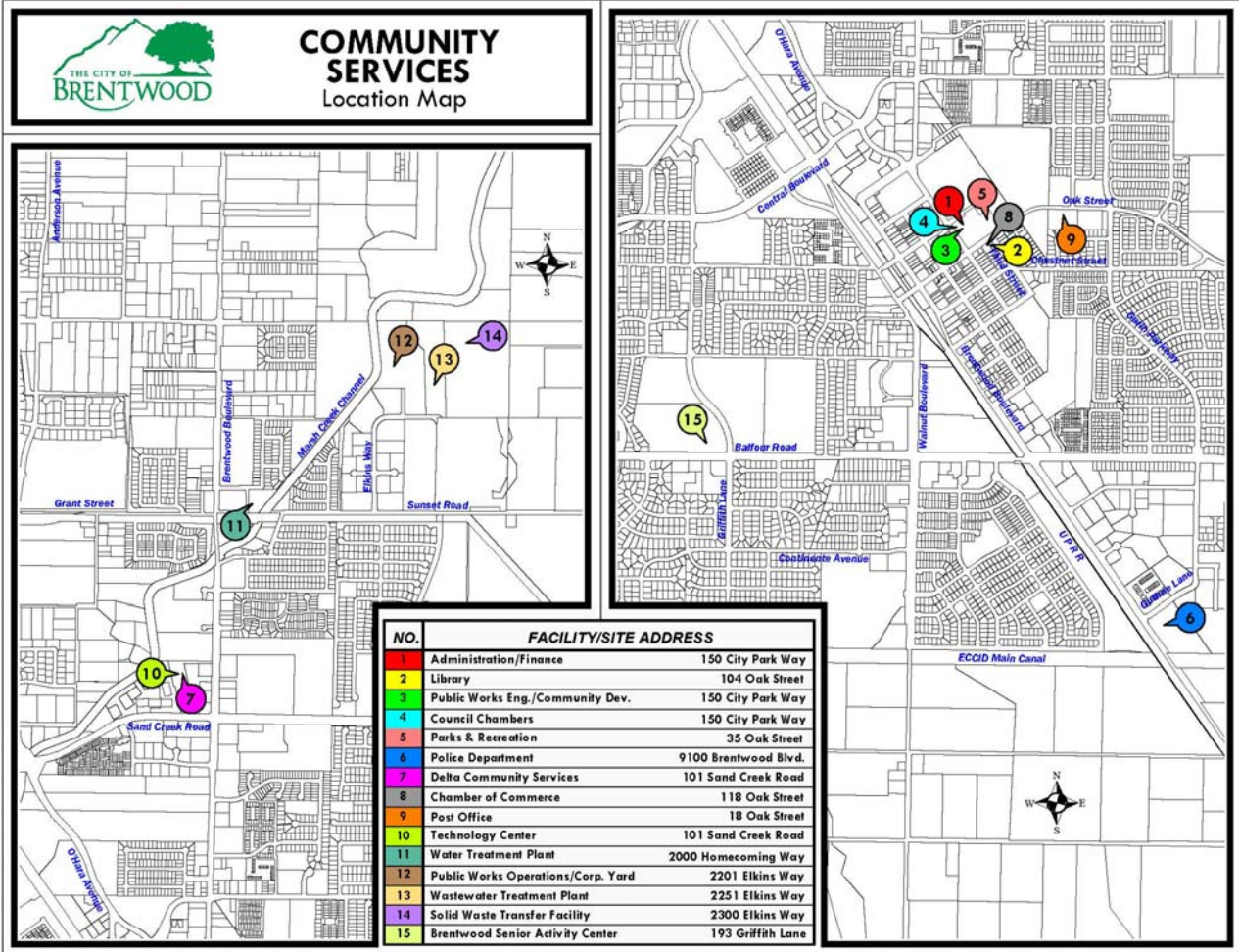
Joel Bryant.....Mayor
Johnny Rodriguez Vice Mayor
Jovita Mendoza..... Council Member
Susannah Meyer Council Member
Karen Rarey Council Member

Executive Team as of June 30, 2022

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
Darin Gale Assistant City Manager
Tom HansenChief 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 awarded the **"2021 California Water Environment Association – San Francisco Bay Section Tertiary Recycled Water Plan of the Year"**.

The City was recognized by the Arbor Day Foundation as a **"Tree City USA Community"** for 2021.

The City received the CPRS **Parks Make Life Better Campaign Champion 2021: Agents of Discovery Scavenger Hunt at Creekside Park**.

The City received the **"2021 Contra Costa County Certificate of Appreciation"** from the American Red Cross of the Bay Area for collaboration in support of lifesaving blood drives.

The City Manager received recognition in 2021 from the American Red Cross of the Bay Area for compassionate response and efforts to bring the community together to support residents that were affected by the Brentwood Apartment fire.

One of the City's Detectives received a **"Case of the Year Award"** from the California Narcotics Officers Association for a case investigation.

The City received the following 2021 Best of Brentwood Awards from ThePress.net:

- **Family Recreation – Brentwood Family Aquatic Complex** (Silver)
- **Event Center – Brentwood Community Center** (Gold)
- **Place for Live Music – Concerts in the Park** (Bronze)

The City received the following GFOA award:

- **"Certificate of Achievement for Excellence in Financial Reporting Fiscal Year 2020/21"**

The City received the CSMFO award for the following:

- **"Capital Budget Excellence Award Fiscal Year 2021/22"**



INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council
City of Brentwood, California

Report on the Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

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, 2022, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Change in Accounting Principles

Management adopted the provisions of the following Governmental Accounting Standards Board Statements, which became effective during the year ended June 30, 2022 and required the restatement of net position and/or had material effects on the financial statements as discussed in Note 15 to the financial statements:

- Statement No. 87 – *Leases*
- 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 emphasis of these matters does not constitute a modification to our opinions.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the 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 is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Supplementary Information, as listed in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such 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 Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical Section listed in the Table of Contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2022, 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 solely 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 the effectiveness of the City's 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.

Mane & Associates

Pleasant Hill, California
November 21, 2022

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, 2022. 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 \$963.2 million. Of this amount, \$127.3 million may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$47.7 million in FY 2021/22, with an increase of \$23.7 million attributable to governmental activities and an increase of \$24.0 million attributable to business-type activities. These figures include, as current year activity, the impacts of a one-time adjustment of \$1.4 million resulting from an accounting methodology change pertaining to the timing of sales tax revenue accruals (seen Note #15). Excluding this one-time adjustment, the City's total net position increased by \$46.3 million, with an increase of \$22.3 million in governmental activities. This Management's Discussion and Analysis will include the impacts of the one-time adjustment in current year activity in all discussions below.
- The increase in net position from governmental activities was due mainly to the following:
 - A net decrease in balances related to pension obligations of \$13.7 million, comprised of a decrease in Net Pension Liability of \$24.0 million, combined with an increase in Deferred Outflows Related to Pensions of \$2.9 million, offset by an increase in Deferred Inflows Related to Pensions of \$13.2 million.
 - An increase in net capital asset investment of \$6.3 million from asset additions of \$15.9 million, primarily from development contributions, offset by depreciation, amortization and disposals of \$13.6 million, and payments made on related long-term liabilities of \$4.0 million.
 - An increase in the net position restricted for capital projects of \$4.4 million, mainly due to a \$3.9 increase in the Roadway Improvements Capital Project Fund for project funding in excess of expenditures.
 - A decrease in net position restricted for the Development Impact Fee Program of \$2.0 million resulting from a \$6.8 million decrease in the Fire Development Impact Fee Special Revenue Fund from transfer of the balance in the fund to the East Contra Costa Fire Protection District (ECCFPD). This decrease was partially offset by an increase of \$4.6 million in the Parks and Trails Development Impact Fee Special Revenue Fund from development activity.
- The increase in net position for business-type activities was due mainly to an increase in net capital asset investment of \$11.4 million. The increase was from asset additions of \$30.7 million from large capital projects and contributions from development. This increase was offset by a net increase in related long-term liabilities of \$13.0 million for State Water Resources (SWR) Loans on Wastewater Enterprise Fund capital projects, offset by annual debt principal payments made on other related debt. The net capital asset investment increase was further reduced by \$5.9 million of depreciation, amortization and disposals.

- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$133.9 million, an increase of \$0.9 million, or 0.7%, in comparison to the prior year restated balance (see Note #15).
- Enterprise Funds reported a net position of \$358.8 million, an increase of \$24.0 million from the prior fiscal year ending balance. The increase was attributable mainly to the Water Fund (\$11.1 million) and Wastewater Fund (\$9.5 million) net position increases. Both funds had increased contributions from development due to acceptance of developer dedicated assets, development impact fees and increased non-residential permit activity. Additionally, the Wastewater, Solid Waste and Water Funds all had increases in operational income from rate adjustments.
- The City's total long-term obligations decreased by \$32.7 million from the prior fiscal year-end, mainly due to a reduction in Net Pension Liability (\$30.4 million) and Net OPEB Liability (\$9.2 million) offset by increases in SWR loans for Wastewater capital projects (\$17.4 million) less reductions for other annual debt principal payments.
- Internal Service Funds reported a net position of \$69.6 million at year-end, which is a decrease of \$1.4 million from the prior year. This reduction was mainly due to \$3.5 million in discretionary pension liability paydowns from the Pension/Other Post-Employment Benefits Obligation Fund offset by a \$1.2 million transfer to the same fund for the amount in excess of General Fund reserve requirements made in accordance with adopted fiscal policies.

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 34 – 35 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, 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, and an Other Employee Benefit Trust Fund - Variable Annuity Life Insurance Company (VALIC), which includes assets and activities of the City's single-employer deferred compensation plan held by a third-party administrator. The Fund Financial Statements can be found on pages 36 – 44 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 36 – 39 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 the Water and Solid Waste Funds. 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 34 – 35 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 40 – 42 of this report.

The City has monies held by trustees for certain amounts held on behalf of developers, property owners, governmental agencies, City employees 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 43 – 44 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 48 – 113 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 114 – 122 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 123 – 150 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The net position for the City as a whole, including the \$1.4 million one-time revenue accrual adjustment described above and in Note #15, increased by \$47.7 million or 5.2%, from \$915.5 million at June 30, 2021 to \$963.2 million at June 30, 2022. 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 \$17.7 million and has a balance of \$690.5 million as of June 30, 2022. 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 decreased by \$3.5 million due to increases in cash amounts restricted for specific programs in governmental activities offset by funding of capital projects in business-type activities. These resources are subject to external restrictions on how they may be used. The restricted net position is \$145.4 million as of June 30, 2022. The unrestricted net position balance of \$127.3 million may be used to meet the City's ongoing obligations to citizens and creditors.



Management's Discussion and Analysis

	Governmental Activities		Business-Type Activities		Totals	
	2022	2021 ⁽¹⁾	2022	2021	2022	2021 ⁽¹⁾
Current Assets	\$ 198,358,620	\$ 191,245,834	\$ 133,659,771	\$ 125,009,301	\$ 332,018,391	\$ 316,255,135
Capital Assets	507,292,391	504,958,328	319,048,671	294,207,320	826,341,062	799,165,648
Other Non-Current Assets	20,600,526	21,752,894	705,367	654,084	21,305,893	22,406,978
Total Assets	726,251,537	717,957,056	453,413,809	419,870,705	1,179,665,346	1,137,827,761
Deferred Outflows of Resources	17,095,624	14,432,350	9,476,054	9,790,843	26,571,678	24,223,193
Total Deferred Outflows of Resources	17,095,624	14,432,350	9,476,054	9,790,843	26,571,678	24,223,193
Current Liabilities	21,805,337	18,445,454	10,312,183	11,512,428	32,117,520	29,957,882
Long-Term Liabilities Outstanding	91,058,788	127,986,820	86,013,792	81,876,136	177,072,580	209,862,956
Total Liabilities	112,864,125	146,432,274	96,325,975	93,388,564	209,190,100	239,820,838
Deferred Inflows of Resources	26,008,808	5,231,311	7,800,023	1,524,797	33,808,831	6,756,108
Total Deferred Inflows of Resources	26,008,808	5,231,311	7,800,023	1,524,797	33,808,831	6,756,108
Net Investment in Capital Assets and Capacity Rights	445,827,339	439,532,350	244,726,467	233,287,769	690,553,806	672,820,119
Restricted	98,666,260	97,743,329	46,692,198	51,135,610	145,358,458	148,878,939
Unrestricted	59,980,629	43,450,142	67,345,200	50,324,808	127,325,829	93,774,950
Total Net Position	\$ 604,474,228	\$ 580,725,821	\$ 358,763,865	\$ 334,748,187	\$ 963,238,093	\$ 915,474,008

(1) Not restated for the effects of accounting methodology change as discussed in Note #15.

Governmental Activities

The City's net position from governmental activities increased 4.1%, from \$580.7 million to \$604.4 million. As discussed above, the increase in net position from governmental activities was due mainly to a net decrease in balances related to pension liabilities, an increase in net capital asset investments and an increase in the net position restricted for capital projects. These increases were offset by a decrease in the Fire Development Impact Fee Special Revenue Fund due to the transfer of all funds to ECCFPD.

The City issued 326 single-family building permits during the fiscal year. In comparing results to the prior year, the City received \$0.9 million, or 5.4%, more in property taxes, reflective of value increases driven by an increase demand for suburban housing and record low mortgage rates. Sales tax income increased by \$1.7 million, or 17.6%, from the prior year as a result of continued recovery from the initial slowdown caused by the pandemic. Expenses decreased by \$3.7 million or 4.5% from the prior fiscal year primarily from the impact of a net decreases in balances related to pension and OPEB obligations. Significant investment gains were responsible for reported pension and OPEB cost declines. Excluding these anomalous impacts, expenses increased from the prior year as spending for City programs and activities returned to pre-pandemic levels. Offsetting these favorable variances, investment income decreased \$6.7 million from the prior fiscal year due to a loss of \$6.2 million from the impacts of the fair value adjustment. The fair value adjustment loss reflects the historic rapid increases in interest rates.

Business-Type Activities

The City's net position from Business-Type activities increased \$24.0 million. As discussed above, net investment in capital assets increased for capital asset additions from large capital projects and development contributions. This was offset by increases in related long-term liabilities net of payments on other related long-term debt, depreciation, amortizations and disposals due to an increasing State Revolving Fund loan used to fund a major project. Revenue from charges for services increased \$2.3 million, or 3.9%, over the prior year, mainly due to annual rate increases and new development. Compared to the prior year, expenses decreased \$2.0 million, or 3.7% due primarily from the impact of net decreases in balances related to pension and OPEB liabilities. Excluding these anomalous impacts, expenses were slightly higher than prior year mainly due to personnel cost increases. Offsetting these favorable variances,



Management's Discussion and Analysis

investment income decreased \$4.2 million from the prior fiscal year to a loss of \$4.0 million after the impacts of the fair value adjustment. Overall, the unrestricted net position was \$67.3 million at the fiscal year-end.

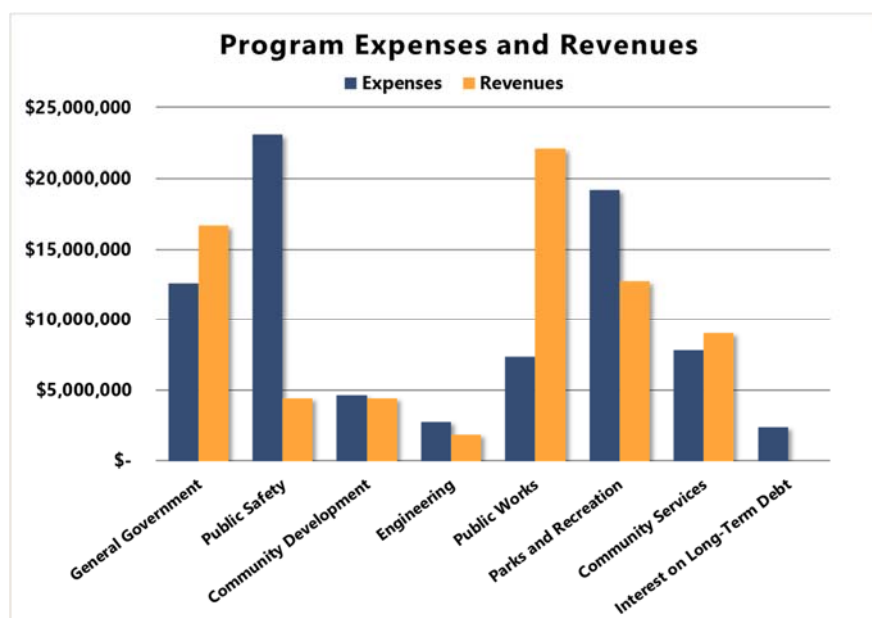
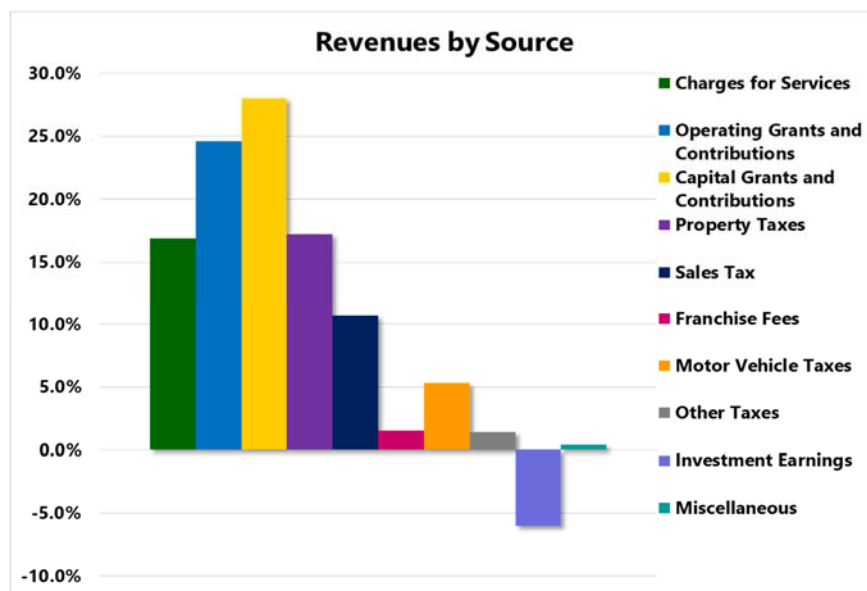
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021 ⁽¹⁾	2022	2021	2022	2021 ⁽¹⁾
Revenues:						
Program Revenues:						
Charges for Services	\$ 17,353,018	\$ 15,946,732	\$ 61,057,275	\$ 58,767,778	\$ 78,410,293	\$ 74,714,510
Operating Grants and Contributions	25,304,745	24,784,063	1,417,564	182,113	26,722,309	24,966,176
Capital Grants and Contributions	28,780,866	21,820,341	14,422,134	10,428,209	43,203,000	32,248,550
General Revenues:						
Taxes:						
Property Taxes	17,662,589	16,754,167	-	-	17,662,589	16,754,167
Sales Tax	11,033,446	9,380,307	-	-	11,033,446	9,380,307
Franchise Fees	1,581,396	1,547,505	-	-	1,581,396	1,547,505
Real Property Transfer Tax	794,244	781,173	-	-	794,244	781,173
Transient Occupancy Tax	657,874	486,632	-	-	657,874	486,632
Motor Vehicle Taxes	5,480,504	5,210,147	-	-	5,480,504	5,210,147
Investment Earnings	(6,200,352)	449,898	(3,977,615)	241,533	(10,177,967)	691,431
Miscellaneous	458,050	492,380	-	-	458,050	492,380
Total Revenues	102,906,380	97,653,345	72,919,358	69,619,633	175,825,738	167,272,978
Expenses:						
General Government	12,640,259	14,773,773	-	-	12,640,259	14,773,773
Public Safety	23,093,796	24,396,882	-	-	23,093,796	24,396,882
Community Development	4,652,217	5,196,191	-	-	4,652,217	5,196,191
Engineering	2,764,684	3,297,183	-	-	2,764,684	3,297,183
Public Works	7,369,216	7,564,560	-	-	7,369,216	7,564,560
Parks and Recreation	19,241,106	16,177,997	-	-	19,241,106	16,177,997
Community Services	7,862,198	9,119,958	-	-	7,862,198	9,119,958
Interest on Long-Term Debt	1,745,437	2,540,294	-	-	1,745,437	2,540,294
Wastewater	-	-	11,516,452	11,803,229	11,516,452	11,803,229
Solid Waste	-	-	13,547,713	13,648,764	13,547,713	13,648,764
Water	-	-	24,126,086	25,708,546	24,126,086	25,708,546
City Rentals	-	-	142,191	124,962	142,191	124,962
Housing	-	-	796,823	793,820	796,823	793,820
Total Expenses	79,368,913	83,066,838	50,129,265	52,079,321	129,498,178	135,146,159
Change in Net Position Before Transfers	23,537,467	14,586,507	22,790,093	17,540,312	46,327,560	32,126,819
Transfers	(1,225,585)	(850,274)	1,225,585	850,274	-	-
Change in Net Position	22,311,882	13,736,233	24,015,678	18,390,586	46,327,560	32,126,819
Net Position 7/1, Restated	582,162,346	566,989,588	334,748,187	316,357,601	916,910,533	883,347,189
Net Position 6/30	\$ 604,474,228	\$ 580,725,821	\$ 358,763,865	\$ 334,748,187	\$ 963,238,093	\$ 915,474,008

(1) Not restated for the effects of accounting methodology change as discussed in Note #15.

Governmental Activities

The cost of all Governmental activities this year was \$79.4 million. Net expenses, as shown in the Statement of Activities and Changes in Net Position found on page 35, were \$7.9 million. A portion of the cost for these activities was paid either by those who directly benefited from the programs (\$17.3 million), by other governments and organizations that subsidized certain programs with operating grants and contributions (\$25.3 million), or capital grants and contributions (\$28.8 million). Overall, the City's governmental program revenues were \$71.4 million.

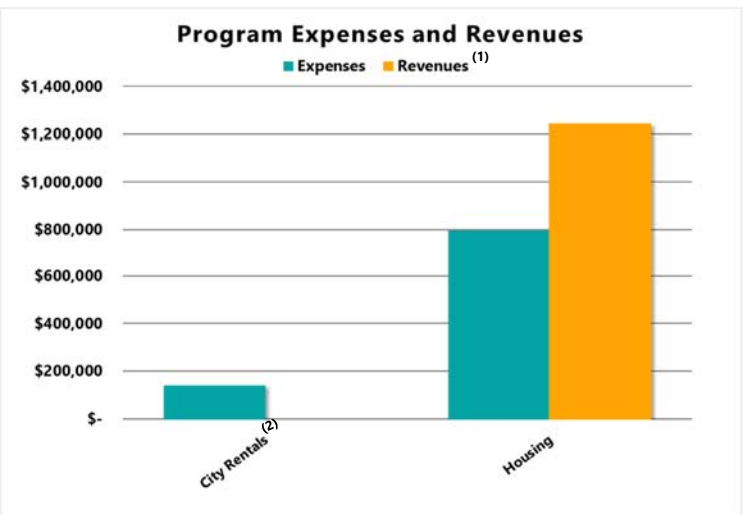
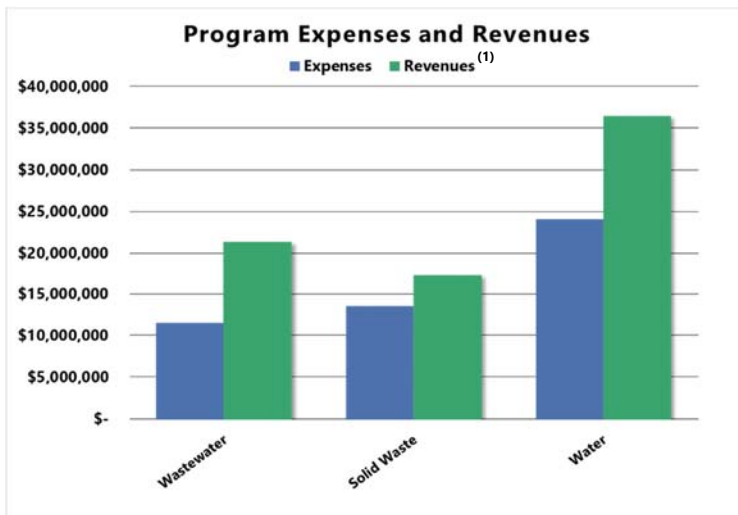
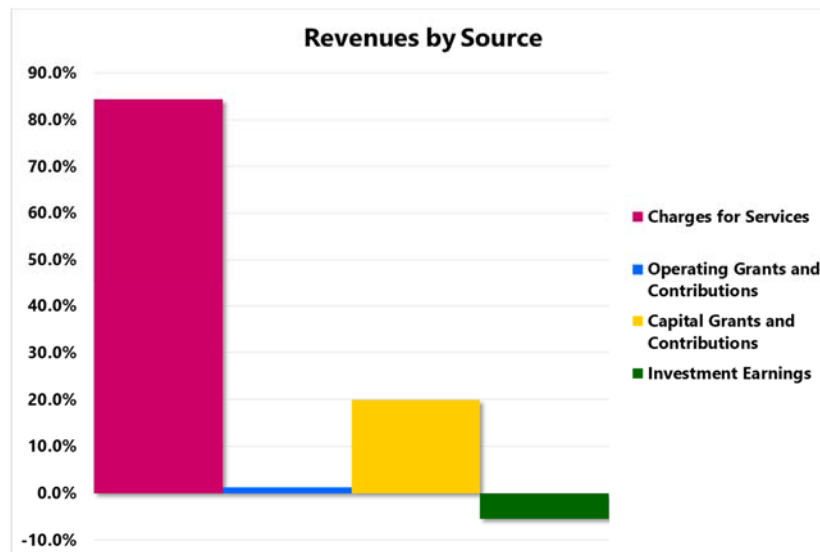
Total resources available during the year to finance governmental operations were \$683.8 million consisting of restated net position at July 1, 2021 of \$582.2 million, program revenues of \$71.4 million and general revenues and transfers of \$30.2 million. Total governmental activities expenses during the year were \$79.4 million, thus net position increased by \$22.2 million to \$604.4 million.



Business-Type Activities

The cost of all Business-Type activities this year was \$50.1 million. As shown in the Statement of Activities and Changes in Net Position, found on page 35, the amounts paid by users of the services were \$61.1 million. Capital grants and contributions totaled \$14.4 million, operating grants and contributions were \$1.4 million and investment losses were \$4.0 million.

Total resources available during the year to finance Business-Type activities were \$408.9 million, consisting of net position at July 1, 2021 of \$334.8 million, charges for services of \$61.1 million, contributions of \$15.8 million, investment losses of \$4.0 million and other general revenues and net transfers of \$1.2 million. Total Business-Type activities during the year were \$50.1 million, thus net position increased by \$24.0 million to \$358.8 million.



(1) Revenues include contributions from development impact fees and developer dedicated infrastructure.

(2) City Rentals did not have revenues in FY 2021/22, as the assets are being sold and this fund is projected to be closed in FY 2022/23.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Including the \$1.4 million one-time revenue accrual adjustment described above and in Note #15, the City's General Fund had a year-end fund balance of \$31.5 million, an increase of \$0.5 million compared to the prior year. The increase in fund balance is after the effect of transfers to the Pension/OPEB Obligation fund of \$1.2 million, representing the unassigned General Fund balance in excess of the 30% of annual operating appropriations and transfers out set by budget policy. The City's two largest revenue sources, Property Tax and Sales Tax, had 5.4% and 17.6% increases, respectively, over prior year. Along with these increases, the General Fund experienced savings from budget due primarily to personnel vacancies.

The LLAD Fund, which is reported as a Special Revenue Fund, had a decrease in fund balance of \$0.6 million. This decrease was due to transfers from the LLADs to the Parks/LLAD Replacement fund to provide resources for future asset replacement costs.

The Citywide Park Assessment District, which is reported as a Special Revenue Fund, had an increase in fund balance of \$1.0 million. This increase was due to assessment revenue, and transfers in from LLADs, exceeding expenditures to increase the reserve balance in the district.

The Parks and Trails Development Impact Fee Fund, which is reported as a Special Revenue Fund, had a fund balance increase of \$4.6 million as developer prepayment of fees and fees from increased permit activity were received in advance of project spending.

The Fire Development Impact Fee Fund, which is reported as a Special Revenue Fund, had a fund balance decrease of \$6.8 million due to the balance of the fund being transferred to the ECCFPD followed by a closure of the fund.

The Roadway Improvements Fund, which is reported as a Capital Project Fund, had an increase in fund balance of \$3.9 million. This increase was primarily due to transfers in for funding the Sand Creek Road Extension and Lone Tree Way Roadway Improvements projects.

The Community Facilities Improvements Fund, which is reported as a Capital Project Fund, had an increase in fund balance of \$0.8 million. This increase was primarily due to transfers in for funding the Vineyards at Marsh Creek - Event Center/Amphitheater project.

The Parks and Trails Improvements Fund, which is reported as a Capital Project Fund, had an increase in fund balance of \$1.6 million. This increase was due to transfers in for funding several parks and trails projects to be completed in the upcoming fiscal year.

The Vineyards Projects Fund, which is reported as a Capital Project Fund, had a decrease in fund balance of \$0.7 million. This decrease was due to transfers out for funding of the Vineyards at Marsh Creek - Event Center/Amphitheater project.

The Wastewater Fund, which is reported as an Enterprise Fund, had an increase in net position of \$9.5 million. This increase was primarily due to increased contributions from acceptances of developer dedicated assets, prepaid development impact fees and increased non-residential permit activity.

The Solid Waste Fund, which is reported as an Enterprise Fund, had an increase in net position of \$3.4 million. This increase was primarily due to increases in operational income from rate adjustments in anticipating of increasing costs arising from new Organics waste laws.

The Water Fund, which is reported as an Enterprise Fund, had an increase in net position of \$11.1 million. This increase was primarily due to increased contributions from acceptances of developer dedicated assets, prepaid development impact fees and increased non-residential permit activity.

GENERAL FUND BUDGETARY HIGHLIGHTS

Comparing the FY 2021/22 original budget (adopted June 2020) General Fund expenditures and transfers out in the amount of \$63,342,449, to the final budget amount of \$69,049,297, there was an increase in budgeted expenditures and transfers out of \$5,706,848. The causes for these increases are summarized below.

During the fiscal year, the total revenues and transfers in for the General Fund were \$63,012,938, which was \$4,690,953 less than budgeted. The total expenditures and transfers out for the General Fund were \$63,938,354, which was \$5,110,943 less than budgeted. The expenditures and transfer out figures include the year end transfer of \$1,234,299 to the Pension/OPEB Obligation Fund which represented General Fund resources above the 30% appropriation reserve set by City Council Policy. From an operational standpoint, General Fund expenses and transfers out totaled \$62,704,055, or \$6,345,242 less than budgeted.

Revenues were under budget due primarily to a transfer from the Pension/OPEB Obligation Fund of \$4.6 million which had been budgeted but was not required. This transfer was included in the budget to balance General Fund revenues with expenditures. Development-related revenue was higher than expected in the fiscal year as 326 single-family residential building permits were issued while only 175 were budgeted, resulting in a \$1.2 million surplus in development revenue. Additionally, property tax and sales tax revenues increased over the prior year 5.3% and 17.6%, respectively, resulting in taxes exceeding final budget by \$1.1 million. Offsetting these results, investment income posted a negative variance from budget of \$1.3 million after the impacts of the fair value adjustment. The fair value adjustment was due to historic increases in interest rates occurring at the end of the fiscal year. In addition, lingering impacts of the pandemic continued to affect activity-based revenues during the fiscal year, resulting in fees and other revenues \$0.2 million under budget.

On the expenditure side, the City continued to operate efficiently, reducing costs wherever possible. This resulted in savings across most departments as spending on supplies and services remained low and personnel vacancies resulted in significant savings from the original budget. Additionally, expenditures were reduced as a result of the impact of actuarial updates related to pension and OPEB liabilities.

Supplemental changes to the FY 2021/22 General Fund expenditures and transfers out budget were:

- Increase of \$909,780 in personnel costs and \$45,629 in supplies and services due to negotiated labor cost increases, authorization of additional staff and applicable one-time costs. This increase was offset by an associated reduction in contractual services of \$187,091
- Increase of \$913,522 in personnel costs and \$394,950 in supplies and services and capital outlay for implementation of the Police Department 5th Beat

- Increase of \$475,998 for Strategic Initiative budgets not expended in FY 2020/21 and carried over to the FY 2021/22 budget for implementation in the 2020/21 – 2021/22 Strategic Plan
- Increase of \$872,477 for project funding transfers to the Parks and Trails Improvements Capital Project Fund
- Increase of \$740,500 for project funding transfers to the annual Pavement Management Program
- Increase of \$335,833 for project funding transfers to the Community Facilities Improvements Capital Project Fund
- Increase of \$330,000 for legal contractual services
- Increase of \$206,632 in Parks and Recreation expenditures for increases in program participation costs, utilities and fencing costs for Sunset Park
- Increase of \$155,000 in Public Works for contractual services and new traffic control vehicle
- Increase of \$150,000 in City Manager Department costs for the 2021-22 Redistricting Process
- Increase of \$95,930 in Successor Agency Administration to transfer RDA reserves to the Successor Agency
- Increase of \$95,029 in Community Services contributions
- Increase of \$68,004 in Police Department for costs to implement a bike patrol, an increase in contributions for family services and an increase in costs of required radio upgrades
- Increase of \$56,000 in Non-Departmental costs for quarterly newsletter to the community
- Increase of \$28,655 in Human Resources Department costs for continuation of programs initiated in prior Strategic Plans
- Increase of \$20,000 in Community Development for contractual services costs related to State Law requirements

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, 2022, capital assets, net of accumulated amortization and depreciation, of the Governmental activities totaled \$507.3 million. Capital assets, net of accumulated amortization and depreciation, of the Business-Type activities totaled \$319.0 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	\$ 1,651,484	\$ 4,606,672
Land	40,151,779	-	40,151,779
Buildings	71,743,081	14,332,903	57,410,178
Infrastructure	496,020,205	134,918,580	361,101,625
Machinery and Equipment	13,249,356	6,636,191	6,613,165
Vehicles	17,028,628	11,376,578	5,652,050
Land Improvements	34,105,342	8,536,157	25,569,185
Work in Progress – CIP and Infrastructure	6,187,737	-	6,187,737
Total Capital Assets – Governmental	\$ 684,744,284	\$ 177,451,893	\$ 507,292,391
Capital Assets – Business-Type:			
Intangible Assets	\$ 18,950,632	\$ 5,474,061	\$ 13,476,571
Land	2,661,597	-	2,661,597
Buildings	30,689,885	9,460,840	21,229,045
Infrastructure	299,663,772	68,716,138	230,947,634
Machinery and Equipment	7,683,974	2,458,739	5,225,235
Land Improvements	11,046,659	3,696,791	7,349,868
Work in Progress – CIP and Infrastructure	38,158,721	-	38,158,721
Total Capital Assets – Business-Type	\$ 408,855,240	\$ 89,806,569	\$ 319,048,671

Long-Term Obligations

Debt, considered a liability of Governmental Activities, decreased during the fiscal year by \$36.3 million. Included in this amount was a \$5.6 million decrease due to annual debt service payments on outstanding notes and bonds payable, a decrease in net OPEB liability of \$6.8 million and a decrease in net pension liability of \$24.0 million, offset by an increase in accumulated compensated absences of \$0.1 million. The decrease in pension and OPEB related liabilities was largely due to strong investment returns. Debt, considered a liability of Business-Type Activities, increased by \$4.3 million during the fiscal year. During the year, increases to notes payable totaled \$17.4 million due to SWR draws for Wastewater projects. Additionally, net OPEB liability decreased by \$2.4 million and net pension liability decreased by \$6.4 million with the remaining decreases due to annual debt service payments on outstanding notes and bonds payable. Per capita debt outstanding (excluding pension, OPEB and accumulated compensated absences obligations) increased from \$2,119 to \$2,297 compared to the prior fiscal year.

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



	Balance June 30, 2021	Incurred or Issued	Satisfied or Matured	Balance June 30, 2022
Governmental Activities:				
Bonds Payable	\$ 65,425,978	\$ 14,763,534 ⁽¹⁾	\$ 18,724,460	\$ 61,465,052
Notes Payable	7,701,704	-	1,638,690	6,063,014
Net OPEB Liability	23,774,663	-	6,841,259 ⁽²⁾	16,933,404
Net Pension Liability	35,444,100	-	23,977,513	11,466,587
Accumulated Compensated Absences	<u>2,110,163</u>	<u>2,202,235</u>	<u>2,131,909</u>	<u>2,180,489</u>
Total Governmental Activities	<u>\$ 134,456,608</u>	<u>\$ 16,965,769</u>	<u>\$ 53,313,831</u>	<u>\$ 98,108,546</u>
Business-Type Activities:				
Bonds Payable	\$ 40,470,572	\$ -	\$ 2,112,093	\$ 38,358,479
Notes Payable and Other	26,463,486	17,362,062	2,201,113	41,624,435
Net OPEB Liability	9,393,856	-	2,394,196	6,999,660
Net Pension Liability	9,346,884	-	6,396,196	2,950,688
Accumulated Compensated Absences	<u>656,128</u>	<u>744,177</u>	<u>721,866</u>	<u>678,439</u>
Total Business-Type Activities	<u>\$ 86,330,926</u>	<u>\$ 18,106,239</u>	<u>\$ 13,825,464</u>	<u>\$ 90,611,701</u>

(1) Includes accreted interest and the issuance of new bonds

(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 key assumptions in the General Fund revenue budget forecast for FY 2022/23 are as follows:

- A continued slowdown in residential development activity was projected, with 175 new single-family and zero multi-family building permits budgeted.
- Property tax assessed valuations were projected to increase by 6.7%. The recently announced assessed valuation for FY 2022/23 was 2.5% higher than the adopted budget assumption due to stronger than expected housing value increases and development activity.
- Budgeted sales tax revenue increases have been reduced to the levels that were expected for FY 2022/23 prior to the pandemic and are supported by the City's sales tax consultant projections.
- Interest rates were expected to level off and result in continued moderate levels of investment income, however, this assumption appears to be outdated as rates have continued to increase substantially since the budget development.
- Parks and Recreation program revenues have been budgeted at levels more consistent with the pre-pandemic timeframe and are expected to exceed prior year levels.
- Expenditures levels are budgeted to accommodate inflationary increases for the next fiscal year.

Outside of declines due to the COVID-19 pandemic, in recent years the City has experienced increasing revenues as development activity has exceeded expectations. Steady development along with continued increases in property values has resulted in growing property tax revenues and population increases. Population increases are expected to be less than 1% per year over the next several years with residential development expected to be at a slower pace as the City nears buildout and increasing mortgage interest rates may slow demand for new homes.

The following key budget factors were included in the FY 2022/23 expenditure budget:

- Budget for a supplemental one-time lump sum payment is included in FY 2022/23 to help pay down the City's unfunded pension or retiree medical liabilities.
- Continuation of the City's pre-funding strategy for OPEB, in which the City is funding 85% of the Actuarial Determined Contribution (ADC) annually before converting to a level percentage of payroll funding to achieve 100% funding.
- Expenditures were budgeted to achieve the objectives of the City's 2022/23 – 2023/24 Strategic Plan and costs of authorized new positions.
- 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 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 prefund OPEB. However, additional pension and OPEB contributions will be required beginning in about three fiscal years to offset significant investment losses experienced by CalPERS in the most recently completed fiscal year. Inflationary pressures in the labor market are expected to have an impact on the City's expenditure growth when labor contracts expire in FY 2024/25. The City's Ten-Year General Fund Fiscal Model ("Fiscal Model") reflects increases in required funding for labor inflation and a portion of the additional pension and OPEB costs. Other future cost increases included in the City's long-term forecast are higher short-term inflation impacts on supplies, services and capital outlay, increased replacement needs as the City's facilities and infrastructure age and increased operational costs for planned future amenities.

Population growth in recent years combined with the potential for persistent inflation, places increasing pressure on the costs for service. The City has addressed demand for increased service levels by adding twenty-one new positions to the General Fund in the last four fiscal years. These new positions include three Community Service Officers, two Police Dispatchers, a Police Public Information Officer and five Police Officers for a new Police Department 5th Beat.

Although the long-term impacts of potential persistent high inflation and rising interest rates could create significant economic headwinds, the City continues to budget conservatively, based on current economic information, in both the 2022/23 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, 2022

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Investments	\$ 185,477,097	\$ 104,429,002	\$ 289,906,099
Restricted Cash and Investments	5,037,613	1,579,458	6,617,071
Receivables, Net of Allowance for Doubtful Accounts	3,976,583	27,602,272	31,578,855
Leases Receivable	2,615,201	-	2,615,201
Inventories	105,426	-	105,426
Prepays	634,350	49,039	683,389
Land Held for Resale	512,350	-	512,350
Total Current Assets	198,358,620	133,659,771	332,018,391
Non-Current Assets:			
Long-Term Notes and Loans Receivable	20,600,526	705,367	21,305,893
Capital Assets:			
Land and Work In Progress	46,339,516	40,820,318	87,159,834
Depreciable, Net of Accumulated Depreciation and Amortization	460,952,875	278,228,353	739,181,228
Total Non-Current Assets	527,892,917	319,754,038	847,646,955
Total Assets	726,251,537	453,413,809	1,179,665,346
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding	-	5,660,710	5,660,710
Related to OPEB	2,770,593	969,455	3,740,048
Related to Pensions	14,325,031	2,845,889	17,170,920
Total Deferred Outflows of Resources	17,095,624	9,476,054	26,571,678
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	3,962,223	5,563,218	9,525,441
Unearned Revenue	7,498,044	-	7,498,044
Deposits Held	3,295,312	151,056	3,446,368
Long-Term Liabilities Due Within One Year	7,049,758	4,597,909	11,647,667
Total Current Liabilities	21,805,337	10,312,183	32,117,520
Non-Current Liabilities Due in More Than One Year:			
Bonds Payable	57,455,387	36,408,479	93,863,866
Notes Payable and Other	4,331,214	39,383,589	43,714,803
Net OPEB Liability	16,933,404	6,999,660	23,933,064
Net Pension Liability	11,466,587	2,950,688	14,417,275
Compensated Absences Payable	872,196	271,376	1,143,572
Total Non-Current Liabilities	91,058,788	86,013,792	177,072,580
Total Liabilities	112,864,125	96,325,975	209,190,100
DEFERRED INFLOWS OF RESOURCES			
Related to OPEB	7,947,827	2,770,752	10,718,579
Related to Pensions	15,520,015	5,029,271	20,549,286
Related to Leases	2,540,966	-	2,540,966
Total Deferred Inflows of Resources	26,008,808	7,800,023	33,808,831
NET POSITION			
Net Investment in Capital Assets and Capacity Rights	445,827,339	244,726,467	690,553,806
Restricted for:			
Nonexpendable - Riparian Site Mitigation Endowment	80,000	-	80,000
Expendable:			
Capital Projects	33,090,018	16,857,869	49,947,887
Debt Service	22,375,607	-	22,375,607
Housing	527,671	6,644,081	7,171,752
Streets and Roadways	17,999,549	-	17,999,549
Landscape and Lighting Assessment Districts	7,221,721	-	7,221,721
Agricultural/Farmland Mitigation	3,455,585	-	3,455,585
Public Art	4,028,693	-	4,028,693
Development Impact Fee Program	7,459,200	23,169,997	30,629,197
Other Restricted Purposes	2,428,216	20,251	2,448,467
Unrestricted	59,980,629	67,345,200	127,325,829
Total Net Position	\$ 604,474,228	\$ 358,763,865	\$ 963,238,093

City of Brentwood

Statement of Activities and Changes in Net Position

For Year Ended June 30, 2022

Functions/Programs	Program Revenues					Net Revenues (Expenses) and Changes in Net Position		
	Expenses	Charges for Services	Operating	Capital	Total	Primary Government		
			Grants and Contributions	Grants and Contributions		Governmental Activities	Business-Type Activities	Total
Primary Government:								
Governmental Activities								
General Government	\$ 12,640,259	\$ 9,512,175	\$ 3,696,173	\$ 3,481,722	\$ 16,690,070	\$ 4,049,811	\$ -	\$ 4,049,811
Public Safety	23,093,796	405,942	3,833,770	221,454	4,461,166	(18,632,630)	-	(18,632,630)
Community Development	4,652,217	4,026,433	-	437,463	4,463,896	(188,321)	-	(188,321)
Engineering	2,764,684	1,869,904	-	-	1,869,904	(894,780)	-	(894,780)
Public Works	7,369,216	-	5,363,259	16,742,424	22,105,683	14,736,467	-	14,736,467
Parks and Recreation	19,241,106	1,538,564	3,341,373	7,897,803	12,777,740	(6,463,366)	-	(6,463,366)
Community Services	7,862,198	-	9,070,170	-	9,070,170	1,207,972	-	1,207,972
Interest on Long-Term Debt	1,745,437	-	-	-	-	(1,745,437)	-	(1,745,437)
Total Governmental Activities	79,368,913	17,353,018	25,304,745	28,780,866	71,438,629	(7,930,284)	-	(7,930,284)
Business-Type Activities								
Wastewater	11,516,452	15,996,687	180,903	5,394,564	21,572,154	-	10,055,702	10,055,702
Solid Waste	13,547,713	17,297,074	-	-	17,297,074	-	3,749,361	3,749,361
Water	24,126,086	27,378,018	378,055	9,027,570	36,783,643	-	12,657,557	12,657,557
City Rentals	142,191	-	-	-	-	-	(142,191)	(142,191)
Housing	796,823	385,496	858,606	-	1,244,102	-	447,279	447,279
Total Business-Type Activities	50,129,265	61,057,275	1,417,564	14,422,134	76,896,973	-	26,767,708	26,767,708
Total Primary Government	\$ 129,498,178	\$ 78,410,293	\$ 26,722,309	\$ 43,203,000	\$ 148,335,602	\$ (7,930,284)	\$ 26,767,708	\$ 18,837,424
General Revenues:								
Taxes:								
Property Taxes						\$ 17,662,589	\$ -	\$ 17,662,589
Sales Tax						11,033,446	-	11,033,446
Franchise Fees						1,581,396	-	1,581,396
Real Property Transfer Tax						794,244	-	794,244
Transient Occupancy Tax						657,874	-	657,874
Motor Vehicle Taxes, In-Lieu, Unrestricted						5,480,504	-	5,480,504
Investment Earnings						(6,200,352)	(3,977,615)	(10,177,967)
Miscellaneous						458,050	-	458,050
Transfers						(1,225,585)	1,225,585	-
Total General Revenues and Transfers						30,242,166	(2,752,030)	27,490,136
Change in Net Position						22,311,882	24,015,678	46,327,560
Net Position - Beginning of Year, Restated						582,162,346	334,748,187	916,910,533
Net Position - End of Year						\$ 604,474,228	\$ 358,763,865	\$ 963,238,093

City of Brentwood
Balance Sheet
Governmental Funds
June 30, 2022

	Special Revenue Funds			Debt Service Fund		Total Governmental Funds
	General Fund	American Rescue Plan Act of 2021	Landscape and Lighting Assessment Districts	Capital Improvement Revenue Refunding Bonds Series 2021 A & B	Other Governmental Funds	
ASSETS						
Current Assets:						
Cash and Investments	\$ 34,139,526	\$ 6,923,339	\$ 8,420,654	\$ 90,147	\$ 68,916,484	\$ 118,490,150
Restricted Cash and Investments	-	-	-	1,610,316	3,427,297	5,037,613
Receivables	3,256,880	-	2,907	10,640,027	11,101,861	25,001,675
Prepays	39,794	-	-	-	915	40,709
Leases Receivable	2,615,201	-	-	-	-	2,615,201
Due from Other Funds	-	-	-	-	94,408	94,408
Land Held for Resale	-	-	-	-	512,350	512,350
Total Assets	\$ 40,051,401	\$ 6,923,339	\$ 8,423,561	\$ 12,340,490	\$ 84,053,315	\$ 151,792,106
LIABILITIES						
Current Liabilities:						
Accounts Payable and Accrued Liabilities	\$ 1,622,466	\$ -	\$ 479,364	\$ -	\$ 1,151,875	\$ 3,253,705
Due to Other Funds	-	-	-	-	94,408	94,408
Unearned Revenue	574,705	6,923,339	-	-	-	7,498,044
Deposits Held	3,295,312	-	-	-	-	3,295,312
Interfund Advance Payable	-	-	72,248	-	-	72,248
Total Current Liabilities	5,492,483	6,923,339	551,612	-	1,246,283	14,213,717
Non-Current Liabilities Due in More Than One Year:						
Interfund Advance Payable	-	-	650,228	-	-	650,228
Total Non-Current Liabilities	-	-	650,228	-	-	650,228
Total Liabilities	5,492,483	6,923,339	1,201,840	-	1,246,283	14,863,945
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue - Accounts Receivable	480,488	-	-	-	-	480,488
Related to Leases	2,540,966	-	-	-	-	2,540,966
Total Deferred Inflows of Resources	3,021,454	-	-	-	-	3,021,454
FUND BALANCES						
Nonspendable	39,794	-	-	-	80,915	120,709
Restricted	-	-	7,221,721	12,340,490	79,031,161	98,593,372
Committed	10,478,042	-	-	-	3,789,250	14,267,292
Unassigned	21,019,628	-	-	-	(94,294)	20,925,334
Total Fund Balances	31,537,464	-	7,221,721	12,340,490	82,807,032	133,906,707
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 40,051,401	\$ 6,923,339	\$ 8,423,561	\$ 12,340,490	\$ 84,053,315	\$ 151,792,106

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

June 30, 2022

Total Fund Balances - Total Governmental Funds \$ 133,906,707

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital assets used in Governmental Activities are not current financial resources; therefore, they are not reported in the Governmental Funds Balance Sheet. 500,977,445

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. 69,600,310

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. (4,487,846)

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	(56,977,206)
Notes Payable	(6,063,014)
Net OPEB Liabilities	(14,674,228)
Deferred Outflows of Resources Related to OPEB	2,513,362
Deferred Inflows of Resources Related to OPEB	(7,167,842)
Net Pension Liabilities	(10,606,500)
Deferred Outflows of Resources Related to Pensions	13,499,974
Deferred Inflows of Resources Related to Pensions	(14,054,049)
Compensated Absences	(1,962,748)
Accrued Liabilities	(30,137)

Total Net Position of Governmental Activities \$ 604,474,228

City of Brentwood

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds
For Year Ended June 30, 2022

	Special Revenue Funds			Debt Service Fund	Other Governmental Funds	Total Governmental Funds
	General Fund	American Rescue Plan Act of 2021	Landscape and Lighting Assessment Districts	Capital Improvement Revenue Refunding Bonds Series 2021 A & B		
REVENUES						
Taxes	\$ 29,743,313	\$ -	\$ -	\$ -	\$ 7,863,268	\$ 37,606,581
Licenses	764,683	-	-	-	191,171	955,854
Permits and Fines	6,188,715	-	-	-	-	6,188,715
Uses of Money and Property	(837,912)	-	(285,833)	49,371	(2,237,142)	(3,311,516)
Intergovernmental	5,552,021	-	-	552,125	5,885,466	11,989,612
Franchises	1,581,396	-	-	-	-	1,581,396
Charges for Other Services	259,762	-	-	-	-	259,762
Charges to Other Funds	8,190,240	-	-	-	-	8,190,240
Fees and Other Revenues	1,728,099	-	9,070,170	448	18,909,855	29,708,572
Total Revenues	53,170,317	-	8,784,337	601,944	30,612,618	93,169,216
EXPENDITURES						
Current:						
General Government	7,934,074	-	-	-	3,267,015	11,201,089
Public Safety	27,073,593	-	-	-	7,101,922	34,175,515
Community Development	5,648,719	-	-	58,404	156,289	5,863,412
Engineering	3,545,915	-	-	-	-	3,545,915
Public Works	4,019,329	-	-	-	-	4,019,329
Parks and Recreation	7,378,830	-	-	-	6,458,744	13,837,574
Community Services	884,078	-	7,027,345	-	43,915	7,955,338
Capital Outlay	95,687	-	-	-	1,528,612	1,624,299
Debt Service:						
Principal	1,638,690	-	-	15,425,000	2,380,000	19,443,690
Interest and Fiscal Charges	-	-	-	677,223	1,674,631	2,351,854
Total Expenditures	58,218,915	-	7,027,345	16,160,627	22,611,128	104,018,015
REVENUES OVER (UNDER) EXPENDITURES	(5,048,598)	-	1,756,992	(15,558,683)	8,001,490	(10,848,799)
OTHER FINANCING SOURCES (USES)						
Refunding Bonds Issued	-	-	-	14,450,491	-	14,450,491
Transfers In	9,842,621	-	1,544,554	612,290	18,550,179	30,549,644
Transfers Out	(5,719,439)	-	(3,914,144)	(59,071)	(23,529,253)	(33,221,907)
Total Other Financing Sources (Uses)	4,123,182	-	(2,369,590)	15,003,710	(4,979,074)	11,778,228
NET CHANGE IN FUND BALANCES	(925,416)	-	(612,598)	(554,973)	3,022,416	929,429
Fund Balance, Beginning of Year, Restated	32,462,880	-	7,834,319	12,895,463	79,784,616	132,977,278
Fund Balance, End of Year	\$ 31,537,464	\$ -	\$ 7,221,721	\$ 12,340,490	\$ 82,807,032	\$ 133,906,707

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, 2022

Net Change in Fund Balances - Total Governmental Funds	\$ 929,429
<p>Amounts reported for governmental activities in the Statement of Activities and Changes in Net Position are different because:</p>	
<p>Governmental Funds report capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. The amount shown represents the capital assets recorded in the current period.</p>	1,624,299
<p>Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities and Changes in Net Position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in Governmental Funds.</p>	(10,084,919)
<p>The net effect of various miscellaneous transactions involving Capital Assets (e.g. sales, trade-ins and contributions) is to increase net position.</p>	11,224,649
<p>To record the net change in compensated absences in the Statement of Activities and Changes in Net Position.</p>	(59,727)
<p>Bond proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Government-Wide Statement of Net Position. Repayment of bond principal and other long-term liabilities is an expenditure in Governmental Funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.</p>	
<p style="padding-left: 20px;">This amount represents the net effect of transactions related to the Capital Improvement Revenue Refunding Bonds Series 2021 A&B</p>	(13,806,740)
<p style="padding-left: 20px;">This amount represents long-term debt principal repayments</p>	19,443,690
<p style="padding-left: 20px;">This amount represents the decrease in accrued liabilities</p>	19,391
<p style="padding-left: 20px;">This amount represents the decrease in Net OPEB Liability</p>	6,203,858
<p style="padding-left: 20px;">This amount represents the decrease in Deferred Outflows related to OPEB</p>	(182,973)
<p style="padding-left: 20px;">This amount represents the increase in Deferred Inflows related to OPEB</p>	(4,593,578)
<p style="padding-left: 20px;">This amount represents the decrease in Net Pension Liability</p>	22,080,794
<p style="padding-left: 20px;">This amount represents the increase in Deferred Outflows related to Pensions</p>	2,844,982
<p style="padding-left: 20px;">This amount represents the increase in Deferred Inflows related to Pensions</p>	(11,862,464)
<p style="padding-left: 20px;">This amount represents accreted interest</p>	(313,043)
<p style="padding-left: 20px;">This amount represents amortized bond premiums</p>	275,709
<p>Internal Service Funds are used by management to charge the costs of certain activities, such as data processing and fleet management, to individual funds. The net revenue of the Internal Service Funds is reported with Governmental Activities.</p>	(1,431,475)
Change in Net Position of Governmental Activities	\$ 22,311,882

City of Brentwood

Statement of Net Position

Proprietary Funds

June 30, 2022

	Business-Type Activities - Enterprise Funds					Totals	Governmental Activities - Internal Service Funds
	Wastewater	Solid Waste	Water	City Rentals	Housing		
ASSETS							
Current Assets:							
Cash and Investments	\$ 38,685,613	\$ 13,592,107	\$ 44,308,199	\$ 327,632	\$ 7,515,451	\$ 104,429,002	\$ 66,986,947
Restricted Cash and Investments	1,579,458	-	-	-	-	1,579,458	-
Receivables, Net of Allowance for Doubtful Accounts	22,098,845	2,197,108	3,268,049	138	38,132	27,602,272	55,922
Inventories	-	-	-	-	-	-	105,426
Prepays	9,150	9,385	22,387	7,926	191	49,039	593,641
Interfund Advance Receivable	-	-	-	-	-	-	72,248
Total Current Assets	62,373,066	15,798,600	47,598,635	335,696	7,553,774	133,659,771	67,814,184
Non-Current Assets:							
Long-Term Notes Receivable	-	-	-	-	705,367	705,367	-
Interfund Advance Receivable	-	-	-	-	-	-	650,228
Capital Assets:							
Land and Work In Progress	34,829,604	254,420	3,867,298	-	1,868,996	40,820,318	-
Depreciable	131,606,043	15,426,406	218,650,803	-	2,351,671	368,034,923	20,206,308
Less: Accumulated Depreciation and Amortization	(30,755,376)	(2,729,072)	(55,719,688)	-	(602,434)	(89,806,570)	(13,891,362)
Total Capital Assets, Net of Accumulated Depreciation and Amortization	135,680,271	12,951,754	166,798,413	-	3,618,233	319,048,671	6,314,946
Total Non-Current Assets	135,680,271	12,951,754	166,798,413	-	4,323,600	319,754,038	6,965,174
Total Assets	198,053,337	28,750,354	214,397,048	335,696	11,877,374	453,413,809	74,779,358
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Amount on Refunding Related to OPEB	-	-	5,660,710	-	-	5,660,710	-
Related to Pensions	282,373	332,152	332,864	-	22,066	969,455	257,231
Related to Pensions	854,441	920,789	974,343	-	96,316	2,845,889	825,057
Total Deferred Outflows of Resources	1,136,814	1,252,941	6,967,917	-	118,382	9,476,054	1,082,288
LIABILITIES							
Current Liabilities:							
Accounts Payable and Accrued Liabilities	3,007,759	440,297	2,103,688	639	10,835	5,563,218	678,381
Deposits Held	-	20,251	95,000	-	35,805	151,056	-
Long-Term Debt Due Within One Year	2,240,846	-	1,950,000	-	-	4,190,846	-
Compensated Absences Payable	129,714	125,416	141,548	-	10,385	407,063	130,645
Total Current Liabilities	5,378,319	585,964	4,290,236	639	57,025	10,312,183	809,026
Non-Current Liabilities Due in More Than One Year:							
Bonds Payable	-	-	36,408,479	-	-	36,408,479	-
Notes Payable and Other	39,383,589	-	-	-	-	39,383,589	-
Net OPEB Liability	1,748,905	2,481,373	2,575,108	-	194,274	6,999,660	2,259,176
Net Pension Liability	882,840	959,292	1,007,530	-	101,026	2,950,688	860,087
Compensated Absences Payable	86,476	83,611	94,366	-	6,923	271,376	87,096
Total Non-Current Liabilities	42,101,810	3,524,276	40,085,483	-	302,223	86,013,792	3,206,359
Total Liabilities	47,480,129	4,110,240	44,375,719	639	359,248	96,325,975	4,015,385
DEFERRED INFLOWS OF RESOURCES							
Related to OPEB	805,093	953,840	952,342	-	59,477	2,770,752	779,985
Related to Pensions	1,504,748	1,635,056	1,717,274	-	172,193	5,029,271	1,465,966
Total Deferred Inflows of Resources	2,309,841	2,588,896	2,669,616	-	231,670	7,800,023	2,245,951
NET POSITION							
Net Investment in Capital Assets and Capacity Rights	94,055,836	12,951,754	134,100,644	-	3,618,233	244,726,467	6,314,946
Restricted for:							
Capital Projects	571,429	-	16,286,440	-	-	16,857,869	-
Special Projects and Programs	23,169,997	20,251	-	-	6,644,081	29,834,329	-
Unrestricted	31,602,919	10,332,154	23,932,546	335,057	1,142,524	67,345,200	63,285,364
Total Net Position	\$ 149,400,181	\$ 23,304,159	\$ 174,319,630	\$ 335,057	\$ 11,404,838	\$ 358,763,865	\$ 69,600,310

City of Brentwood

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For Year Ended June 30, 2022

	Business-Type Activities - Enterprise Funds					Totals	Governmental
	Wastewater	Solid Waste	Water	City Rentals	Housing		Activities - Internal Service Funds
Operating Revenues:							
Charges for Services	\$ 15,883,142	\$ 16,946,735	\$ 27,278,840	\$ -	\$ 363,575	\$ 60,472,292	\$ 19,987,486
Other Income	113,545	350,339	99,178	-	21,921	584,983	122,508
Total Operating Revenues	15,996,687	17,297,074	27,378,018	-	385,496	61,057,275	20,109,994
Operating Expenses:							
Personnel Services	3,512,958	4,013,224	3,807,112	-	396,719	11,730,013	11,110,889
Repairs and Maintenance	302,516	1,306,170	980,442	69,950	57,003	2,716,081	519,303
Materials, Supplies and Services	5,666,130	7,984,870	13,940,908	72,241	296,068	27,960,217	6,401,711
Depreciation and Amortization	1,974,151	243,449	3,747,274	-	47,033	6,011,907	1,708,544
Total Operating Expenses	11,455,755	13,547,713	22,475,736	142,191	796,823	48,418,218	19,740,447
Operating Income (Loss)	4,540,932	3,749,361	4,902,282	(142,191)	(411,327)	12,639,057	369,547
Non-Operating Revenues (Expenses):							
Interest Income	(1,688,343)	(416,869)	(1,551,505)	(12,844)	(308,054)	(3,977,615)	(2,572,949)
Developer Fees and Credits	-	-	-	-	858,606	858,606	-
Interest Expense	(60,697)	-	(1,650,350)	-	-	(1,711,047)	-
Gain or (Loss) on Disposal of Capital Assets	-	-	-	-	-	-	98,457
Total Non-Operating Revenues (Expenses)	(1,749,040)	(416,869)	(3,201,855)	(12,844)	550,552	(4,830,056)	(2,474,492)
Income (Loss) Before Contributions and Transfers	2,791,892	3,332,492	1,700,427	(155,035)	139,225	7,809,001	(2,104,945)
Contributions - Impact Fees and Credits	2,840,170	-	4,630,204	-	-	7,470,374	-
Intergovernmental	180,903	-	378,055	-	-	558,958	-
Capital Asset Contributions	2,554,394	-	4,397,366	-	-	6,951,760	-
Capital Assets Contributed from (to) Governmental Activities	7,070	7,070	18,852	-	-	32,992	(806,200)
Transfers In	2,371,898	172,896	1,023,975	204,161	-	3,772,930	2,604,891
Transfers Out	(1,235,866)	(73,588)	(1,066,722)	(204,161)	-	(2,580,337)	(1,125,221)
Change in Net Position	9,510,461	3,438,870	11,082,157	(155,035)	139,225	24,015,678	(1,431,475)
Net Position, Beginning of Year	139,889,720	19,865,289	163,237,473	490,092	11,265,613	334,748,187	71,031,785
Net Position, End of Year	\$ 149,400,181	\$ 23,304,159	\$ 174,319,630	\$ 335,057	\$ 11,404,838	\$ 358,763,865	\$ 69,600,310

City of Brentwood

Statement of Cash Flows

Proprietary Funds
For Year Ended June 30, 2022

	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	\$ 15,860,050	\$ 16,926,237	\$ 27,750,565	\$ 1,703	\$ 335,135	\$ 60,873,690	\$ 20,128,126
Cash Payments to Suppliers of Goods and Services	(5,588,954)	(7,058,321)	(14,212,611)	(81,918)	(323,547)	(27,265,351)	(6,592,797)
Cash Payments to Employees for Services	(4,142,724)	(4,871,441)	(4,798,605)	-	(439,681)	(14,252,451)	(11,853,833)
Cash Payments for Interfund Services	(1,023,054)	(2,598,707)	(1,077,510)	(53,562)	(57,712)	(4,810,545)	(428,894)
Other Receipts	113,545	350,339	99,178	-	-	563,062	122,508
Net Cash Provided By (Used for) Operating Activities	5,218,863	2,748,107	7,761,017	(133,777)	(485,805)	15,108,405	1,375,110
Cash Flows from Non-Capital Financing Activities							
Transfers Received	2,371,898	172,897	1,023,975	204,161	-	3,772,931	2,604,891
Transfers Paid	(1,235,865)	(73,592)	(246,248)	(204,161)	-	(1,759,866)	(1,125,221)
Interfund Advance Receivable	-	-	-	-	-	-	(722,476)
Developer Fees and Credits	-	-	-	-	858,606	858,606	-
Contributions from Other Agencies	180,903	-	378,055	-	-	558,958	-
Net Cash Provided By (Used for) Non-Capital Financing Activities	1,316,936	99,305	1,155,782	-	858,606	3,430,629	757,194
Cash Flows from Capital and Related Financing Activities							
Proceeds from Notes Payable	16,254,198	-	-	-	-	16,254,198	-
Contributions - Impact Fees and Credits	2,840,170	-	4,630,204	-	-	7,470,374	-
Interest Paid on Debt	(60,697)	-	(1,650,350)	-	-	(1,711,047)	-
Principal Paid on Debt	(2,201,113)	-	(1,860,000)	-	-	(4,061,113)	-
Capital Assets Contributed to Governmental Funds	-	-	-	-	-	-	(806,200)
Proceeds from Sale of Capital Assets	-	-	-	-	-	-	135,670
Acquisition and Construction of Capital Assets	(20,194,622)	(215,478)	(5,263,857)	-	-	(25,673,957)	(1,169,977)
Net Cash Provided By (Used for) Capital and Related Financing Activities	(3,362,064)	(215,478)	(4,144,003)	-	-	(7,721,545)	(1,840,507)
Cash Flows from Investing Activities							
Interest on Investments	(1,694,213)	(419,148)	(1,559,058)	(12,895)	(309,124)	(3,994,438)	(2,582,002)
Net Cash Provided By Investing Activities	(1,694,213)	(419,148)	(1,559,058)	(12,895)	(309,124)	(3,994,438)	(2,582,002)
Net Increase (Decrease) in Cash and Cash Equivalents	1,479,522	2,212,786	3,213,738	(146,672)	63,677	6,823,051	(2,290,205)
Cash and Cash Equivalents - Beginning of Year	38,785,549	11,379,321	41,094,461	474,304	7,451,774	99,185,409	69,277,152
Cash and Cash Equivalents - End of Year	\$ 40,265,071	\$ 13,592,107	\$ 44,308,199	\$ 327,632	\$ 7,515,451	\$ 106,008,460	\$ 66,986,947
Reconciliation of Operating Income to Net Cash Provided By (Used for) Operating Activities:							
Operating Income (Loss)	\$ 4,540,932	\$ 3,749,361	\$ 4,902,282	\$ (142,191)	\$ (411,327)	\$ 12,639,057	\$ 369,547
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used for) Operating Activities:							
Depreciation and Amortization	1,974,151	243,449	3,686,728	-	47,033	5,951,361	1,708,544
Change in Assets, Liabilities and Deferred Outflows/Inflows of Resources:							
Receivables	(29,793)	(18,857)	473,974	-	(50,361)	374,963	178,775
Prepaid Items	9,156	1,267	824	1,703	251	13,201	(36,780)
Accounts Payable and Other Payables	(643,363)	(367,388)	(328,225)	6,711	(25,230)	(1,357,495)	(100,677)
Net OPEB Liability and Deferred Outflows/Inflows of Resources related to OPEB	(160,336)	(188,580)	(189,004)	-	(12,529)	(550,449)	(145,896)
Net Pension Liability and Deferred Outflows/Inflows of Resources related to Pensions	(498,157)	(663,100)	(813,751)	-	(28,712)	(2,003,720)	(609,002)
Compensated Absences Payable	27,015	(8,703)	8,931	-	(4,930)	22,313	10,599
Deposits	(742)	658	19,258	-	-	19,174	-
Net Cash Provided By (Used for) Operating Activities	\$ 5,218,863	\$ 2,748,107	\$ 7,761,017	\$ (133,777)	\$ (485,805)	\$ 15,108,405	\$ 1,375,110
Noncash Capital Activities:							
Capital Asset Contributions	\$ 2,554,394		\$ 4,397,366	\$ -	\$ -	\$ 6,951,760	\$ -
Capital Asset Contributions from Governmental Activities	7,070	7,070	18,852	-	-	32,992	-

City of Brentwood

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2022

	Other Employee Benefit Trust Fund - VALIC	Private-Purpose Trust Fund - Successor Agency	Custodial Funds
ASSETS			
Current Assets:			
Cash and Investments	\$ -	\$ 2,217,607	\$ 12,511,390
Restricted Cash and Investments	-	-	3,516,546
Restricted Investments - Mutual Funds	7,539,562	-	-
Interest Receivable	-	1,874	3,072
Accounts Receivable	-	15,268	-
Total Current Assets	7,539,562	2,234,749	16,031,008
Non-Current Assets:			
Nondepreciable Capital Assets	-	1,327,129	-
Total Non-Current Assets	-	1,327,129	-
Total Assets	7,539,562	3,561,878	16,031,008
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	-	-	9,930
Due to Local Governments	-	-	1,913,297
Long-Term Liabilities Due Within One Year	-	1,206,842	-
Total Current Liabilities	-	1,206,842	1,923,227
Non-Current Liabilities Due in More Than One Year:			
Long-Term Liabilities	-	19,393,684	-
Total Non-Current Liabilities	-	19,393,684	-
Total Liabilities	-	20,600,526	1,923,227
NET POSITION (DEFICIT)			
Restricted for:			
Employee Benefits	7,539,562	-	-
Individuals and Organizations	-	-	13,708,537
Other Governments	-	(17,038,648)	399,244
Total Net Position (Deficit)	\$ 7,539,562	\$ (17,038,648)	\$ 14,107,781

City of Brentwood

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For Year Ended June 30, 2022

	Other Employee Benefit Trust Fund - VALIC	Private-Purpose Trust Fund - Successor Agency	Custodial Funds
ADDITIONS			
Contributions:			
Property Taxes	\$ -	\$ 2,619,805	\$ -
Assessments	-	-	12,709,671
Private Contributions	-	-	12,176,246
Employer Contributions	39,712	-	-
Employee Contributions	266,553	-	-
Other	-	162,791	-
Total Contributions	306,265	2,782,596	24,885,917
Investment earnings:			
Interest	(877,407)	4,620	(364,624)
Less Investment Expense	-	-	8,313
Net Investment Earnings	(877,407)	4,620	(372,937)
Total Additions	(571,142)	2,787,216	24,512,980
DEDUCTIONS			
Administrative Expenses	8,616	271,002	309,056
Payments to Bondholders	-	1,311,825	12,491,356
Other Employee Benefit Payments	168,950	-	-
Recipient Payments	-	-	12,863,612
Total Deductions	177,566	1,582,827	25,664,024
Net Increase (Decrease) in Fiduciary Net Position	(748,708)	1,204,389	(1,151,044)
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION			
Net Position (Deficit) - Beginning of Year, Restated	8,288,270	(18,243,037)	15,258,825
Net Position (Deficit) - End of Year	\$ 7,539,562	\$ (17,038,648)	\$ 14,107,781



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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. The City also established two additional Financing Authorities during FY 2021/22 that are included in the primary reporting entity.

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.

Public Financing Authorities

In September 2021, the City established the Public Financing Authority (PFA) of the Brentwood Innovation Center Enhanced Infrastructure Financing District (EIFD) and the PFA of the Brentwood Boulevard-Downtown EIFD under section 53398 *et seq.* of the California Government Code. The City adopted Resolutions of Intent to establish the two EIFDs, however, no additional actions have been taken to form the EIFD's. The City anticipates that the EIFD's will be established in FY 2023/24. Once formed, each PFA would serve as the governing board of the respective EIFDs. The PFAs' Board of Directors will be comprised initially of three members of the City Council appointed by the City Council, and up to four members of the public selected by the City Council. In October 2021, the City Council appointed three City Council members to the PFAs' Board of Directors, including two members and one alternate member. Subsequently in February of 2022, one of the four positions for members of the public on the PFAs' Board of Directors was filled by the City Council. The PFAs will be responsible for implementing the Infrastructure Financing Plan (IFP) for each EIFD. Separate financial statements are not required for the PFAs and therefore are not issued. The PFAs did not undertake any transactions during FY 2021/22.

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

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.

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

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

which the related fund liability is incurred. However, debt service expenditures, lease liabilities, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the payment is due. General capital asset acquisitions, including entering into contracts giving the City the right to use leased assets, are reported as expenditures in governmental funds. Proceeds from long-term debt and financing through leases are reported as other financing sources. 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.

The City's Fiduciary Funds include Other Employee Benefit Trust Funds, Private-Purpose Trust Funds and Custodial Funds. Custodial Funds are purely custodial in nature and do not involve a measurement of operational results. Other Employee Benefit Trust Funds and Private-Purpose Trust Funds, in addition to being custodial in nature, also include operational activities under which the principal and income benefit employees or retirees and specific local taxing entities, respectively.

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 2021/22, the General Fund, American Rescue Plan Act of 2021, a Special Revenue Fund, Landscape and Lighting Assessment Districts (LLAD), a Special Revenue fund, and Capital Improvement Revenue Refunding Bonds Series 2021 A & B, a Debt Service 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.

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

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 federal 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.
- 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. *This fund was closed in FY 2021/22.*
- 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.

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

- 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.
- 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 – This fund accounts for a stewardship endowment for maintenance of a riparian mitigation site.

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

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

- Capital Improvement Revenue Refunding Bonds Series 2021 A & B – This fund accounts for debt service transactions related to the refinance of the 2012 Capital Improvement Revenue Refunding Bonds, which were issued 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.
- 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.

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.

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

- 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 bonds and their use to acquire and construct certain capital facilities and infrastructure.
- Capital Infrastructure – This fund accounts for funds to be used for non-residential development related infrastructure projects with a focus on projects that may promote economic development.
- 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. *This fund was closed in FY 2021/22.*

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 Business-Type Activities - Enterprise Funds, all of which are reported as major funds:

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

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

- Information Systems Replacement – To provide a source of funding for the replacement of information systems such as computers and the phone system.
- Facilities Replacement – To provide a source of funding for repairs or the replacement of City facilities.
- Tuition – To provide a source of funding for expenditures related to continuing education.
- Fleet Maintenance Services – To provide a source of funding for the maintenance of all City vehicles, except for Police Department vehicles.
- Facilities Maintenance Services – To provide a source of funding for maintenance and repairs of City facilities.
- Parks and LLAD Replacement – To provide a source of funding for the replacement of landscaping, equipment and facilities in the citywide parks and LLAD.
- Insurance – To provide a source of funding for future insurance costs and unforeseen expenses due to legal matters or lawsuits.
- Pension/Other Post-Employment Benefits (OPEB) Obligation – To provide an intermediate-term funding source for OPEB and pension expenses.

Fiduciary Funds account for Other Employee Benefit Trust Funds, 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 Other Employee Benefit Trust Funds, Private-Purpose Trust Funds and Custodial Funds consist of:

- Other Employee Benefit Trust Fund - VALIC – Fund used to report the activities of the City's single-employer deferred compensation plan held by a third-party administrator.
- 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.

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

D. ASSETS, LIABILITIES, DEFERRED INFLOWS/OUTFLOWS AND NET POSITION OR FUND BALANCE

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 xii. The City generally holds all investments until either maturity or fair value 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, 2022.

iii. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the City considers all highly liquid investments with a maturity of three months or less, when purchased, to be cash equivalents. All cash and investments of the Proprietary Fund types are pooled with the City's pooled cash and investments.

iv. Prepaid Items and Land Held for Resale

Certain payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items. In governmental funds, prepaid items are accounted for using the consumption method. A portion of fund balance equal to the prepaid items is reported as nonspendable to indicate that the funds are not available for appropriation. Land held for resale is valued at the lower of cost or estimated net realizable value.

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

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

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. Based on a "Broker Opinion of Value" report prepared by a commercial real estate corporation at the City's request, the City reduced the carrying value of land held for resale to \$512,350 in FY 2021/22.

vi. Compensated Absences Payable

The following totals may be accumulated by employees each year:

- A total of 11 to 31 vacation days
- Up to 100 hours of compensatory time off, depending on employee's classification
- 12 days of sick leave

Sick leave is not paid at termination, but can be used for additional service credits towards retirement. Half of an employee's accrued sick leave, up to \$8,000, may be cashed in when the employee retires from the City of Brentwood. Under certain restrictive circumstances, limited amounts of sick leave can be converted to vacation time. Vacation time is only allowed to accumulate up to one and one-half years' worth of vacation earnings.

All employees may elect to receive a lump sum payment of up to 40 hours of accumulated vacation each March. Mid-Managers, Department Directors, the City Attorney and the City Manager are eligible to elect payment of up to 80 hours. Additionally, each October employees with three years of service may elect to receive a lump sum payment of up to 40 hours of accumulated vacation time.

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

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

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. New Governmental Accounting Standards Board (GASB) Pronouncements

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 implemented GASB Statement No. 87 for the presentation of the FY 2021/22 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 implemented GASB Statement No. 89, but it did not have a material effect on the FY 2021/22 financial statements.

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

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

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

requirements of the statement are effective for reporting periods beginning after June 15, 2021. The City implemented GASB Statement No. 92, Omnibus 2020 for the presentation of the FY 2021/22 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 leases 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 provisions of this Statement were implemented during FY 2021/22. The implementation had no effect on the 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 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.

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

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 OPEB plans, and employee benefit plans other than pension plans or OPEB 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. Paragraphs 6 through 9 of this Statement are effective for reporting periods beginning after June 15, 2021. The City implemented GASB Statement No. 97 for disclosures and presentation in the FY 2021/22 financial statements.

In October 2021, GASB issued GASB Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term Annual Comprehensive Financial Report and its acronym ACFR. That new term and acronym replace instances of Comprehensive Annual Financial Report and its acronym in Generally Accepted Accounting Principles for state and local governments. The requirements of this Statement are effective for fiscal years ending after December 15, 2021. The City implemented GASB Statement No. 98 for the presentation of the FY 2021/22 financial statements.

In April 2022, GASB issued GASB Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB statements and (2) accounting and financial reporting for financial guarantees. The requirements of the statement are effective as follows: (1) the requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance; (2) the requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter; and (3) the requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The City is in the process of determining the impact GASB Statement No. 99 will have on its financial statements.

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

In June 2022, GASB issued GASB Statement No. 100, *Accounting Changes and Error Corrections* – an amendment of GASB Statement No. 62. The requirements of this Statement are effective for fiscal years ending after June 15, 2023. The City is in the process of determining the impact GASB Statement No. 100 will have on its financial statements.

In June 2022, GASB issued GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The City is in the process of determining the impact GASB Statement No. 101 will have on its financial statements.

x. New Funds, Closed Funds and Renamed Funds

The Other Employee Benefit Trust Fund - VALIC was established in FY 2021/22 to account for activities related to the single-employer defined contribution plan.

In FY 2021/22, the Fire Development Impact Fee Fund and the Vineyards Event Center Projects Fund were closed.

The Capital Improvement Revenue Refunding Bonds Series 2012 Debt Service Fund was renamed the Capital Improvement Revenue Refunding Bonds Series 2021 A & B Debt Service Fund following the refunding of the Capital Improvement Revenue Refunding Bonds Series 2012, as discussed in Note #6.

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

xi. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and balance sheet will sometimes report a separate section for Deferred Outflows of Resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s). The outflow of resources (expense/expenditure) is recognized, therefore, in the applicable future period(s). The City has three items that qualify for reporting in this category, Deferred Outflows of Resources Related to OPEB, Deferred Outflows of Resources Related to Pensions and Deferred Amount on Refunding. The elements of Deferred Outflows of Resources Related to OPEB are deferred and amortized and will be recognized as a component of OPEB expense in subsequent fiscal years. The elements of Deferred Outflows of Resources Related to Pensions are deferred and amortized and will be recognized as a component of pension expense in subsequent fiscal years. The deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

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 assets that applies to future a period(s) and the inflow of resources (revenue) will be recognized in the applicable future period(s). The City has three 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, Deferred Inflows of Resources Related to Pensions and Deferred Inflows of Resources Related to Leases. The elements of Deferred Inflows of Resources Related to Leases are deferred and amortized and will be recognized as a component of lease revenue in subsequent fiscal years. 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 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.

xii. 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.

xiii. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or

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

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.

xiv. 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.

xv. Leases

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment.

Lessee – The City would recognize a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities when an individual liability's net present value exceeds 1% of fund assets.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term and (3) lease payments as follows:

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

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

The City will monitor changes in circumstances that require remeasurement of a lease adjust the lease asset and liability if changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor – The City recognizes leases receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. The City recognizes a lease receivable when an individual receivable's net present value exceeds 1% of fund assets.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term and (3) lease receipts as follows:

- The City uses its estimated incremental borrowing rate as the discount rate for leases. The estimated incremental borrowing rate is the US Treasury yield rate in effect at lease commencement, for the term that most closely matches the term of the lease, plus a 1% spread.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

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

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

level without City Council approval. In the financial statements, the final budget amounts include amendments to the original budget. Individual amendments were not material in relation to original appropriations.

Budget Basis of Accounting

Budgetary comparisons are presented for the General, Special Revenue and certain Capital Project funds. The following funds are not legally required to adopt budgets as their appropriations are either established by: 1) the related bond documentation, 2) other legal agreements or 3) are multi-year projects whose budget cycle exceeds one FY.

Capital Project Funds

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

Debt Service Funds

Capital Improvement Revenue Refunding Bonds Series 2021 A & B
General Obligation Bonds Series 2002
2019 Civic Center Project Lease Revenue Refunding Bonds
2015 Lease Financing

B. DEFICIT FUND BALANCE OR NET POSITION

Following is a list of funds that have either a deficit fund balance or net position balance as of June 30, 2022.

Special Revenue Fund:		
Community Facilities Development Impact Fee	\$	46,473
Capital Project Fund:		
Vineyards Projects	\$	47,821
Internal Service Funds:		
Information Services	\$	976,788
Fleet Maintenance Services		333,741

The deficit in the Community Facilities Development Impact Fee Fund is due to pre-funding of capital projects in advance of receiving funding from development. Development impact fees generated from future development will be deposited into this fund. The deficit in the Vineyards Projects Fund is due to the investment fair value adjustment which will be cured by positive future investment fair value adjustments.



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

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

C. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of the Due to/from Other Funds balance on the Governmental Funds Balance Sheet, as of June 30, 2022, is shown below. The due to balance in the Community Facilities Development Impact Fee Fund is due to pre-funding of capital projects in advance of receiving funding from development. Development impact fees generated from future development will be deposited into this fund. The Vineyards Projects Fund is due to the investment fair value adjustment which will be cured by positive future investment fair value adjustments.

Receivable Fund	Payable Fund	Amount
Community Facilities Improvements Capital Project Fund	Community Facilities Development Impact Fee Special Revenue Fund	\$ 46,473
Community Facilities Improvements Capital Project Fund	Vineyards Projects Capital Project Fund	47,935
	Total	\$ 94,408

The interfund advance payable from the Landscape and Lighting Assessment Districts Fund is due to a ten-year interfund loan established by City Council in January 2022 between LLAD 21-1 Deer Ridge Landscape Improvements and the Parks and LLAD Replacement Fund for the construction of landscape improvements within the district. LLAD 21-1 was established for this purpose and future assessments will be used to repay the loan and maintain the improvements.

Interfund Advance

Receivable Fund	Payable Fund	Amount
Parks and LLAD Replacement	Landscape and Lighting Assessment Districts	\$ 722,476
	Total	\$ 722,476

Interfund Transfers

Fund Description	General Fund	Landscape and Lighting Assessment Districts	Capital Improvement Revenue Refunding Bonds Series 2021 A & B	Non-Major Governmental Funds	Internal Service Funds	Wastewater Enterprise	Solid Waste Enterprise	Water Enterprise	City Rentals Enterprise	Total
										Transfers In
General Fund	\$ -	\$ -	\$ 59,071	\$ 9,783,550	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,842,621
Landscape and Lighting Assessment Districts	1,421,705	-	-	117	122,732	-	-	-	-	1,544,554
Capital Improvement Revenue Refunding Bonds Series 2021 A & B	-	-	-	408,129	-	-	-	-	204,161	612,290
Non-Major Governmental Funds	1,948,810	3,914,144	-	11,733,554	610,261	73,587	73,588	196,235	-	18,550,179
Internal Service Funds	2,348,924	-	-	183,766	38,436	33,765	-	-	-	2,604,891
Wastewater Enterprise	-	-	-	1,147,619	353,792	-	-	870,487	-	2,371,898
Solid Waste Enterprise	-	-	-	382	-	172,514	-	-	-	172,896
Water Enterprise	-	-	-	67,975	-	956,000	-	-	-	1,023,975
City Rentals Enterprise	-	-	-	204,161	-	-	-	-	-	204,161
Total Transfers Out	\$ 5,719,439	\$ 3,914,144	\$ 59,071	\$ 23,529,253	\$ 1,125,221	\$ 1,235,866	\$ 73,588	\$ 1,066,722	\$ 204,161	\$ 36,927,465

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

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

Transfer To	Amount	Purpose
General Fund	\$ 7,264,997	Provide a subsidy to cover a portion of the costs for Public Safety Services
General Fund	\$ 2,462,663	Gas Tax and Measure J revenue to subsidize the Street Maintenance Division
Capital Project	\$ 1,700,000	Provide funding to cover a portion of the costs for the Sand Creek Road Extension project
Proprietary	\$ 1,501,017	Provide funding to cover a portion of the costs for the Citywide Non-Potable Water Distribution System project
Capital Project	\$ 1,350,000	Provide funding to cover a portion of the costs for the Lone Tree Way Roadway Improvements project
Internal Service	\$ 1,234,299	Transfer of unassigned General Fund balance in excess of reserve requirement
Capital Project	\$ 722,476	Provide funding to cover a portion of the costs for the Deer Ridge Frontage Landscaping Improvements project
Proprietary	\$ 635,000	Provide funding to cover a portion of the costs for the Downtown Alley Rehabilitation - Mid Way project
Capital Project	\$ 568,942	Provide funding to cover a portion of the costs for the Vineyards at Marsh Creek - Event Center/Amphitheater project
Capital Project	\$ 364,312	Provide funding to cover a portion of the costs for the City Council Chamber Audiovisual System project
Capital Project	\$ 358,271	Provide funding to cover a portion of the costs for the Aquatic Complex Mechanical Room Improvements project

In addition, governmental activities transferred capital assets of \$7,070, \$7,070 and \$18,852 to the Wastewater, Solid Waste and Water Funds, respectively.

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.



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

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, 2022, are shown below:

	<u>General Fund</u>	<u>Special Revenue Fund Landscape and Lighting Assessment Districts</u>	<u>Debt Service Fund Capital Improvement Revenue Refunding Bonds Series 2021 A & B</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Fund Balances:					
Nonspendable:					
Prepays	\$ 39,794	\$ -	\$ -	\$ 915	\$ 40,709
Riparian Site Mitigation Endowment	-	-	-	80,000	80,000
Total Nonspendable Fund Balances	39,794	-	-	80,915	120,709
Restricted for:					
Debt Service	-	-	12,340,490	10,035,117	22,375,607
Community Facilities Projects	-	-	-	9,777,940	9,777,940
Parks and Trails Projects	-	-	-	2,271,494	2,271,494
Low Income Housing	-	-	-	527,671	527,671
Infrastructure Projects	-	-	-	1,814,878	1,814,878
Streets and Roadways	-	-	-	19,435,682	19,435,682
CIFP Projects	-	-	-	3,822,753	3,822,753
Landscape and Lighting Assessment Districts	-	7,221,721	-	-	7,221,721
Off Street Parking Facilities in Downtown	-	-	-	421	421
Agricultural/Farmland Mitigation	-	-	-	3,455,585	3,455,585
Public Art	-	-	-	4,028,693	4,028,693
Development Impact Fee Program	-	-	-	21,473,841	21,473,841
Drug Prevention Programs	-	-	-	175,648	175,648
Public Safety	-	-	-	420,370	420,370
Disability Access and Education	-	-	-	98,500	98,500
Abandoned Vehicle Abatement	-	-	-	78,731	78,731
Grants	-	-	-	1,085,876	1,085,876
PEG Media	-	-	-	527,936	527,936
Riparian Mitigation Site Maintenance	-	-	-	25	25
Total Restricted Fund Balances	-	7,221,721	12,340,490	79,031,161	98,593,372
Committed to:					
Public Safety	-	-	-	2,011,924	2,011,924
Successor Agency Payment Plan	5,055,180	-	-	-	5,055,180
Future Strategic Initiatives	4,409,830	-	-	-	4,409,830
General Plan Update	285,032	-	-	-	285,032
City Council Redistricting	50,000	-	-	-	50,000
Parks Maintenance	-	-	-	1,777,326	1,777,326
Streets and Roadways	678,000	-	-	-	678,000
Total Committed Fund Balances	10,478,042	-	-	3,789,250	14,267,292
Unassigned:					
General Fund	21,019,628	-	-	-	21,019,628
Other Fund Deficit	-	-	-	(94,294)	(94,294)
Total Unassigned Fund Balances	21,019,628	-	-	(94,294)	20,925,334
Total Fund Balances	\$ 31,537,464	\$ 7,221,721	\$ 12,340,490	\$ 82,807,032	\$ 133,906,707

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 or other trust agreements. Each fund type balance in the pool is reflected on the balance sheet as Cash and Investments.

The carrying amounts of the City's cash deposits were \$651,882 at June 30, 2022. The bank balance, before reconciling items, was \$2,190,841. 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 fair 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	\$ 651,882
Petty Cash	12,550
Investments	302,946,736
	<u>303,611,168</u>
Held by Trustee:	
Investments	<u>11,157,545</u>
Trust Deposits:	
Investments	\$ 7,539,562
	<u>7,539,562</u>
Total Cash and Investments	<u>\$ 322,308,275</u>

B. INVESTMENTS

The City apportions interest earnings to all funds based on their monthly cash balance. The table on the following page identifies the investment types authorized for the City by the City's investment policy, which is more restrictive than California Government Code 53601. The table also identifies certain provisions of the City's investment policy that address interest rate risk, credit risk and concentration of risk.

NOTE #3 – CASH AND INVESTMENTS (Continued)

This table includes permitted investments for the management of the City's cash. In addition, these guidelines are used for the investments of debt proceeds held by bond trustees, which are governed by the provision of the City's debt agreements.

Authorized Investment Type	Minimum Credit Quality	Maximum Maturity	Maximum Percentage of Portfolio ⁽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	40%	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% ⁽²⁾
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 and medium-term notes of a single issuer.

Credit Risk

The City's portfolio is comprised of the highest quality government and corporate securities. Consistent with City policy, 71.2% of the rated portfolio consists of investments with Standard and Poor's two highest ratings. This percentage does not include U.S. Treasury Bonds/Bills/Notes, Local Agency Investment Fund (LAIF), Asset Backed Securities, or Money Market Funds, which are all exempt or unrated. Investments at June 30, 2022, held on behalf of the City, are presented on the following page and categorized separately to give an indication of the level of risk associated with each investment. Investments are reported at fair value.



NOTE #3 – CASH AND INVESTMENTS (Continued)

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>% of Rated Portfolio</u>
Medium-Term Notes	\$ 8,572,262	A	6.73
Medium-Term Notes	9,292,001	A-	7.30
Medium-Term Notes	9,214,665	A+	7.24
Medium-Term Notes	3,013,137	AA-	2.37
Medium-Term Notes	5,157,188	AA	4.05
Medium-Term Notes	1,222,990	AA+	0.96
Medium-Term Notes	1,532,999	AAA	1.20
Medium-Term Notes	2,483,185	BBB+ ⁽¹⁾	1.95
U.S. Agency Notes	52,882,485	AA+	41.52
California State, Local Agency and Other State Obligations	2,468,696	AA-	1.94
California State, Local Agency and Other State Obligations	2,108,301	AA	1.66
California State, Local Agency and Other State Obligations	763,233	AA+	0.60
California State, Local Agency and Other State Obligations	1,268,973	AAA	1.00
Negotiable Certificates of Deposit	7,075,095	A-1	5.56
U.S. Agency Collateralized Mortgage Obligations	2,836,520	AA+	2.23
Asset-Backed Securities	3,747,150	AAA	2.94
Supranationals	5,529,847	AAA	4.34
Money Market Funds	<u>8,168,348</u>	AAAm	6.41
Total Rated Investments	<u>127,337,075</u>		100.00
U.S. Treasury Notes	116,979,561	Exempt	
U.S. Treasury Bill	1,382,258	Not Rated	
Local Agency Investment Fund	65,443,212	Not Rated	
Money Market Funds	1,606,939	Not Rated	
Asset-Backed Securities	1,355,236	Not Rated ⁽²⁾	
Mutual Funds (VALIC)	<u>7,539,562</u>	Not Rated	
Total Unrated Investments	<u>194,306,768</u>		
Total Investments	<u>\$ 321,643,843</u>		

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

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

Concentration of Credit Risk

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



NOTE #3 – CASH AND INVESTMENTS (Continued)

<u>Issuers⁽¹⁾ and Investment Type</u>	<u>Fair Value</u>	<u>% of Portfolio</u>
Federal National Mortgage Association - U.S. Agency Notes	\$ 38,524,559	12.26

(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, 55.03% of the investment portfolio is concentrated in the zero to two-year maturity range.

Investment Maturities

	<u>Fair Value⁽¹⁾</u>	<u>0-6 months</u>	<u>6-12 months</u>	<u>1-2 years</u>	<u>2-3 years</u>	<u>3-5 years</u>	<u>% of Portfolio</u>
U.S. Treasury Notes	\$ 116,979,561	-	-	\$ 35,603,173	\$ 19,780,647	\$ 61,595,741	36.37
U.S. Treasury Bill	1,382,258	1,382,258	-	-	-	-	0.43
Medium-Term Notes ⁽²⁾	40,488,427	7,336,071	5,189,208	13,196,697	12,348,546	2,417,905	12.59
U.S. Agency Notes ⁽²⁾	52,882,485	5,209,262	1,651,113	13,497,988	19,842,296	12,681,826	16.44
California State, Local Agency and Other State Obligations	6,609,203	-	-	2,624,599	1,714,331	2,270,273	2.05
Supranationals	5,529,847	-	-	1,543,435	3,215,476	770,936	1.72
Negotiable Certificates of Deposit	7,075,095	3,019,986	4,055,109	-	-	-	2.20
Local Agency Investment Fund	65,443,212	65,443,212	-	-	-	-	20.35
Asset-Backed Securities	5,102,386	-	-	1,686,467	985,708	2,430,211	1.59
Federal Agency Collateralized Mortgage Obligations	2,836,520	848,044	-	788,170	1,200,306	-	0.88
Money Market Funds	9,775,287	9,775,287	-	-	-	-	3.04
Mutual Funds (VALIC)	7,539,562	7,539,562	-	-	-	-	2.34
Totals	<u>\$ 321,643,843</u>	<u>\$ 100,553,682</u>	<u>\$ 10,895,430</u>	<u>\$ 68,940,529</u>	<u>\$ 59,087,310</u>	<u>\$ 82,166,892</u>	
% of Portfolio		31.26	3.39	21.43	18.37	25.55	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, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Investments Measured by Fair Value Level:			
U.S. Treasury Notes	\$ 116,979,561	\$ -	\$ 116,979,561
Commercial Paper	-	-	-
Medium-Term Notes	-	40,488,427	40,488,427
U.S. Agency Notes	-	52,882,485	52,882,485
U.S. Treasury Bill	-	1,382,258	1,382,258
California State, Local Agency and Other State Obligations	-	6,609,203	6,609,203
Supranationals	-	5,529,847	5,529,847
Negotiable Certificates of Deposit	-	7,075,095	7,075,095
Asset-Backed Securities	-	5,102,386	5,102,386
Federal Agency Collateralized Mortgage Obligations	-	2,836,520	2,836,520
Mutual Funds	-	7,539,562	7,539,562
Subtotal	<u>\$ 116,979,561</u>	<u>\$ 129,445,783</u>	246,425,344
Investments Measured at Amortized Cost:			
Held by Trustee:			
Money Market Funds			9,775,287
Investments Not Subject to Fair Value Hierarchy:			
Local Agency Investment Fund			<u>65,443,212</u>
Total Investments			<u>\$ 321,643,843</u>

Investments classified in Level 1 of the fair value hierarchy of \$116,979,561 are valued using unadjusted quoted prices in an active market for identical assets at the measurement date. Level 2 investments totaling \$129,445,783 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 or fiscal agent. There are no securities classified in Level 3. Fair value is defined as the quoted fair 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, 2022, the amortized cost of the pool was \$234,590,320,982 and the fair value was \$231,570,067,770. 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.



NOTE #3 – CASH AND INVESTMENTS (Continued)

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.

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.

Cash and investments of the City’s single-employer deferred compensation plan, VALIC, are not the City’s property and are not subject to claims by general creditors of the City. These monies are reported in the Fiduciary Fund financial statements as Restricted Cash and Investments.

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

Receivables at June 30, 2022 were comprised of the following:

	Taxes	Accounts	Inter-Governmental	Interest	Utilities	Leases	Notes and Loans	Total Receivables
Governmental Activities:								
General Fund	\$ 1,854,582	\$ 1,357,871	\$ 31,881	\$ 12,546	\$ -	\$ 2,615,201	\$ -	\$ 5,872,081
Landscape and Lighting Assessment Districts	-	-	-	2,907	-	-	-	2,907
Capital Improvement Revenue Refunding Bonds Series 2021 A & B	-	-	-	27	-	-	10,640,000 ⁽¹⁾	10,640,027
Non-Major Funds:								
Internal Service	-	35,635	-	20,287	-	-	-	55,922
Special Revenue	-	871,080	248,413	12,313	-	-	-	1,131,806
Permanent Fund	-	-	-	25	-	-	-	25
Debt Service	-	-	-	134	-	-	9,960,526 ⁽¹⁾	9,960,660
Capital Projects	-	-	-	9,370	-	-	-	9,370
Subtotal Governmental Activities	1,854,582	2,264,586	280,294	57,609	-	2,615,201	20,600,526	27,672,798
Less: Allowance	-	(480,488) ⁽²⁾	-	-	-	-	-	(480,488)
Total Governmental Activities	\$ 1,854,582	\$ 1,784,098	\$ 280,294	\$ 57,609	\$ -	\$ 2,615,201	\$ 20,600,526	\$ 27,192,310
Business-Type Activities:								
Wastewater	\$ -	\$ 64,147	\$ 19,845,577	\$ 12,423	\$ 2,176,698	\$ -	\$ -	\$ 22,098,845
Solid Waste	-	235	-	4,157	2,192,716	-	-	2,197,108
Water	-	94,575	-	14,548	3,158,926	-	-	3,268,049
City Rentals	-	30	-	108	-	-	-	138
Housing	-	35,805	-	2,327	-	-	705,367 ⁽³⁾	743,499
Total Business-Type Activities	\$ -	\$ 194,792	\$ 19,845,577	\$ 33,563	\$ 7,528,340	\$ -	\$ 705,367	\$ 28,307,639

(1) The City has recorded receivables for the Successor Agency's portion of long-term debt. Note #13 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, LEASES, NOTES AND LOANS RECEIVABLE (Continued)

Leases Receivable

During FY 2021/22, the City began recognizing leases receivable in accordance with GASB 87.

The City leases a portion of the Police Department building and parking lot to a third party. The twenty year noncancellable lease term commenced in September 2019 and includes the option to renew the lease for two additional 5 year terms. The City receives monthly payments of \$2,000 for the first ten years with subsequent rent increases occurring every five years thereafter.

The City has also entered into four site license agreements with telecommunication companies for portions of City property or ground space as follows:

- A 5 year noncancellable agreement that commenced in November 2017 and includes the option to renew the lease for four additional 5 year terms; monthly payments of \$2,465 as of June 2022 with annual increases of 4.0%.
- A 5 year noncancellable agreement that commenced in January 2015 and includes the option to renew the lease for three additional 5 year terms; monthly payments of \$3,181 as of June 2022 with annual increases of 3.5%.
- A 5 year noncancellable agreement that commenced in April 2021 and includes the option to renew the lease for two additional 5 year terms; monthly payments of \$2,550 as of June 2022 with annual increases of 3.5%.
- A 5 year noncancellable agreement that commenced in November 2011 and includes the option to renew the lease for three additional 5 year terms; monthly payments of \$4,367 as of June 2022 with annual increases of 4.0%.

The City recognized \$174,036 in lease revenue and \$72,380 in interest revenue during FY 2021/22 related to leases. As of June 30, 2022, the leases receivable balance was \$2,615,201 and the deferred inflows of resources to be recognized over future lease terms was \$2,540,966.

At June 30, 2022, the City does not have any lease liabilities that met the threshold recognition of 1% of fund assets.



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

Notes and Loans Receivable

Notes and Loans Receivable at June 30, 2022 were comprised of the following:

Governmental Activities:	
Amounts Due from Successor Agency	\$ 20,600,526
Loans under City Low Income Housing (including interest)	5,101,298
Subtotal Governmental Funds	25,701,824
Less: Reservation for Loans Expected to be Forgiven	<u>(5,101,298)</u>
Notes and Loans Receivable, Net	<u>\$ 20,600,526</u>
Business-Type Activities:	
Down Payment Assistance and Gap Assistance Program Loans	\$ 705,367
Loans under Affordable Housing (including interest)	7,372,870
Subtotal Business-Type Activities	8,078,237
Less: Reservation for Loans Expected to be Forgiven	<u>(7,372,870)</u>
Notes and Loans Receivable, Net	<u>\$ 705,367</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, 2022 the City is owed \$705,367, 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 #13) 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, 2022 was \$20,600,526. The long-term debt obligations are discussed in further detail in both Note #6 and Note #13.

NOTE #4 – ACCOUNTS, LEASES, 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 #13. At June 30, 2022, 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	1,179,734
Eden Housing	151,125
Mercy Housing	2,051,000
Brentwood Senior Commons	400,000
Brentwood Green Valley	1,004,889
Subtotal Loans under City Low Income Housing	<u>5,101,298</u>
Less: Reservation for Loans Expected to be Forgiven	<u>(5,101,298)</u>
Net Notes and Loans Receivable	<u><u>\$ -</u></u>
Business-Type Activities:	
Eden Housing	\$ 1,354,000
Mercy Housing	879,000
Meta Housing	5,139,870
Subtotal Loans under Affordable Housing	<u>7,372,870</u>
Less: Reservation for Loans Expected to be Forgiven	<u>(7,372,870)</u>
Net Notes and Loans Receivable	<u><u>\$ -</u></u>

Brentwood/202 Senior Housing

In April 1996, the Brentwood Redevelopment Agency loaned Brentwood/202 Senior Housing, Inc., a California non-profit public benefit corporation, \$314,550 to assist in the financing of the construction of a 40-unit senior housing project. The principal sum of the note does not bear interest. The outstanding principal due under this note is due and payable in full, either forty years from the date of recording the Deed of Trust or upon an event of default. In the event there has been no event of default that has not been cured, the Housing Successor shall forgive the outstanding principal balance due on the maturity date. The balance at June 30, 2022 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, LEASES, 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, 2022, principal and accrued interest total \$1,179,734. 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, 2022, principal and accrued interest for both notes total \$1,505,125. 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 an affordable rent as set forth in the Affordable Housing Covenant. So long as Mercy Housing, Inc. owns and operates the project in compliance with the Affordable Housing Covenant, and the agreement is not in default under these notes, no payments shall be due. The entire outstanding unpaid principal and interest of the notes shall be due and payable in full upon either the earlier of the 55-years after the closing of the notes or December 31, 2063. The notes bear interest at 3% per annum from the date of disbursement. As of June 30, 2022, the principal and accrued interest due for both notes total \$2,930,000. 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, 2022, 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, LEASES, 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, 2022, the principal due for the note, before the forgiveness, totaled \$1,027,801. Per the terms of the note, \$22,912 of the principal balance was forgiven at June 30, 2022. The remaining principal balance at June 30, 2022 totaled \$1,004,889. 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, 2022, principal and accrued interest total \$5,139,870. There is a reasonable expectation this note will be forgiven upon successful completion of the terms and conditions of the note and, as such, a reservation for forgiveness of the note has been included in these financial statements.



NOTE #5 – CAPITAL ASSETS

The City reports all capital assets, including infrastructure, in the Government-Wide Statement of Net Position. Capital assets of the primary government, as of June 30, 2022, are as follows:

	Balance				Balance
	July 1, 2021	Increases	Decreases	Transfers	June 30, 2022
Governmental Activities:					
Capital Assets, Not Being Depreciated or Amortized:					
Land	\$ 39,820,624	\$ 559,500	\$ (579,640)	\$ 351,295	\$ 40,151,779
Work in Progress - CIP	7,362,613	1,503,205	-	(2,678,081)	6,187,737
Total Capital Assets, Not Being Depreciated or Amortized	47,183,237	2,062,705	(579,640)	(2,326,786)	46,339,516
Capital Assets, Being Depreciated and Amortized:					
Intangible Assets	6,258,156	-	-	-	6,258,156
Buildings	71,589,455	139,487	-	14,139	71,743,081
Infrastructure	486,026,319	11,628,105	(1,634,219)	-	496,020,205
Machinery and Equipment	10,287,405	1,302,489	(130,795)	1,790,257	13,249,356
Vehicles	16,633,991	777,243	(382,606)	-	17,028,628
Land Improvements	33,592,078	23,866	-	489,398	34,105,342
Total Capital Assets Being Depreciated and Amortized	624,387,404	13,871,190	(2,147,620)	2,293,794	638,404,768
Less Accumulated Depreciation and Amortization for:					
Intangible Assets	1,555,205	96,279	-	-	1,651,484
Buildings	12,964,156	1,368,747	-	-	14,332,903
Infrastructure	127,911,423	7,484,852	(477,695)	-	134,918,580
Machinery and Equipment	6,279,951	487,035	(130,795)	-	6,636,191
Vehicles	10,064,868	1,657,103	(345,393)	-	11,376,578
Land Improvements	7,836,710	699,447	-	-	8,536,157
Total Accumulated Depreciation and Amortization	166,612,313	11,793,463	(953,883)	-	177,451,893
Total Capital Assets, Being Depreciated and Amortized, Net	457,775,091	2,077,727	(1,193,737)	2,293,794	460,952,875
Governmental Activities Capital Assets, Net	\$ 504,958,328	\$ 4,140,432	\$ (1,773,377)	\$ (32,992)	\$ 507,292,391

	Balance				Balance
	July 1, 2021	Increases	Decreases	Transfers	June 30, 2022
Business-Type Activities:					
Capital Assets, Not Being Depreciated or Amortized:					
Land	\$ 2,661,597	\$ -	\$ -	\$ -	\$ 2,661,597
Work in Progress - CIP	27,997,110	23,551,325	-	(13,389,714)	38,158,721
Total Capital Assets, Not Being Depreciated or Amortized	30,658,707	23,551,325	-	(13,389,714)	40,820,318
Capital Assets, Being Depreciated and Amortized:					
Intangible Assets	18,950,632	-	-	-	18,950,632
Buildings	30,656,893	-	-	32,992	30,689,885
Infrastructure	280,932,377	6,951,760	-	11,779,635	299,663,772
Machinery and Equipment	5,918,964	215,478	(60,547)	1,610,079	7,683,974
Land Improvements	11,046,659	-	-	-	11,046,659
Total Capital Assets Being Depreciated and Amortized	347,505,525	7,167,238	(60,547)	13,422,706	368,034,922
Less: Accumulated Depreciation and Amortization for:					
Intangible Assets	5,086,359	387,702	-	-	5,474,061
Buildings	8,846,608	614,232	-	-	9,460,840
Infrastructure	64,345,594	4,370,544	-	-	68,716,138
Machinery and Equipment	2,121,574	337,165	-	-	2,458,739
Land Improvements	3,556,777	200,561	(60,547)	-	3,696,791
Total Accumulated Depreciation and Amortization	83,956,912	5,910,204	(60,547)	-	89,806,569
Total Capital Assets, Being Depreciated and Amortized, Net	263,548,613	1,257,034	-	13,422,706	278,228,353
Business-Type Activities Capital Assets, Net	\$ 294,207,320	\$ 24,808,359	\$ -	\$ 32,992	\$ 319,048,671

NOTE #5 – CAPITAL ASSETS (Continued)

For the year ending June 30, 2022, depreciation and amortization expense on capital assets was charged as follows:

Governmental Activities:	
General Government	\$ 3,545,547
Public Safety	414,620
Community Development	1,740
Public Works	4,601,141
Parks and Recreation	1,521,871
Internal Service	<u>1,708,544</u>
Total Depreciation and Amortization Expense - Governmental Activities	\$ 11,793,463
Business-Type Activities:	
Wastewater	\$ 1,974,151
Solid Waste	243,449
Water	3,645,571
Housing	<u>47,033</u>
Total Depreciation and Amortization Expense - Business-Type Activities	\$ 5,910,204

Intangible Assets

- **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)

• **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, 2021	Additions	Payments/ Adjustments	Balance June 30, 2022	Amounts Due Within One Year
Bonds					
Capital Improvement Revenue Refunding Bonds Series 2012	\$ 15,425,000	\$ -	\$ (15,425,000)	\$ -	\$ -
General Obligation Bonds Series 2002	5,458,672	313,043 ⁽¹⁾	(595,000)	5,176,715	625,000
2019 Civic Center Project Lease Revenue Refunding Bonds	29,785,000	-	(1,290,000)	28,495,000	1,340,000
Bond Premium	5,407,306	-	(919,460) ⁽²⁾	4,487,846	-
Private Placement Bonds					
2015 Lease Financing	9,350,000	-	(495,000)	8,855,000	510,000
Direct Purchase Bonds					
Capital Improvement Revenue Refunding Bonds Series 2021 A & B	-	14,450,491	-	14,450,491	1,534,665
Total Bonds	<u>65,425,978</u>	<u>14,763,534</u>	<u>(18,724,460)</u>	<u>61,465,052</u>	<u>4,009,665</u>
Notes Payable					
Successor Agency Payment Plan	7,701,704	-	(1,638,690)	6,063,014	1,731,800
Total Notes Payable	<u>7,701,704</u>	<u>-</u>	<u>(1,638,690)</u>	<u>6,063,014</u>	<u>1,731,800</u>
Other					
Net OPEB Liability	23,774,663	-	(6,841,259) ⁽³⁾	16,933,404	-
Net Pension Liability	35,444,100	-	(23,977,513) ⁽³⁾	11,466,587	-
Accumulated Compensated Absences	2,110,163	2,202,235	(2,131,909)	2,180,489	1,308,293
Total Other	<u>61,328,926</u>	<u>2,202,235</u>	<u>(32,950,681)</u>	<u>30,580,480</u>	<u>1,308,293</u>
Total Governmental Activities Long-Term Obligations	<u>\$ 134,456,608</u>	<u>\$ 16,965,769</u>	<u>\$ (53,313,831)</u>	<u>\$ 98,108,546</u>	<u>\$ 7,049,758</u>

(1) Accreted Interest

(2) Includes \$670,135 related to the Capital Improvement Revenue Refunding Bonds Series 2012

(3) 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

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
2023	\$ 625,000	\$ 625,000
2024	655,000	655,000
2025	690,000	690,000
2026	725,000	725,000
2027	760,000	760,000
2028-2031	3,445,000	3,445,000
Subtotal	6,900,000	<u>\$ 6,900,000</u>
Future Accretion	<u>(1,723,285)</u>	
Total	<u><u>\$ 5,176,715</u></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, 2022, 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, 2023.

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 #13. 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 the shortfall from the General Fund.

Year Ending June 30	Principal	Interest	Total
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	1,630,000	1,037,150	2,667,150
2028-2032	8,795,000	3,873,875	12,668,875
2033-2037	8,070,000	1,758,525	9,828,525
2038-2040	4,230,000	219,800	4,449,800
Total	\$ 28,495,000	\$ 11,788,750	\$ 40,283,750

ii. Private Placement and Direct Purchase

2015 Lease Financing

On December 17, 2015, the Authority issued \$11,515,000 in a private 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
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	580,000	208,813	788,813
2028-2032	3,190,000	744,413	3,934,413
2033-2036	2,945,000	195,244	3,140,243
Total	\$ 8,855,000	\$ 2,163,283	\$ 11,018,282

NOTE #6 – LONG-TERM OBLIGATIONS (Continued)

Capital Improvement Revenue Refunding Bonds Series 2021 A & B

On November 2, 2021, the Authority issued \$14,450,491 in Capital Improvement Revenue Refunding Bonds Series 2021A (tax exempt) and 2021B (taxable) in a direct purchase with City National Bank to finance the refunding of the 2012 Capital Improvement Revenue Refunding Bonds. The refunded 2012 bonds were issued to: 1) finance the refund of the 2001 CIP Bonds under a facilities lease and 2) refund a series of tax allocation bonds issued by the Brentwood Redevelopment Agency. The Brentwood Family Aquatic Complex is pledged as collateral for the 2021 bonds and the interest rates on these bonds range from 0.63% to 1.35%. The refunding resulted in overall debt service savings of \$2,661,492 and an economic gain of \$2,470,903, the difference between the present value of the old and new debt service payments.

The Successor Agency to the Brentwood Redevelopment Agency has pledged future tax revenues for the repayment of a portion of the bonds. The Successor Agency pledge of future tax revenues was not affected by the refunding of the 2012 Capital Improvement Revenue Refunding 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. This pledge ends upon repayment of the Successor Agency's \$13,513,000 remaining share of debt service on the bonds, as of June 30, 2022, which is scheduled to occur in 2032. For FY 2021/22, gross tax revenue available to be distributed to the Successor Agency totaled \$7,402,275, which represented coverage of 5.45 times \$1,357,125 of the Successor Agency's debt service. The remaining portion of the bonds is repayable from any source of the City's available funds and will primarily be funded from the Roadway Development Impact Fee Fund and prior bond refinance savings.

Year Ending June 30	Principal	Interest	Total
2023	\$ 1,534,665	\$ 174,834	\$ 1,709,499
2024	1,548,899	161,673	1,710,572
2025	1,557,891	142,938	1,700,829
2026	1,581,671	121,746	1,703,417
2027	1,609,209	100,207	1,709,416
2028-2032	6,618,156	225,669	6,843,825
Total	\$ 14,450,491	\$ 927,067	\$ 15,377,558

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
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	\$ 6,063,014	\$ -	\$ 6,063,014



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, 2022 were:

Governmental	\$ 872,196
Business-Type	\$ 271,376

B. BUSINESS-TYPE ACTIVITIES

	Balance July 1, 2021	Additions	Payments Adjustments	Balance June 30, 2022	Amounts Due Within One Year
Bonds					
Water Revenue Refunding Bonds Series 2014	\$ 36,185,000	\$ -	\$ (1,860,000)	\$ 34,325,000	\$ 1,950,000
Net Bond Premium	4,285,572	-	(252,093)	4,033,479	-
Total Bonds	40,470,572	-	(2,112,093)	38,358,479	1,950,000
Notes Payable (Direct Placement)					
State Water Resources Loan (Wastewater)	4,441,959	-	(2,201,113)	2,240,846	2,240,846
State Water Resources Loan (WWTP Expansion Ph. II)	11,264,302	14,532,965	-	25,797,267	-
State Water Resources Loan (Recycled Water Projects)	10,757,225	2,829,097	-	13,586,322	-
Total Notes Payable	26,463,486	17,362,062	(2,201,113)	41,624,435	2,240,846
Other					
Net OPEB Liability	9,393,856	-	(2,394,196)	6,999,660	-
Net Pension Liability	9,346,884	-	(6,396,196)	2,950,688	-
Accumulated Compensated Absences	656,128	744,177	(721,866)	678,439	407,063
Total Other	19,396,868	744,177	(9,512,258)	10,628,787	407,063
Total Business-Type Activities Long-Term Obligations	\$ 86,330,926	\$ 18,106,239	\$ (13,825,464)	\$ 90,611,701	\$ 4,597,909

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
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	1,715,000	1,136,350	2,851,350
2028-2032	9,675,000	4,579,800	14,254,800
2033-2037	11,805,000	2,434,100	14,239,100
2038	2,710,000	135,500	2,845,500
Total	\$ 34,325,000	\$ 13,909,650	\$ 48,234,650

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 2021/22, the Water Fund's principal and interest paid was \$3,510,350, Net Operating Revenues were \$7,098,051 and Adjusted Annual Net Water Revenues were \$11,728,255 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, 2022, the City's gross repayment obligation of \$2,281,296 is reported in the accompanying financial statement net of the unamortized discount of \$40,450. During FY 2021/22, the City repaid \$2,201,113 on the obligation and amortized \$80,182 of the discount, which was reported as interest expense.

NOTE #6 – LONG-TERM OBLIGATIONS (Continued)

Year Ending June 30	Principal	Interest	Total
2023	\$ 2,240,846	\$ 40,450	\$ 2,281,296
Total	\$ 2,240,846	\$ 40,450	\$ 2,281,296

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, 2022, the City has incurred \$13,586,322 of loan 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, 2022, the City has incurred \$29,653,267 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, and the net amount of the note payable is \$25,797,267.



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 Custodial 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 	\$ 595,000
<hr/> Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2012 A (Refinancing of CIPF'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 	\$ 7,810,000
<hr/> Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2014 A&B (Refinancing of CIPF's 94-1, 2000-1, 2005-1 and 2006-1) <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 	\$ 49,725,000
<hr/> Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2018A (Refinancing of CIPF'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 	\$ 30,740,000
<hr/> Total Assessment District Debt	<hr/> \$ 88,870,000 <hr/>

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 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.

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. 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	Misc	Safety
	2021	\$1,627.28	\$1,326.63	\$1,500.00	\$143.00	
2022	1,714.12	1,326.63	1,500.00	149.00		
2023 ⁽²⁾ +	Kaiser Dual		1,326.63 ⁽³⁾	1,500.00 ⁽³⁾	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) Based on Basic (non-Medicare) premiums.

(3) 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, 2021:

	Number of Covered Participants
Active employees	305
Inactive employees or beneficiaries currently receiving benefits	151
Inactive participants entitled to, but not yet receiving benefit payments	20
Total	476

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, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2021 based on the following actuarial methods and assumptions:

Actuarial Assumption	June 30, 2021 Measurement Date
Actuarial Valuation Date	June 30, 2021
Contribution Policy	- City contributes 85% of ADC - Once 85% funded ratio is reached, contributions (as a percentage of payroll) maintained until 100% funded ratio attained
Discount Rate	6.25% at June 30, 2021 6.75% at June 30, 2020
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	2.50% annually
Mortality, Retirement, Disability, Termination	CalPERS 1997-2015 Experience Study
Mortality Improvement	Projected fully generational with Scale MP-2020
Salary Increases	Aggregate - 2.75% annually Merit - CalPERS 1997-2015 Experience Study
Medical Trend	Non-Medicare - 6.75% for 2022, decreasing to an ultimate rate of 3.75% in 2076 Medicare (Kaiser) - 4.75% for 2022, decreasing to an ultimate rate of 3.75% in 2076 Medicare (non-Kaiser) - 5.85% for 2022, decreasing to an ultimate rate of 3.75% in 2076
PEMHCA minimum increases	4.00% annually
Healthcare participation	Hired < 7/1/12: 100% Hired > 7/1/12: 60%

The underlying mortality improvement assumptions were based on the Scale MP-2020 and all other actuarial assumptions used in the June 30, 2021 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%	4.56%
Fixed Income	25%	0.78%
TIPS	5%	-0.08%
Commodities	3%	1.22%
REITs	8%	4.06%
Assumed Long-Term Rate of Inflation		2.50%
Expected Long-Term Net Rate of Return, Rounded		6.25%

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

(1) CalPERS approved new CERBT asset allocations in March 2022, with an effective date of October 1, 2022 and an expected long-term rate of return of 6.0%. This is not expected to impact the expected long-term rate of return assumption for CERBT Strategy

Discount Rate

The discount rate used to measure the total OPEB liability was 6.25%. 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.

Changes of Assumptions

For the measurement date of June 30, 2021, the discount rate decreased from 6.75% to 6.25%, the inflation rate decreased from 2.75% to 2.50%, the payroll growth rate decreased from 3.00% to 2.75%, and the mortality improvement scale was updated to Scale MP- 2020.



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

C. CHANGES IN NET OPEB LIABILITY

The following summarizes the changes in the net OPEB liability:

	<u>Total OPEB Liability</u>	<u>Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balances at June 30, 2021 (Measurement date June 30, 2020)	\$ 51,679,598	\$ 18,511,079	\$ 33,168,519
Changes for the year:			
Service Cost	1,414,509	-	1,414,509
Interest	3,513,643	-	3,513,643
Changes of benefit terms	-	-	-
Difference between actual and expected experience	(4,554,116)	-	(4,554,116)
Assumption changes	(872,892)	-	(872,892)
Contributions - employer ⁽¹⁾	-	3,657,000	(3,657,000)
Contributions - employee	-	-	-
Net investment income	-	5,091,636	(5,091,636)
Benefit payments and refunds ⁽¹⁾	(2,080,270)	(2,080,270)	-
Administrative Expenses ⁽²⁾	-	(12,037)	12,037
Net Changes	<u>(2,579,126)</u>	<u>6,656,329</u>	<u>(9,235,455)</u>
Balances at June 30, 2022 (Measurement date June 30, 2021)	<u>\$ 49,100,472</u>	<u>\$ 25,167,408</u>	<u>\$ 23,933,064</u>

(1) Measurement period July 1, 2020 to June 30, 2021.

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

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. 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 \$371,000.

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 (5.25%) or 1 percentage-point higher (7.25%) than the current discount rate:

	<u>Discount Rate</u>		
	5.25%	6.25%	7.25%
	(1% Decrease)	(Current Rate)	(1% Increase)
Net OPEB Liability	\$ 30,658,126	\$ 23,933,064	\$ 18,418,582



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

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	\$ 17,819,927	\$ 23,933,064	\$ 31,460,120

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

For the year ended June 30, 2022, the City recognized OPEB expense of \$1,616,396. At June 30, 2022, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	June 30, 2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (6,212,217)
Changes of assumptions	-	(1,740,082)
Net difference between projected and actual earning on plan investments	-	(2,766,280)
Employer contributions made subsequent to the measurement date	3,740,048	-
Total	\$ 3,740,048	\$ (10,718,579)

For the year ended June 30, 2022, the City reported \$3,740,048 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, 2023. 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
2023	\$ (2,032,411)
2024	(2,013,549)
2025	(2,028,140)
2026	(2,126,672)
2027	(1,305,754)
Thereafter	(1,212,053)

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).

The Miscellaneous Plan's provisions and benefits in effect at June 30, 2022 are summarized below:

	Miscellaneous Plan		
	Tier 1	Tier 2	Tier 3
	Prior to <u>October 1, 2010</u>	After <u>September 30, 2010</u>	After <u>December 31, 2012</u>
Hire Date			
Benefit Formula	2.7% @ 55	2% @ 60	2% @ 62
Benefit Vesting Schedule	5 years service	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life	monthly for life
Retirement Age	50 - 55	50 - 63	52 - 67
Monthly Benefits, as a % of Eligible Compensation	2.000-2.700%	1.092-2.418%	1.000-2.500%
Required Employee Contribution Rates	8%	7%	6.75%
Required Employer Contribution Rates (Normal Cost)	11.620%	11.620%	11.620%
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 \$1,967,063.

NOTE #10 – DEFINED BENEFIT PENSION PLANS (Continued)

b. Employees Covered

At the June 30, 2021 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	98	51	96	245
Total	98	51	96	245
Inactive Employees or Beneficiaries Currently Receiving Benefits				195
Inactive Employees Entitled to but not yet Receiving Benefits				158
			Total	353

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. Employer contribution rates may change if plan contracts are amended.

For the year ended June 30, 2022, the contributions to the Miscellaneous Plan were \$7,014,058 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, 2021, using an annual actuarial valuation as of June 30, 2020, rolled forward using standard update procedures. A summary of principal assumptions and methods used to determine the Net Pension Liability is shown in Note #10D.

NOTE #10 – DEFINED BENEFIT PENSION PLANS (Continued)

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, 2020	\$ 157,971,599	\$ 128,799,051	\$ 29,172,548
Changes recognized for the measurement period			
Service Cost	\$ 4,367,103	\$ -	\$ 4,367,103
Interest on the Total Pension Liability	11,225,313	-	11,225,313
Changes in Assumptions	-	-	-
Differences Between Actual and Expected Experience	(535,203)	-	(535,203)
Net Plan to Plan Resource Movement	-	-	-
Contribution - Employer	-	4,261,353	(4,261,353)
Contribution - Employees	-	1,756,084	(1,756,084)
Net Investment Income	-	29,239,540	(29,239,540)
Benefit Payments, Including Refunds of Employee Contributions	(5,245,106)	(5,245,106)	-
Other Misc Income/(Expense)	-	-	-
Administrative Expense	-	(128,662)	128,662
Net Changes	<u>9,812,107</u>	<u>29,883,209</u>	<u>(20,071,102)</u>
Balance at June 30, 2021	<u>\$ 167,783,706</u>	<u>\$ 158,682,260</u>	<u>\$ 9,101,446</u>

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%	7.15%	8.15%
	(1% Decrease)	(Current Rate)	(1% Increase)
Net Pension Liability	\$ 33,889,176	\$ 9,101,446	\$ (11,255,204)

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.

NOTE #10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

For the year ended June 30, 2022, the City recognized pension expense for the Miscellaneous Plan of \$573,725. At June 30, 2022, 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	\$ 7,014,058	\$ -
Differences Between Actual and Expected Experience	1,728,431	(410,737)
Changes in Assumptions	-	(546,807)
Net Differences Between Projected and Actual Earnings on Plan Investments	-	(14,555,323)
Total	\$ 8,742,489	\$ (15,512,867)

Deferred Outflows of Resources related to contributions subsequent to the measurement date of \$7,014,058 will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2023. 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
2023	\$ (3,389,287)
2024	(2,911,228)
2025	(3,443,462)
2026	(4,040,459)
2027	-
Thereafter	-

v. Payable to the Miscellaneous Plan

At June 30, 2022, the City reported a payable of \$205,430 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2022.

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, 2022, 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	25.43%	20.64%	13.13%
COLA	5.00%	2.00%	2.00%
Final Average Compensation Period	One Year	Three Years	Three Years
Unfunded Accrued Liability Annual Payment	\$ 1,012,977	\$ 12,215	\$ 11,770

NOTE #10 – DEFINED BENEFIT PENSION PLANS (Continued)

Beginning in FY 2015/16, CalPERS collects employer contributions for the cost-sharing plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability and side fund. The dollar amounts are billed on a monthly basis. In-lieu of making monthly payments, an annual lump-sum prepayment option is also available. The City's required lump-sum contribution for the unfunded liability and side fund was \$1,036,962 in FY 2021/22.

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. Employer contribution rates may change if plan contracts are amended.

For the year ended June 30, 2022, the contributions to the Safety Plan were \$5,262,936 for the employer paid contributions.

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

As of June 30, 2022, the City reported a Net Pension Liability for its proportionate share of the Net Pension Liability of the Safety Plan of \$5,315,829.

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, 2021, 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, 2020 rolled forward to June 30, 2021 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, 2020 and 2021 was as follows:

<u>Proportionate Share of Net Pension Liability</u>	<u>Safety Plan</u>
Proportion - June 30, 2020	0.23443%
Proportion - June 30, 2021	<u>0.15147%</u>
Change - Increase (Decrease)	(0.08296%)



NOTE #10 – DEFINED BENEFIT PENSION PLANS (Continued)

For the year ended June 30, 2022, the City recognized pension expense of (\$3,972,765) for the Safety Plan. At June 30, 2022, 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	\$ 5,262,936	\$ -
Differences Between Actual and Expected Experience	908,205	-
Changes in Assumptions	-	-
Change in the Employer's Proportion and Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	2,257,290	(1,872,479)
Net Differences Between Projected and Actual Earnings on Plan Investments	-	(3,163,940)
Total	\$ 8,428,431	\$ (5,036,419)

Deferred outflows of resources related to contributions subsequent to the measurement date of \$5,262,936 will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2023. 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
2023	\$ (122,103)
2024	(334,692)
2025	(543,457)
2026	(870,672)

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	\$ 17,348,901	\$ 5,315,829	\$ (4,567,852)

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, 2022, the City reported a payable of \$171,422 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2022.

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, 2022, the City reported Net Pension Liabilities for the Miscellaneous and Safety Plans combined of \$14,417,275 and recognized combined pension expenses for the Miscellaneous and Safety Plans of (\$3,399,040).

At June 30, 2022, 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	\$ 12,276,994	\$ -
Differences Between Actual and Expected Experience	2,636,636	(410,737)
Changes in Assumptions	-	(546,807)
Change in the Employer's Proportion and Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	2,257,290	(1,872,479)
Net Differences Between Projected and Actual Earnings on Plan Investments	-	(17,719,263)
Total	17,170,920	(20,549,286)

NOTE #10 – DEFINED BENEFIT PENSION PLANS (Continued)

ii. Actuarial Assumptions

The June 30, 2021 total pension liabilities were based on the following actuarial methods and assumptions:

	<u>Miscellaneous and Safety Plans</u>
Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
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 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 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.

NOTE #10 – DEFINED BENEFIT PENSION PLANS (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations, as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns 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⁾
Public 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 Annual Comprehensive 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)

iv. Subsequent Event – CalPERS Pension Contribution Rates

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for FY 2020/21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy approved by the CalPERS Board in 2015, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the CalPERS Board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense, but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the CalPERS Board. These new assumptions will be reflected in the CalPERS GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

NOTE #11 – DEFINED CONTRIBUTION PENSION AND OTHER POST-EMPLOYMENT BENEFIT PLANS

Deferred Compensation Plans

City employees may defer a portion of their compensation under one of three City sponsored Deferred Compensation Plans created in accordance with Internal Revenue Code Section 457. Under the Plans, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, and death or in an emergency as defined by the Plans.

Two of the Plans are part of public agency agent multiple-employer defined contribution plans that are administered by Mission Square Retirement (formerly ICMA RC) and CalPERS. The third Plan is a single-employer plan that is administered by VALIC. Benefit provisions under the Plans are established by City resolution.

The City has no liability for any losses incurred by the Plans and does not participate in any gains, but does have the duty of due care that would be required of an ordinary prudent investor. The City has contracts with each of the three administrators to manage and invest the assets of the respective Plans. The administrators of the Mission Square Retirement and CalPERS Plans pool the assets of the respective Plans with those of other participants and does not make separate investments for the City. The administrator of the VALIC Plan are held solely for the Plan participants and are not pooled with any other public agency plans. The assets in each Plan are the sole property of the participants or their beneficiaries. Since the assets held under the Mission Square Retirement and CalPERS Plans are not the City's property and are not subject to claims by general creditors of the City, they have been excluded from these financial statements. Since the assets of the VALIC Plan are held in a single-employer Plan, but are not the City's property and

NOTE #11 – DEFINED CONTRIBUTION PENSION AND OTHER POST-EMPLOYMENT BENEFIT PLANS

(Continued)

are not subject to claims by general creditors of the City, they are reported in the Fiduciary Fund financial statements, Other Employee Benefit Trust Fund - VALIC. The Plan requires investments to be stated at fair value and it requires all gains and losses on Plan investments to accrue directly to participant accounts.

The City contributes amounts to the deferred compensation plans for employees in certain bargaining units. These employer contributions include amounts of up to \$1,320 per year as a match of employee contributions and additional contributions of 2%-4% of annual employee salary, depending on bargaining unit. The total amount contributed by the City to the three Plans for FY 2021/22 was \$328,737. At June 30, 2022, the City reported a payable of \$19,201 for the outstanding contributions due to the Plans.

Retiree Health Savings Plans

The City contributes amounts to individual retiree health savings accounts for employees in all bargaining units hired on or after 7/1/2012. Depending on the bargaining unit and date of hire, contributions of up to \$600 to \$2,400 per eligible employee per year are made to a third-party retiree health savings account administrator. The total amount contributed by the City to the retiree health savings account plan for FY 2021/22 was \$241,800. At June 30, 2022, the City does not have a payable due for outstanding contributions to the retiree health savings plan.

The assets in the retiree health savings account plan are not available to the City's general creditors. Assets and liabilities held by the retiree health savings account plan administrator are held in an agent multiple-employer defined contribution plan and are not reported in the accompanying financial statements.

NOTE #12 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; natural disaster; errors and omissions; injuries to employees and unemployment claims. The City, along with other Contra Costa County cities, belongs to the Municipal Pooling Authority of Northern California (MPA). MPA is a public entity risk pool currently operating as a common risk management and insurance program for the members. The City pays an annual premium to MPA for the following: Liability (\$29 million coverage, \$10,000 deductible); Employer's Resource Management Association (ERMA) (\$2 million coverage, \$50,000 deductible on employment claims); All Risk Fire and Property (\$1 billion coverage, \$25,000 deductible for all risk, \$5,000 for fine arts 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, \$250,000 deductible); Boiler and Machinery (\$100 million coverage, \$10,000 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, 2022 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

NOTE #12 – RISK MANAGEMENT (Continued)

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.

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



NOTE #13 – BRENTWOOD REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)

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

As of June 30, 2022, 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 #13 represents other assets and liabilities of the Successor Agency as of June 30, 2022.

B. CAPITAL ASSETS

Capital assets of the Successor Agency, as of June 30, 2022, 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, 2022.

	<u>Balance</u> <u>June 30, 2021</u>	<u>Payments</u> <u>Adjustments</u>	<u>Balance</u> <u>June 30, 2022</u>	<u>Amounts Due</u> <u>Within One Year</u>
Capital Improvement Revenue Refunding Bonds Series 2012	\$ 11,445,000	\$ (805,000)	\$ 10,640,000	\$ 845,000
2009 Civic Center Project Lease Revenue Bonds	10,307,894	(347,368)	9,960,526	361,842
Total	<u>\$ 21,752,894</u>	<u>\$ (1,152,368)</u>	<u>\$ 20,600,526</u>	<u>\$ 1,206,842</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.

NOTE #13 – BRENTWOOD REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)

The Successor Agency to the Brentwood Redevelopment Agency has pledged future tax revenues for the repayment of a portion of the bonds. Following the dissolution of the Brentwood Redevelopment Agency, the Successor Agency is allocated funds for payment of obligations listed on the Successor Agency's ROPS and approved by the DOF. The Successor Agency listed this debt obligation on its ROPS and the DOF has approved its inclusion for each applicable ROPS period through June 30, 2023. 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 \$13,513,000 remaining share of debt service on the bonds, which is scheduled to occur in 2032.

2009 Civic Center Project Lease Revenue Bonds

On October 16, 2009, the Authority issued \$48,000,000 in Civic Center Project Lease Revenue Bonds, Series 2009A, \$4,055,000, and Taxable Series 2009B, \$43,945,000, to finance the construction of a new city hall, 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 \$17,742,942 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
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	1,461,579	947,707	2,409,286
2028-2032	8,461,053	3,361,543	11,822,596
2033-2037	3,176,316	1,514,207	4,690,523
2038-2040	2,310,525	270,764	2,581,289
Total Payments Due	\$ 20,600,526	\$ 10,655,416	\$ 31,255,942

NOTE #13 – BRENTWOOD REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)

D. PLEGGED REVENUES

As discussed above, the Successor Agency has pledged all future tax-increment revenues for the repayment of its share of the Capital Improvement Revenue Refunding Bonds Series 2012 and the 2009 Civic Center Project Lease Revenue Bonds. The pledge of all future tax-increment revenues ends upon repayment of \$31,255,942 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 distinction between housing and non-housing revenues. For FY 2021/22, gross tax increment available to be distributed to the Successor Agency was \$7,402,275, which represents coverage of 300% of the FY 2021/22 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 #13A, 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 #13A 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 #14 – 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, 2022, 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.

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, 2022, was \$1,352,552, after a total of \$802,664 was used as credits or expired and an additional \$666,608 was added by agreements during FY 2021/22. 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, 2022, 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>
City Council Chamber Audiovisual System	\$ 371,760
Citywide Non-Potable Water Distribution System	347,737
Creekside Park and Garin Park Restrooms	382,176
Deer Ridge Frontage Landscaping Improvements	687,471
Innovation Center @ Brentwood Infrastructure	292,390
Lone Tree Way Roadway Improvements	1,273,047
Pavement Management Program - 2022	351,156
Public Art Spaces	166,250
Sand Creek Road Extension	355,819
Sensus AMR System Upgrade	2,345,699
Sunset Park Playground Replacement	335,761
Vineyards at Marsh Creek - Event Center/Amphitheater	283,132
Wastewater Treatment Plant Expansion - Phase II	26,753,169
Water and Wastewater SCADA System Upgrade	1,020,218
Water Emergency Back-up Generators	241,815
Total	\$ 35,207,600

NOTE #14 – CONTINGENT LIABILITIES (Continued)

E. SOLAR POWER PURCHASE AGREEMENTS

On December 9, 2014, the City executed three Solar Power Purchase agreements with SolarCity Corporation. The terms of the agreements required SolarCity to construct solar power systems, to be owned and maintained by SolarCity, at three City sites, the Police Department, Wastewater Treatment Plant and Brentwood Family Aquatic Complex. These systems are expected to generate approximately 2.14 million kilowatt hours (kWh) of power per year. The terms of the agreements require the City to purchase all of the electric power generated by the system for a term of 20 years, and up to two additional optional terms of five years each, at a contract price of \$0.0100 to \$0.2718 per kWh, depending on the site. The systems at the Police Department site, Wastewater Treatment Plant site and Brentwood Family Aquatic Complex became operational July 2015, September 2016 and November 2016, respectively. The agreements include options for the City to purchase the systems at the end of the 6th, 10th and 20th year, as well as at the end of the additional optional five-year terms at a price equal to the fair value of the systems. The City has not taken, nor anticipates taking, the option to purchase any of the systems as of the end of the 6th year. 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 #15 – NET POSITION AND FUND BALANCE RESTATEMENTS

During FY 2021/22, the accounting methodology for the recording of sales taxes changed to conform to a 60-day accrual of revenue from the end of the fiscal year, which resulted in a restatement of the beginning net position of the Governmental Activities and the beginning fund balance of the General Fund. The effect of the restatement increased the Governmental Activities beginning net position and the fund balance of the General Fund by \$1,436,525.

The City implemented the provisions of GASB Statement No. 87, Leases, during FY 2021/22. As a result, the City restated and increased the beginning balances of leases receivable and deferred inflows of resources related to leases by \$2,715,002 as of July 1, 2021. The net effect on beginning fund balance and net position was zero. See the Leases disclosure in Note #4.

The City also implemented the provisions of 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, during FY 2021/22. The City determined that the VALIC Deferred Compensation Plan was a sole employer defined contribution plan. As a result, the City established the Other Employee Benefit Trust Fund – VALIC and restated beginning net position of the fund in the amount of \$8,288,270 as of July 1, 2021.



Budgetary Comparison Schedule, General Fund
For Year Ended June 30, 2022

	Budget Amounts		Actual	Variance
	Original	Final		
REVENUES				
Taxes	\$ 24,386,889	\$ 28,631,749	\$ 29,743,313	\$ 1,111,564
Licenses	629,803	756,582	764,683	8,101
Permits and Fines	5,066,581	4,857,767	6,188,715	1,330,948
Uses of Money and Property	488,412	488,412	(837,912)	(1,326,324)
Intergovernmental	4,926,505	5,550,631	5,552,021	1,390
Franchises	1,440,380	1,504,870	1,581,396	76,526
Charges for Other Services	267,808	220,728	259,762	39,034
Charges to Other Funds	8,456,600	8,467,962	8,190,240	(277,722)
Fees and Other Revenues	1,879,486	1,968,605	1,728,099	(240,506)
Total Revenues	47,542,464	52,447,306	53,170,317	723,011
EXPENDITURES				
Current:				
General Government	8,014,375	8,673,759	7,934,074	739,685
Public Safety	28,404,352	30,253,045	27,073,593	3,179,452
Community Development	6,097,986	6,720,006	5,648,719	1,071,287
Engineering	3,792,433	3,812,282	3,545,915	266,367
Public Works	4,315,473	4,491,653	4,019,329	472,324
Parks and Recreation	7,599,288	7,850,241	7,378,830	471,411
Community Services	803,521	888,550	884,078	4,472
Capital Outlay	-	-	95,687	(95,687)
Debt Service:				
Principal	1,638,691	1,734,621	1,638,690	95,931
Total Expenditures	60,666,119	64,424,157	58,218,915	6,205,242
REVENUES OVER (UNDER) EXPENDITURES	(13,123,655)	(11,976,851)	(5,048,598)	6,928,253
OTHER FINANCING SOURCES (USES)				
Transfers In	15,033,099	15,256,585	9,842,621	(5,413,964)
Transfers Out	(2,676,330)	(4,625,140)	(5,719,439)	(1,094,299)
Total Other Financing Sources (Uses)	12,356,769	10,631,445	4,123,182	(6,508,263)
Net Change in Fund Balances	\$ 25,480,424	\$ (1,345,406)	(925,416)	\$ 419,990
Fund Balance, Beginning of Year, as Restated			32,462,880	
Fund Balance, End of Year			\$ 31,537,464	



Budgetary Comparison Schedule, Landscape and Lighting Assessment Districts
For Year Ended June 30, 2022

	Budget Amounts		Actual	Variance
	Original	Final		
REVENUES				
Uses of Money and Property	\$ 31,422	\$ 31,422	\$ (285,833)	\$ (317,255)
Fees and Other Revenues	8,794,270	8,843,967	9,070,170	226,203
Total Revenues	<u>8,825,692</u>	<u>8,875,389</u>	<u>8,784,337</u>	<u>(91,052)</u>
EXPENDITURES				
Current:				
Community Services	8,235,125	8,004,831	7,027,345	977,486
Total Expenditures	<u>8,235,125</u>	<u>8,004,831</u>	<u>7,027,345</u>	<u>977,486</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>590,567</u>	<u>870,558</u>	<u>1,756,992</u>	<u>886,434</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	2,218,723	2,669,186	1,544,554	(1,124,632)
Transfers Out	(2,714,114)	(4,339,184)	(3,914,144)	425,040
Total Other Financing Sources (Uses)	<u>(495,391)</u>	<u>(1,669,998)</u>	<u>(2,369,590)</u>	<u>(699,592)</u>
Net Change in Fund Balances	<u>\$ 95,176</u>	<u>\$ (799,440)</u>	<u>(612,598)</u>	<u>\$ 186,842</u>
Fund Balance, Beginning of Year			<u>7,834,319</u>	
Fund Balance, End of Year			<u>\$ 7,221,721</u>	

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	2021/22
Measurement Date	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021
Changes in Total OPEB Liability					
Service Cost	\$ 1,629,000	\$ 1,679,380	\$ 1,640,302	\$ 1,481,221	\$ 1,414,509
Contributions - employee	-	-	-	-	-
Interest	3,050,000	3,253,745	3,462,146	3,385,324	3,513,643
Difference between actual and expected experience	-	-	(3,639,364)	-	(4,554,116)
Assumption changes	-	-	(537,151)	(880,615)	(872,892)
Other changes	-	-	-	-	-
Benefit payments including refunds	(1,653,000)	(1,759,490)	(1,853,760)	(1,956,140)	(2,080,270)
Changes of benefit terms	-	-	-	-	-
Net Changes	3,026,000	3,173,635	(927,827)	2,029,790	(2,579,126)
Total OPEB Liability (beginning of year)	44,378,000	47,404,000	50,577,635	49,649,808	51,679,598
Total OPEB Liability (end of year)	\$ 47,404,000	\$ 50,577,635	\$ 49,649,808	\$ 51,679,598	\$ 49,100,472
Changes in Plan Fiduciary Net Position					
Contributions - employer	\$ 5,708,000	\$ 4,510,871	\$ 4,136,357	\$ 4,221,000	\$ 3,657,000
Net investment income	632,000	717,022	784,122	569,190	5,091,636
Benefit payments and refunds	(1,653,000)	(1,759,490)	(1,853,760)	(1,956,140)	(2,080,270)
Administrative expenses	(3,000)	(17,072)	(7,076)	(12,945)	(12,037)
Net Changes	4,684,000	3,451,331	3,059,643	2,821,105	6,656,329
Plan Fiduciary Net Position (beginning of year)	4,495,000	9,179,000	12,630,331	15,689,974	18,511,079
Plan Fiduciary Net Position (end of year)	\$ 9,179,000	\$ 12,630,331	\$ 15,689,974	\$ 18,511,079	\$ 25,167,408
Net OPEB Liability/(Asset)	\$ 38,225,000	\$ 37,947,304	\$ 33,959,834	\$ 33,168,519	\$ 23,933,064
Fiduciary Net Position as a percentage of the Total OPEB Liability	19.4%	25.0%	31.6%	35.8%	51.3%
Covered employee payroll ⁽²⁾⁽³⁾	\$ 29,051,000	\$ 31,002,370	\$ 32,173,000	\$ 34,648,422	\$ 35,282,755
Net OPEB Liability as a percentage of covered employee payroll ⁽³⁾	132%	122%	105.6%	95.7%	67.8%

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

(2) Determined for the 12 month periods ending on June 30 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	2021/22
Actuarially Determined Contribution (ADC)	\$ 5,306,000	\$ 4,861,000	\$ 4,966,000	\$ 4,303,000	\$ 4,398,000
Contributions in relation to the actuarially determined contribution	4,510,000	4,136,357	4,221,000	3,657,000	3,740,048
Contribution deficiency/(excess)	\$ 796,000	\$ 724,643	\$ 745,000	\$ 646,000	\$ 657,952
Covered employee payroll ⁽²⁾	\$ 31,002,370	\$ 32,173,000	\$ 34,648,422	\$ 35,282,755	\$ 37,146,694
Contributions as a percentage of covered employee payroll	15.0%	12.9%	12.2%	10.4%	10.1%

(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	6/30/2017	6/30/2019	6/30/2019
ADC for Fiscal Year	2017/18	2018/19	2019/20	2020/21	2021/22
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	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	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	Approximately 14-year fixed period for 2021/22
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	Investment gains and losses spread over 5-year rolling period
Discount Rate	7.25%	6.75%	6.75%	6.75%	6.75%
General Inflation	3.00%	2.75%	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	Non-Medicare - 7.5% 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	Non-Medicare - 7.5% for 2020, decreasing to an ultimate rate of 4.0% in 2076	Non-Medicare - 7.5% for 2021, 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	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	2021/22
Measurement date	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021
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	\$ 4,367,103
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	11,225,313
Differences Between Expected and Actual Experience	-	(304,364)	1,001,785	450,022	211,977	1,771,866	2,185,887	(535,203)
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)	(5,245,106)
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	9,812,107
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	157,971,599
Total Pension Liability - Ending (a)	\$ 97,611,669	\$ 103,157,066	\$ 112,379,297	\$ 130,013,778	\$ 134,309,643	\$ 145,716,565	\$ 157,971,599	\$ 167,783,706
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	\$ 4,261,353
Contributions - Employee	1,024,271	1,314,854	1,370,153	1,462,634	1,582,087	1,703,581	1,780,994	1,756,084
Net Investment Income ⁽³⁾	11,435,505	1,744,327	437,912	9,349,273	7,974,015	7,502,561	6,075,887	29,239,540
Benefit Payments	(2,206,639)	(2,590,999)	(3,047,166)	(3,404,988)	(3,781,586)	(4,137,884)	(4,703,813)	(5,245,106)
Plan to Plan Resource Movement	-	(32,597)	-	-	(238)	-	(3,307)	-
Administrative Expense	-	(91,288)	(49,416)	(122,886)	(146,469)	(73,573)	(171,735)	(128,662)
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	29,883,209
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	128,799,051
Plan Fiduciary Net Position - Ending (b)	\$ 77,956,726	\$ 81,082,764	\$ 83,231,411	\$ 93,994,130	\$ 103,098,376	\$ 121,818,866	\$ 128,799,051	\$ 158,682,260
Net Pension Liability - Ending (a)-(b)	\$ 19,654,943	\$ 22,074,302	\$ 29,147,886	\$ 36,019,648	\$ 31,211,267	\$ 23,897,699	\$ 29,172,548	\$ 9,101,446
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%	94.58%
Covered Payroll	\$ 16,622,216	\$ 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	118.25%	131.60%	164.53%	188.26%	151.22%	108.47%	122.11%	38.40%

(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 FY 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	2021/22
Actuarially Determined Contribution (ADC)	\$ 2,786,805	\$ 3,061,100	\$ 3,478,686	\$ 3,754,584	\$ 4,214,219	\$ 4,002,159	\$ 4,261,353	\$ 4,859,274
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>(4,002,159)</u>	<u>(4,261,353)</u>	<u>(7,014,058)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,511,348)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,154,784)</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>	<u>\$ 25,083,145</u>
Contributions as a Percentage of Covered Payroll	16.61%	17.28%	18.18%	18.19%	19.13%	16.75%	17.98%	19.37%

(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
ADC for Fiscal Year	2014/15	2015/16	2016/17	2017/18	2018/19
Actuarial Cost Method	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
Average Remaining Period	26 years as of the valuation date	N/A	N/A	N/A	N/A
Asset Valuation Method	15-Year Smoothed Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.750%	2.750%	2.750%	2.750%	2.750%
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
Payroll Growth	3.000%	3.000%	3.000%	3.000%	3.000%
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
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.
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.

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

Valuation Date	6/30/2017	6/30/2018	6/30/2019
ADC for Fiscal Year	2019/20	2020/21	2021/22
Actuarial Cost Method	Entry age normal	Entry age normal	Entry age normal
Amortization Method	Level percent of payroll	Level percent of payroll	Level percent of payroll
Average Remaining Period	N/A	N/A	N/A
Asset Valuation Method	Fair Value	Fair Value	Fair Value
Inflation	2.750%	2.625%	2.500%
Salary Increases	Varies by Entry Age and Service	Varies by Entry Age and Service	Varies by Entry Age and Service
Payroll Growth	3.000%	2.875%	2.750%
Investment Rate of Return	7.375%, net of investment and administrative expenses, including inflation	7.25%, net of investment and administrative expenses, including inflation	7.00%, net of investment and administrative expenses, including inflation
Retirement Age	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.	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 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.	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	2021/22
Measurement Date	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021
Safety Plan								
Proportion of the Net Pension Liability	0.2421%	0.2513%	0.2646%	0.2687%	0.2766%	0.2352%	0.2344%	0.1515%
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	\$ 5,315,829
Covered Payroll	\$ 12,883,348	\$ 5,577,559	\$ 5,274,445	\$ 7,585,314	\$ 8,033,945	\$ 8,269,499	\$ 8,457,701	\$ 8,929,257
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%	59.53%
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	\$ 84,077,184
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%	88.29%

(1) FY 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	2021/22
Safety Plan								
Actuarially Determined Contribution (ADC)	\$ 1,801,047	\$ 1,777,004	\$ 1,915,780	\$ 2,126,779	\$ 2,395,452	\$ 2,462,412	\$ 2,640,402	\$ 2,976,724
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)	(5,262,936)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ (3,098,238)	\$ (1,110,683)	\$ -	\$ (2,286,212)
Covered Payroll	\$ 5,577,559	\$ 5,274,445	\$ 7,585,314	\$ 8,033,945	\$ 8,269,499	\$ 8,457,701	\$ 8,929,257	\$ 9,447,663
Contributions as a Percentage of Covered Payroll	32.29%	33.69%	25.26%	26.47%	28.97%	29.11%	29.57%	31.51%

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

City of Brentwood

**Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2022**

Special Revenue Funds

	Gas Tax	Disability Access and Education	Police Grants	Other Grants	Economic Development Grant	Citywide Park Assessment District	Community Facilities Districts
ASSETS							
Current Assets:							
Cash and Investments	\$ 1,666,791	\$ 99,171	\$ 426,651	\$ 59,817	\$ 444,265	\$ 2,054,118	\$ 2,011,889
Restricted Cash and Investments	-	-	-	-	-	-	-
Receivables	236,810	30	6,975	876,372	136	842	630
Prepays	-	-	-	-	-	915	-
Due from Other Funds	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-
Total Assets	\$ 1,903,601	\$ 99,201	\$ 433,626	\$ 936,189	\$ 444,401	\$ 2,055,875	\$ 2,012,519
LIABILITIES							
Liabilities:							
Accounts Payable and Accrued Liabilities	\$ -	\$ 701	\$ 13,256	\$ 218,763	\$ 75,951	\$ 302,335	\$ 595
Due to Other Funds	-	-	-	-	-	-	-
Total Liabilities	-	701	13,256	218,763	75,951	302,335	595
FUND BALANCES							
Nonspendable	-	-	-	-	-	915	-
Restricted	1,903,601	98,500	420,370	717,426	368,450	-	-
Committed	-	-	-	-	-	1,752,625	2,011,924
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	1,903,601	98,500	420,370	717,426	368,450	1,753,540	2,011,924
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,903,601	\$ 99,201	\$ 433,626	\$ 936,189	\$ 444,401	\$ 2,055,875	\$ 2,012,519

Continued

City of Brentwood

Combining Balance Sheet
Non-Major Governmental Funds (Continued)
 June 30, 2022

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	\$ 14,012,277	\$ 6,876,754	\$ -	\$ -	\$ 580,201	\$ 719,720	\$ 2,750,275	\$ 892,810	\$ 3,138,126
Restricted Cash and Investments	-	-	-	-	-	-	-	-	-
Receivables	4,493	2,067	-	-	178	227	863	279	978
Prepays	-	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-	-
Total Assets	\$ 14,016,770	\$ 6,878,821	\$ -	\$ -	\$ 580,379	\$ 719,947	\$ 2,751,138	\$ 893,089	\$ 3,139,104
LIABILITIES									
Liabilities:									
Accounts Payable and Accrued Liabilities	\$ 2,129	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,500	\$ -	\$ 3,500
Due to Other Funds	-	-	46,473	-	-	-	-	-	-
Total Liabilities	2,129	-	46,473	-	-	-	15,500	-	3,500
FUND BALANCES									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	14,014,641	6,878,821	-	-	580,379	719,947	2,735,638	893,089	3,135,604
Committed	-	-	-	-	-	-	-	-	-
Unassigned	-	-	(46,473)	-	-	-	-	-	-
Total Fund Balances	14,014,641	6,878,821	(46,473)	-	580,379	719,947	2,735,638	893,089	3,135,604
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 14,016,770	\$ 6,878,821	\$ -	\$ -	\$ 580,379	\$ 719,947	\$ 2,751,138	\$ 893,089	\$ 3,139,104

Continued

City of Brentwood

Combining Balance Sheet
Non-Major Governmental Funds (Continued)
 June 30, 2022

	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	\$ 421	\$ 176,721	\$ 78,703	\$ 527,764	\$ 24,693	\$ 2,080,649	\$ 15,316	\$ 80,000
Restricted Cash and Investments	-	-	-	-	-	-	-	-
Receivables	-	55	28	172	8	658	5	25
Prepays	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	512,350	-
Total Assets	\$ 421	\$ 176,776	\$ 78,731	\$ 527,936	\$ 24,701	\$ 2,081,307	\$ 527,671	\$ 80,025
LIABILITIES								
Liabilities:								
Accounts Payable and Accrued Liabilities	\$ -	\$ 1,128	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-	-	-	-
Total Liabilities	-	1,128	-	-	-	-	-	-
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	80,000
Restricted	421	175,648	78,731	527,936	-	2,081,307	527,671	25
Committed	-	-	-	-	24,701	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balances	421	175,648	78,731	527,936	24,701	2,081,307	527,671	80,025
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 421	\$ 176,776	\$ 78,731	\$ 527,936	\$ 24,701	\$ 2,081,307	\$ 527,671	\$ 80,025

Continued

City of Brentwood

**Combining Balance Sheet
Non-Major Governmental Funds (Continued)
June 30, 2022**

	Debt Service Funds			Capital Project Funds			
	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	\$ 61,727	\$ 18,616	\$ -	\$ 15,585,721	\$ 9,823,122	\$ 2,494,953	\$ -
Restricted Cash and Investments	-	-	-	-	-	-	1,669,908
Receivables	132	9,960,528	-	4,770	2,991	742	-
Prepays	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	94,408	-	-
Land Held for Resale	-	-	-	-	-	-	-
Total Assets	\$ 61,859	\$ 9,979,144	\$ -	\$ 15,590,491	\$ 9,920,521	\$ 2,495,695	\$ 1,669,908
LIABILITIES							
Liabilities:							
Accounts Payable and Accrued Liabilities	\$ 1,036	\$ 4,850	\$ -	\$ 139,717	\$ 142,581	\$ 224,201	\$ -
Due to Other Funds	-	-	-	-	-	-	-
Total Liabilities	1,036	4,850	-	139,717	142,581	224,201	-
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	60,823	9,974,294	-	15,450,774	9,777,940	2,271,494	1,669,908
Committed	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	60,823	9,974,294	-	15,450,774	9,777,940	2,271,494	1,669,908
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 61,859	\$ 9,979,144	\$ -	\$ 15,590,491	\$ 9,920,521	\$ 2,495,695	\$ 1,669,908

Continued

City of Brentwood

Combining Balance Sheet
Non-Major Governmental Funds (Continued)
 June 30, 2022

Capital Project Funds (Continued)

	Civic Center							Total Non-Major
	Capital Improvement Financing Program 2005-1	2015 Lease Financing Acquisition	Capital Improvement Financing Program	City Capital Improvement Financing Program	Capital Infrastructure	Vineyards Projects	Vineyards Event Center Projects	Governmental Funds
ASSETS								
Current Assets:								
Cash and Investments	\$ -	\$ -	\$ 25,337	\$ 370,011	\$ 1,819,865	\$ -	\$ -	\$ 68,916,484
Restricted Cash and Investments	1,757,389	-	-	-	-	-	-	3,427,297
Receivables	-	-	12	96	645	114	-	11,101,861
Prepays	-	-	-	-	-	-	-	915
Due from Other Funds	-	-	-	-	-	-	-	94,408
Land Held for Resale	-	-	-	-	-	-	-	512,350
Total Assets	\$ 1,757,389	\$ -	\$ 25,349	\$ 370,107	\$ 1,820,510	\$ 114	\$ -	\$ 84,053,315
LIABILITIES								
Liabilities:								
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ 5,632	\$ -	\$ -	\$ 1,151,875
Due to Other Funds	-	-	-	-	-	47,935	-	94,408
Total Liabilities	-	-	-	-	5,632	47,935	-	1,246,283
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	80,915
Restricted	1,757,389	-	25,349	370,107	1,814,878	-	-	79,031,161
Committed	-	-	-	-	-	-	-	3,789,250
Unassigned	-	-	-	-	-	(47,821)	-	(94,294)
Total Fund Balances	1,757,389	-	25,349	370,107	1,814,878	(47,821)	-	82,807,032
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,757,389	\$ -	\$ 25,349	\$ 370,107	\$ 1,820,510	\$ 114	\$ -	\$ 84,053,315

City of Brentwood

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For Year Ended June 30, 2022**

Special Revenue Funds

	Gas Tax	Disability Access and Education	Police Grants	Other Grants	Economic Development Grant	Citywide Park Assessment District	Community Facilities Districts
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,264,998
Licenses	-	-	-	-	191,171	-	-
Uses of Money and Property	(111,824)	(3,386)	(15,582)	(12,391)	(15,076)	(42,302)	(65,089)
Intergovernmental	2,877,697	-	221,454	852,878	-	-	-
Fees and Other Revenues	-	22,773	-	-	6	3,360,381	-
Total Revenues	2,765,873	19,387	205,872	840,487	176,101	3,318,079	7,199,909
EXPENDITURES							
Current:							
General Government	2,123	-	-	226,779	-	-	-
Public Safety	-	-	128,859	-	-	-	-
Community Development	-	456	-	-	140,711	-	-
Parks and Recreation	-	-	-	-	-	5,536,148	-
Community Services	-	-	-	-	-	-	43,915
Capital Outlay	-	-	25,407	-	-	-	-
Debt Service:							
Principal	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-
Total Expenditures	2,123	456	154,266	226,779	140,711	5,536,148	43,915
REVENUES OVER (UNDER) EXPENDITURES	2,763,750	18,931	51,606	613,708	35,390	(2,218,069)	7,155,994
OTHER FINANCING SOURCES (USES)							
Transfers In	654,380	-	-	-	-	3,191,668	671,607
Transfers Out	(2,769,902)	-	-	(1,253,107)	-	-	(8,176,163)
Total Other Financing Sources (Uses)	(2,115,522)	-	-	(1,253,107)	-	3,191,668	(7,504,556)
Net Change in Fund Balances	648,228	18,931	51,606	(639,399)	35,390	973,599	(348,562)
Fund Balance, Beginning of Year	1,255,373	79,569	368,764	1,356,825	333,060	779,941	2,360,486
Fund Balance, End of Year	\$ 1,903,601	\$ 98,500	\$ 420,370	\$ 717,426	\$ 368,450	\$ 1,753,540	\$ 2,011,924

Continued

City of Brentwood

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
 For Year Ended June 30, 2022

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	(952,798)	(194,269)	(8,820)	59,776	(19,732)	(28,156)	(104,645)	(37,072)	(126,960)
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	5,458,526	6,149,829	354,203	-	545,981	83,646	353,817	84,753	660,621
Total Revenues	4,505,728	5,955,560	345,383	59,776	526,249	55,490	249,172	47,681	533,661
EXPENDITURES									
Current:									
General Government	697,086	-	23,448	-	350,479	39,148	65,866	846	26,315
Public Safety	-	-	-	6,972,970	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	920,719	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Total Expenditures	697,086	920,719	23,448	6,972,970	350,479	39,148	65,866	846	26,315
REVENUES OVER (UNDER) EXPENDITURES	3,808,642	5,034,841	321,935	(6,913,194)	175,770	16,342	183,306	46,835	507,346
OTHER FINANCING SOURCES (USES)									
Transfers In	168,080	200,905	2,388	351,295	-	-	-	982	3,929
Transfers Out	(3,793,129)	(607,295)	(147,382)	(197,726)	-	-	-	-	(609)
Total Other Financing Sources (Uses)	(3,625,049)	(406,390)	(144,994)	153,569	-	-	-	982	3,320
Net Change in Fund Balances	183,593	4,628,451	176,941	(6,759,625)	175,770	16,342	183,306	47,817	510,666
Fund Balance, Beginning 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
Fund Balance, End of Year	\$ 14,014,641	\$ 6,878,821	\$ (46,473)	\$ -	\$ 580,379	\$ 719,947	\$ 2,735,638	\$ 893,089	\$ 3,135,604

Continued

City of Brentwood

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
For Year Ended June 30, 2022**

	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	(17)	(6,868)	(4,035)	(40,269)	(1,015)	(88,397)	(603)	(3,155)
Intergovernmental	-	-	-	-	-	1,173,737	-	-
Fees and Other Revenues	-	-	7,766	-	-	-	-	-
Total Revenues	(17)	(6,868)	3,731	(40,269)	(1,015)	1,085,340	(603)	(3,155)
EXPENDITURES								
Current:								
General Government	-	808	-	810	-	8,904	528,023	-
Public Safety	-	-	93	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	1,803	-	-	74
Community Services	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Total Expenditures	-	808	93	810	1,803	8,904	528,023	74
REVENUES OVER (UNDER) EXPENDITURES	(17)	(7,676)	3,638	(41,079)	(2,818)	1,076,436	(528,626)	(3,229)
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	5,368	-	2,494	-	-
Transfers Out	-	-	(30,000)	(364,312)	-	(1,000,000)	-	(117)
Total Other Financing Sources (Uses)	-	-	(30,000)	(358,944)	-	(997,506)	-	(117)
Net Change in Fund Balances	(17)	(7,676)	(26,362)	(400,023)	(2,818)	78,930	(528,626)	(3,346)
Fund Balance, Beginning of Year	438	183,324	105,093	927,959	27,519	2,002,377	1,056,297	83,371
Fund Balance, End of Year	\$ 421	\$ 175,648	\$ 78,731	\$ 527,936	\$ 24,701	\$ 2,081,307	\$ 527,671	\$ 80,025

Continued

City of Brentwood

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
For Year Ended June 30, 2022**

	Debt Service Funds				Capital Project Funds			
	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	\$ 598,270	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses								
Uses of Money and Property	(8,220)	(35)	-	202,221	142,482	29,286	1,441	
Intergovernmental	-	759,700	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	-	-	-	-	-
Total Revenues	590,050	759,665	-	202,221	142,482	29,286	1,441	
EXPENDITURES								
Current:								
General Government	-	-	-	643,673	623,418	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Community Development	5,270	9,852	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	440,278	113,139	949,788	-	-
Debt Service:								
Principal	595,000	1,290,000	495,000	-	-	-	-	-
Interest and Fiscal Charges	-	1,378,800	295,831	-	-	-	-	-
Total Expenditures	600,270	2,678,652	790,831	1,083,951	736,557	949,788	-	-
REVENUES OVER (UNDER) EXPENDITURES	(10,220)	(1,918,987)	(790,831)	(881,730)	(594,075)	(920,502)	1,441	
OTHER FINANCING SOURCES (USES)								
Transfers In	-	2,083,190	790,831	5,682,739	1,880,428	2,676,861	-	-
Transfers Out	-	(511,607)	-	(898,988)	(529,539)	(157,427)	-	-
Total Other Financing Sources (Uses)	-	1,571,583	790,831	4,783,751	1,350,889	2,519,434	-	-
Net Change in Fund Balances	(10,220)	(347,404)	-	3,902,021	756,814	1,598,932	1,441	
Fund Balance, Beginning of Year	71,043	10,321,698	-	11,548,753	9,021,126	672,562	1,668,467	
Fund Balance, End of Year	\$ 60,823	\$ 9,974,294	\$ -	\$ 15,450,774	\$ 9,777,940	\$ 2,271,494	\$ 1,669,908	

Continued

City of Brentwood

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
For Year Ended June 30, 2022**

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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,863,268
Licenses	-	-	-	-	-	-	-	191,171
Uses of Money and Property	1,516	-	(5,494)	(13,860)	(319,904)	(443,890)	-	(2,237,142)
Intergovernmental	-	-	-	-	-	-	-	5,885,466
Fees and Other Revenues	-	-	1,166,330	507,315	-	153,908	-	18,909,855
Total Revenues	1,516	-	1,160,836	493,455	(319,904)	(289,982)	-	30,612,618
EXPENDITURES								
Current:								
General Government	-	-	148	289	21,277	7,575	-	3,267,015
Public Safety	-	-	-	-	-	-	-	7,101,922
Community Development	-	-	-	-	-	-	-	156,289
Parks and Recreation	-	-	-	-	-	-	-	6,458,744
Community Services	-	-	-	-	-	-	-	43,915
Capital Outlay	-	-	-	-	-	-	-	1,528,612
Debt Service:								
Principal	-	-	-	-	-	-	-	2,380,000
Interest and Fiscal Charges	-	-	-	-	-	-	-	1,674,631
Total Expenditures	-	-	148	289	21,277	7,575	-	22,611,128
REVENUES OVER (UNDER) EXPENDITURES	1,516	-	1,160,688	493,166	(341,181)	(297,557)	-	8,001,490
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	276	65,098	117,660	-	18,550,179
Transfers Out	-	(608,271)	(1,172,024)	(711,655)	-	(568,942)	(31,058)	(23,529,253)
Total Other Financing Sources (Uses)	-	(608,271)	(1,172,024)	(711,379)	65,098	(451,282)	(31,058)	(4,979,074)
Net Change in Fund Balances	1,516	(608,271)	(11,336)	(218,213)	(276,083)	(748,839)	(31,058)	3,022,416
Fund Balance, Beginning of Year	1,755,873	608,271	36,685	588,320	2,090,961	701,018	31,058	79,784,616
Fund Balance, End of Year	\$ 1,757,389	\$ -	\$ 25,349	\$ 370,107	\$ 1,814,878	\$ (47,821)	\$ -	\$ 82,807,032

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, 2022**

	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	9,251	(111,824)	(121,075)	196	(3,386)	(3,582)	1,370	(15,582)	(16,952)
Intergovernmental	2,872,231	2,877,697	5,466	-	-	-	256,000	221,454	(34,546)
Fees and Other Revenues	-	-	-	22,180	22,773	593	-	-	-
Total Revenues	2,881,482	2,765,873	(115,609)	22,376	19,387	(2,989)	257,370	205,872	(51,498)
EXPENDITURES									
Current:									
General Government	2,123	2,123	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	255,863	128,859	127,004
Community Development	-	-	-	19,950	456	19,494	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	25,407	25,407	-
Total Expenditures	2,123	2,123	-	19,950	456	19,494	281,270	154,266	127,004
REVENUES OVER (UNDER) EXPENDITURES	2,879,359	2,763,750	(115,609)	2,426	18,931	16,505	(23,900)	51,606	75,506
OTHER FINANCING SOURCES (USES)									
Transfers In	-	654,380	654,380	-	-	-	-	-	-
Transfers Out	(3,207,012)	(2,769,902)	437,110	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(3,207,012)	(2,115,522)	1,091,490	-	-	-	-	-	-
Net Change in Fund Balances	\$ (327,653)	648,228	\$ 975,881	\$ 2,426	18,931	\$ 16,505	\$ (23,900)	51,606	\$ 75,506
Fund Balance, Beginning of Year		1,255,373			79,569			368,764	
Fund Balance, End of Year		\$ 1,903,601			\$ 98,500			\$ 420,370	

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, 2022**

	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	\$ -	\$ -	\$ -	\$ 146,300	\$ -	\$ (146,300)	\$ -	\$ -	\$ -
Licenses	-	-	-	-	191,171	191,171	-	-	-
Uses of Money and Property	50	(12,391)	(12,441)	1,478	(15,076)	(16,554)	-	-	-
Intergovernmental	4,380,714	852,878	(3,527,836)	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	-	6	6	-	-	-
Total Revenues	4,380,764	840,487	(3,540,277)	147,778	176,101	28,323	-	-	-
EXPENDITURES									
Current:									
General Government	457,740	226,779	230,961	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	233,722	140,711	93,011	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	457,740	226,779	230,961	233,722	140,711	93,011	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	3,923,024	613,708	(3,309,316)	(85,944)	35,390	121,334	-	-	-
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	(1,461,060)	(1,253,107)	207,953	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(1,461,060)	(1,253,107)	207,953	-	-	-	-	-	-
Net Change in Fund Balances	\$ 2,461,964	(639,399)	\$ (3,101,363)	\$ (85,944)	35,390	\$ 121,334	\$ -	-	\$ -
Fund Balance, Beginning of Year		1,356,825			333,060				
Fund Balance, End of Year		\$ 717,426			\$ 368,450				\$ -

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, 2022**

	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	\$ -	\$ -	\$ -	\$ 7,183,594	\$ 7,264,998	\$ 81,404	\$ -	\$ -	\$ -
Licenses	-	-	-	-	-	-	-	-	-
Uses of Money and Property	1,882	(42,302)	(44,184)	2,606	(65,089)	(67,695)	51,733	(952,798)	(1,004,531)
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	3,184,986	3,360,381	175,395	-	-	-	2,641,964	5,458,526	2,816,562
Total Revenues	3,186,868	3,318,079	131,211	7,186,200	7,199,909	13,709	2,693,697	4,505,728	1,812,031
EXPENDITURES									
Current:									
General Government	-	-	-	-	-	-	984,750	697,086	287,664
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	6,002,754	5,536,148	466,606	-	-	-	-	-	-
Community Services	-	-	-	61,006	43,915	17,091	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	6,002,754	5,536,148	466,606	61,006	43,915	17,091	984,750	697,086	287,664
REVENUES OVER (UNDER) EXPENDITURES	(2,815,886)	(2,218,069)	597,817	7,125,194	7,155,994	30,800	1,708,947	3,808,642	2,099,695
OTHER FINANCING SOURCES (USES)									
Transfers In	3,616,708	3,191,668	(425,040)	671,608	671,607	(1)	10,317	168,080	157,763
Transfers Out	-	-	-	(8,786,709)	(8,176,163)	610,546	(3,793,670)	(3,793,129)	541
Total Other Financing Sources (Uses)	3,616,708	3,191,668	(425,040)	(8,115,101)	(7,504,556)	610,545	(3,783,353)	(3,625,049)	158,304
Net Change in Fund Balances	\$ 800,822	973,599	\$ 172,777	\$ (989,907)	(348,562)	\$ 641,345	\$ (2,074,406)	183,593	\$ 2,257,999
Fund Balance, Beginning of Year		779,941			2,360,486			13,831,048	
Fund Balance, End of Year		\$ 1,753,540			\$ 2,011,924			\$ 14,014,641	

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, 2022**

	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	15,587	(194,269)	(209,856)	50	(8,820)	(8,870)	10,274	59,776	49,502
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	6,149,829	6,149,829	459,288	354,203	(105,085)	360,820	-	(360,820)
Total Revenues	15,587	5,955,560	5,939,973	459,338	345,383	(113,955)	371,094	59,776	(311,318)
EXPENDITURES									
Current:									
General Government	-	-	-	34,780	23,448	11,332	-	-	-
Public Safety	-	-	-	-	-	-	6,972,970	6,972,970	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	1,314,274	920,719	393,555	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	1,314,274	920,719	393,555	34,780	23,448	11,332	6,972,970	6,972,970	-
REVENUES OVER (UNDER) EXPENDITURES	(1,298,687)	5,034,841	6,333,528	424,558	321,935	(102,623)	(6,601,876)	(6,913,194)	(311,318)
OTHER FINANCING SOURCES (USES)									
Transfers In	197,726	200,905	3,179	-	2,388	2,388	-	351,295	351,295
Transfers Out	(256,000)	(607,295)	(351,295)	(147,870)	(147,382)	488	(197,726)	(197,726)	-
Total Other Financing Sources (Uses)	(58,274)	(406,390)	(348,116)	(147,870)	(144,994)	2,876	(197,726)	153,569	351,295
Net Change in Fund Balances	\$ (1,356,961)	4,628,451	\$ 5,985,412	\$ 276,688	176,941	\$ (99,747)	\$ (6,799,602)	(6,759,625)	\$ 39,977
Fund Balance, Beginning of Year		2,250,370			(223,414)			6,759,625	
Fund Balance, End of Year		\$ 6,878,821			\$ (46,473)			\$ -	

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, 2022**

	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	1,503	(19,732)	(21,235)	3,005	(28,156)	(31,161)	8,667	(104,645)	(113,312)
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	290,729	545,981	255,252	-	83,646	83,646	-	353,817	353,817
Total Revenues	<u>292,232</u>	<u>526,249</u>	<u>234,017</u>	<u>3,005</u>	<u>55,490</u>	<u>52,485</u>	<u>8,667</u>	<u>249,172</u>	<u>240,505</u>
EXPENDITURES									
Current:									
General Government	351,475	350,479	996	51,014	39,148	11,866	602,696	65,866	536,830
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>351,475</u>	<u>350,479</u>	<u>996</u>	<u>51,014</u>	<u>39,148</u>	<u>11,866</u>	<u>602,696</u>	<u>65,866</u>	<u>536,830</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(59,243)</u>	<u>175,770</u>	<u>235,013</u>	<u>(48,009)</u>	<u>16,342</u>	<u>64,351</u>	<u>(594,029)</u>	<u>183,306</u>	<u>777,335</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (59,243)</u>	<u>175,770</u>	<u>\$ 235,013</u>	<u>\$ (48,009)</u>	<u>16,342</u>	<u>\$ 64,351</u>	<u>\$ (594,029)</u>	<u>183,306</u>	<u>\$ 777,335</u>
Fund Balance, Beginning of Year		<u>404,609</u>			<u>703,605</u>			<u>2,552,332</u>	
Fund Balance, End of Year		<u>\$ 580,379</u>			<u>\$ 719,947</u>			<u>\$ 2,735,638</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, 2022

	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	(37,072)	(40,109)	9,686	(126,960)	(136,646)	50	(17)	(67)
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	84,753	84,753	-	660,621	660,621	-	-	-
Total Revenues	<u>3,037</u>	<u>47,681</u>	<u>44,644</u>	<u>9,686</u>	<u>533,661</u>	<u>523,975</u>	<u>50</u>	<u>(17)</u>	<u>(67)</u>
EXPENDITURES									
Current:									
General Government	847	846	1	27,561	26,315	1,246	1	-	1
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>847</u>	<u>846</u>	<u>1</u>	<u>27,561</u>	<u>26,315</u>	<u>1,246</u>	<u>1</u>	<u>-</u>	<u>1</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>2,190</u>	<u>46,835</u>	<u>44,645</u>	<u>(17,875)</u>	<u>507,346</u>	<u>525,221</u>	<u>49</u>	<u>(17)</u>	<u>(66)</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	-	982	982	-	3,929	3,929	-	-	-
Transfers Out	-	-	-	(679)	(609)	70	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>982</u>	<u>982</u>	<u>(679)</u>	<u>3,320</u>	<u>3,999</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 2,190</u>	<u>47,817</u>	<u>\$ 45,627</u>	<u>\$ (18,554)</u>	<u>510,666</u>	<u>\$ 529,220</u>	<u>\$ 49</u>	<u>(17)</u>	<u>\$ (66)</u>
Fund Balance, Beginning of Year		845,272			2,624,938			438	
Fund Balance, End of Year		<u>\$ 893,089</u>			<u>\$ 3,135,604</u>			<u>\$ 421</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, 2022

	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	(6,868)	(7,868)	135	(4,035)	(4,170)	4,258	(40,269)	(44,527)
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	40,000	7,766	(32,234)	-	-	-
Total Revenues	<u>1,000</u>	<u>(6,868)</u>	<u>(7,868)</u>	<u>40,135</u>	<u>3,731</u>	<u>(36,404)</u>	<u>4,258</u>	<u>(40,269)</u>	<u>(44,527)</u>
EXPENDITURES									
Current:									
General Government	50,203	808	49,395	-	-	-	5,878	810	5,068
Public Safety	-	-	-	94	93	1	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>50,203</u>	<u>808</u>	<u>49,395</u>	<u>94</u>	<u>93</u>	<u>1</u>	<u>5,878</u>	<u>810</u>	<u>5,068</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(49,203)</u>	<u>(7,676)</u>	<u>41,527</u>	<u>40,041</u>	<u>3,638</u>	<u>(36,403)</u>	<u>(1,620)</u>	<u>(41,079)</u>	<u>(39,459)</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	5,368	5,368
Transfers Out	-	-	-	(30,000)	(30,000)	-	(364,312)	(364,312)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>	<u>(364,312)</u>	<u>(358,944)</u>	<u>5,368</u>
Net Change in Fund Balances	<u>\$ (49,203)</u>	<u>(7,676)</u>	<u>\$ 41,527</u>	<u>\$ 10,041</u>	<u>(26,362)</u>	<u>\$ (36,403)</u>	<u>\$ (365,932)</u>	<u>(400,023)</u>	<u>\$ (34,091)</u>
Fund Balance, Beginning of Year		183,324			105,093			927,959	
Fund Balance, End of Year		<u>\$ 175,648</u>			<u>\$ 78,731</u>			<u>\$ 527,936</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, 2022**

	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	(1,015)	(1,259)	260	(88,397)	(88,657)	74	(603)	(677)
Intergovernmental	-	-	-	952,800	1,173,737	220,937	-	-	-
Fees and Other Revenues	1,030	-	(1,030)	-	-	-	-	-	-
Total Revenues	<u>1,274</u>	<u>(1,015)</u>	<u>(2,289)</u>	<u>953,060</u>	<u>1,085,340</u>	<u>132,280</u>	<u>74</u>	<u>(603)</u>	<u>(677)</u>
EXPENDITURES									
Current:									
General Government	-	-	-	10,099	8,904	1,195	528,059	528,023	36
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	10,130	1,803	8,327	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>10,130</u>	<u>1,803</u>	<u>8,327</u>	<u>10,099</u>	<u>8,904</u>	<u>1,195</u>	<u>528,059</u>	<u>528,023</u>	<u>36</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(8,856)</u>	<u>(2,818)</u>	<u>6,038</u>	<u>942,961</u>	<u>1,076,436</u>	<u>133,475</u>	<u>(527,985)</u>	<u>(528,626)</u>	<u>(641)</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	2,494	2,494	-	-	-
Transfers Out	-	-	-	(1,000,000)	(1,000,000)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,000,000)</u>	<u>(997,506)</u>	<u>2,494</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (8,856)</u>	<u>(2,818)</u>	<u>\$ 6,038</u>	<u>\$ (57,039)</u>	<u>78,930</u>	<u>\$ 135,969</u>	<u>\$ (527,985)</u>	<u>(528,626)</u>	<u>\$ (641)</u>
Fund Balance, Beginning of Year		27,519			2,002,377			1,056,297	
Fund Balance, End of Year		<u>\$ 24,701</u>			<u>\$ 2,081,307</u>			<u>\$ 527,671</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, 2022**

	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	(3,155)	(3,755)	-	-	-	601	(5,494)	(6,095)	1,082	(13,860)	(14,942)
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	-	-	-	1,166,321	1,166,330	9	507,394	507,315	(79)
Total Revenues	600	(3,155)	(3,755)	-	-	-	1,166,922	1,160,836	(6,086)	508,476	493,455	(15,021)
EXPENDITURES												
Current:												
General Government	-	-	-	-	-	-	149	148	1	289	289	-
Public Safety	-	-	-	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-	-	-	-
Parks and Recreation	90	74	16	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	90	74	16	-	-	-	149	148	1	289	289	-
REVENUES OVER (UNDER) EXPENDITURES	510	(3,229)	(3,739)	-	-	-	1,166,773	1,160,688	(6,085)	508,187	493,166	(15,021)
OTHER FINANCING SOURCES (USES)												
Transfers In	-	-	-	-	-	-	-	-	-	-	276	276
Transfers Out	(1,535)	(117)	1,418	(608,272)	(608,271)	1	(1,173,228)	(1,172,024)	1,204	(715,010)	(711,655)	3,355
Total Other Financing Sources (Uses)	(1,535)	(117)	1,418	(608,272)	(608,271)	1	(1,173,228)	(1,172,024)	1,204	(715,010)	(711,379)	3,631
Net Change in Fund Balances	\$ (1,025)	(3,346)	\$ (2,321)	\$ (608,272)	(608,271)	\$ 1	\$ (6,455)	(11,336)	\$ (4,881)	\$ (206,823)	(218,213)	\$ (11,390)
Fund Balance, Beginning of Year		83,371			608,271			36,685			588,320	
Fund Balance, End of Year		\$ 80,025			\$ -			\$ 25,349			\$ 370,107	

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, 2022

	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	12,963	(319,904)	(332,867)	12,671	(443,890)	(456,561)	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	151,229	153,908	2,679	-	-	-
Total Revenues	<u>12,963</u>	<u>(319,904)</u>	<u>(332,867)</u>	<u>163,900</u>	<u>(289,982)</u>	<u>(453,882)</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES									
Current:									
General Government	1,388,615	21,277	1,367,338	7,575	7,575	-	530	-	530
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>1,388,615</u>	<u>21,277</u>	<u>1,367,338</u>	<u>7,575</u>	<u>7,575</u>	<u>-</u>	<u>530</u>	<u>-</u>	<u>530</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,375,652)</u>	<u>(341,181)</u>	<u>1,034,471</u>	<u>156,325</u>	<u>(297,557)</u>	<u>(453,882)</u>	<u>(530)</u>	<u>-</u>	<u>530</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	22,415	65,098	42,683	-	117,660	117,660	-	-	-
Transfers Out	-	-	-	(568,942)	(568,942)	-	(31,058)	(31,058)	-
Total Other Financing Sources (Uses)	<u>22,415</u>	<u>65,098</u>	<u>42,683</u>	<u>(568,942)</u>	<u>(451,282)</u>	<u>117,660</u>	<u>(31,058)</u>	<u>(31,058)</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (1,353,237)</u>	<u>(276,083)</u>	<u>\$ 1,077,154</u>	<u>\$ (412,617)</u>	<u>(748,839)</u>	<u>\$ (336,222)</u>	<u>\$ (31,588)</u>	<u>(31,058)</u>	<u>\$ 530</u>
Fund Balance, Beginning of Year		2,090,961			701,018			31,058	
Fund Balance, End of Year		<u>\$ 1,814,878</u>			<u>\$ (47,821)</u>			<u>\$ -</u>	

City of Brentwood

Combining Statement of Net Position

All Internal Service Funds

June 30, 2022

	Information Services	Vehicle and Equipment Replacement	Information Systems Replacement	Facilities Replacement	Tuition
ASSETS					
Current Assets:					
Cash and Investments	\$ 1,312,017	\$ 10,813,733	\$ 3,675,336	\$ 8,709,727	\$ 80,266
Receivables, Net of Allowance for Doubtful Accounts	21,079	18,328	1,136	2,721	27
Inventories	-	-	-	-	-
Prepays	38,369	-	-	-	-
Interfund Advance Receivable	-	-	-	-	-
Total Current Assets	1,371,465	10,832,061	3,676,472	8,712,448	80,293
Non-Current Assets:					
Interfund Advance Receivable	-	-	-	-	-
Capital Assets:					
Depreciable	-	20,206,308	-	-	-
Less: Accumulated Depreciation and Amortization	-	(13,891,362)	-	-	-
Total Capital Assets, Net of Accumulated Depreciation and Amortization	-	6,314,946	-	-	-
Total Non-Current Assets	-	6,314,946	-	-	-
Total Assets	1,371,465	17,147,007	3,676,472	8,712,448	80,293
DEFERRED OUTFLOWS OF RESOURCES					
Related to OPEB	134,039	-	-	-	-
Related to Pensions	486,251	-	-	-	-
Total Deferred Outflows of Resources	620,290	-	-	-	-
LIABILITIES					
Current Liabilities:					
Accounts Payable and Accrued Liabilities	24,135	162,139	74,440	19,453	5,761
Compensated Absences Payable	84,528	-	-	-	-
Total Current Liabilities	108,663	162,139	74,440	19,453	5,761
Non-Current Liabilities Due in More Than One Year:					
Net OPEB Liability	1,036,732	-	-	-	-
Net Pension Liability	510,591	-	-	-	-
Compensated Absences Payable	56,352	-	-	-	-
Total Non-Current Liabilities	1,603,675	-	-	-	-
Total Liabilities	1,712,338	162,139	74,440	19,453	5,761
DEFERRED INFLOWS OF RESOURCES					
Related to OPEB	385,933	-	-	-	-
Related to Pensions	870,272	-	-	-	-
Total Deferred Inflows of Resources	1,256,205	-	-	-	-
NET POSITION					
Net Investment in Capital Assets and Capacity Rights Unrestricted	-	6,314,946	-	-	-
	(976,788)	10,669,922	3,602,032	8,692,995	74,532
Total Net Position	\$ (976,788)	\$ 16,984,868	\$ 3,602,032	\$ 8,692,995	\$ 74,532

Continued

City of Brentwood

Combining Statement of Net Position

All Internal Service Funds (Continued)

June 30, 2022

	Fleet Maintenance Services	Facilities Maintenance Services	Parks and LLAD Replacement	Insurance	Pension/Other Post-Employment Benefits Obligation	Totals
ASSETS						
Current Assets:						
Cash and Investments	\$ 509,742	\$ 1,761,658	\$ 23,942,178	\$ 398,495	\$ 15,783,795	\$ 66,986,947
Receivables, Net of Allowance for Doubtful Accounts	95	540	7,122	-	4,874	55,922
Inventories	105,426	-	-	-	-	105,426
Prepays	690	682	-	-	553,900	593,641
Interfund Advance Receivable	-	-	72,248	-	-	72,248
Total Current Assets	615,953	1,762,880	24,021,548	398,495	16,342,569	67,814,184
Non-Current Assets:						
Interfund Advance Receivable	-	-	650,228	-	-	650,228
Capital Assets:						
Depreciable	-	-	-	-	-	20,206,308
Less: Accumulated Depreciation and Amortization	-	-	-	-	-	(13,891,362)
Total Capital Assets, Net of Accumulated Depreciation and Amortization	-	-	-	-	-	6,314,946
Total Non-Current Assets	-	-	650,228	-	-	6,965,174
Total Assets	615,953	1,762,880	24,671,776	398,495	16,342,569	74,779,358
DEFERRED OUTFLOWS OF RESOURCES						
Related to OPEB	64,775	58,417	-	-	-	257,231
Related to Pensions	181,687	157,119	-	-	-	825,057
Total Deferred Outflows of Resources	246,462	215,536	-	-	-	1,082,288
LIABILITIES						
Current Liabilities:						
Accounts Payable and Accrued Liabilities	33,413	65,211	270,050	23,779	-	678,381
Compensated Absences Payable	21,537	24,580	-	-	-	130,645
Total Current Liabilities	54,950	89,791	270,050	23,779	-	809,026
Non-Current Liabilities Due in More Than One Year:						
Net OPEB Liability	440,656	781,788	-	-	-	2,259,176
Net Pension Liability	184,760	164,736	-	-	-	860,087
Compensated Absences Payable	14,358	16,386	-	-	-	87,096
Total Non-Current Liabilities	639,774	962,910	-	-	-	3,206,359
Total Liabilities	694,724	1,052,701	270,050	23,779	-	4,015,385
DEFERRED INFLOWS OF RESOURCES						
Related to OPEB	186,521	207,531	-	-	-	779,985
Related to Pensions	314,911	280,783	-	-	-	1,465,966
Total Deferred Inflows of Resources	501,432	488,314	-	-	-	2,245,951
NET POSITION						
Net Investment in Capital Assets and Capacity Rights Unrestricted	(333,741)	437,401	24,401,726	374,716	16,342,569	63,285,364
Total Net Position	\$ (333,741)	\$ 437,401	\$ 24,401,726	\$ 374,716	\$ 16,342,569	\$ 69,600,310

City of Brentwood

**Combining Statement of Revenues, Expenses and Changes in Fund Net Position
All Internal Service Funds
For Year Ended June 30, 2022**

	Information Services	Vehicle and Equipment Replacement	Information Systems Replacement	Facilities Replacement	Tuition
Operating Revenues:					
Charges for Services	\$ 3,334,006	\$ 2,152,184	\$ 1,047,038	\$ 1,105,523	\$ 15,333
Other Income	83,900	23,447	-	-	-
Total Operating Revenues	<u>3,417,906</u>	<u>2,175,631</u>	<u>1,047,038</u>	<u>1,105,523</u>	<u>15,333</u>
Operating Expenses:					
Personnel Services	1,964,123	-	-	-	-
Repairs and Maintenance	78,031	25,565	-	39,837	-
Materials, Supplies and Services	1,189,241	136,581	204,270	59,894	22,415
Depreciation and Amortization	-	1,708,544	-	-	-
Total Operating Expenses	<u>3,231,395</u>	<u>1,870,690</u>	<u>204,270</u>	<u>99,731</u>	<u>22,415</u>
Operating Income (Loss)	<u>186,511</u>	<u>304,941</u>	<u>842,768</u>	<u>1,005,792</u>	<u>(7,082)</u>
Non-Operating Revenues (Expenses):					
Interest Income	(50,513)	(399,471)	(148,533)	(323,841)	(3,400)
Gain or (Loss) on Disposal of Capital Assets	-	98,457	-	-	-
Total Non-Operating Revenues (Expenses)	<u>(50,513)</u>	<u>(301,014)</u>	<u>(148,533)</u>	<u>(323,841)</u>	<u>(3,400)</u>
Income (Loss) Before Contributions and Transfers	135,998	3,927	694,235	681,951	(10,482)
Capital Assets Contributed from (to) Governmental Activities	-	-	(667,847)	(114,487)	-
Transfers In	-	72,201	37,590	-	-
Transfers Out	-	-	(181,533)	-	-
Change in Net Position	<u>135,998</u>	<u>76,128</u>	<u>(117,555)</u>	<u>567,464</u>	<u>(10,482)</u>
Net Position, Beginning of Year	<u>(1,112,786)</u>	<u>16,908,740</u>	<u>3,719,587</u>	<u>8,125,531</u>	<u>85,014</u>
Net Position, End of Year	<u>\$ (976,788)</u>	<u>\$ 16,984,868</u>	<u>\$ 3,602,032</u>	<u>\$ 8,692,995</u>	<u>\$ 74,532</u>

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, 2022

	Fleet Maintenance Services	Facilities Maintenance Services	Parks and LLAD Replacement	Insurance	Pension/Other Post-Employment Benefits Obligation	Totals
Operating Revenues:						
Charges for Services	\$ 2,000,660	\$ 1,992,715	\$ 1,495,957	\$ 2,411,391	\$ 4,432,679	\$ 19,987,486
Other Income	1,155	1,734	12,272	-	-	122,508
Total Operating Revenues	2,001,815	1,994,449	1,508,229	2,411,391	4,432,679	20,109,994
Operating Expenses:						
Personnel Services	695,898	641,870	-	-	7,808,998	11,110,889
Repairs and Maintenance	35,827	52,740	287,303	-	-	519,303
Materials, Supplies and Services	846,778	828,286	333,108	2,668,036	113,102	6,401,711
Depreciation and Amortization	-	-	-	-	-	1,708,544
Total Operating Expenses	1,578,503	1,522,896	620,411	2,668,036	7,922,100	19,740,447
Operating Income (Loss)	423,312	471,553	887,818	(256,645)	(3,489,421)	369,547
Non-Operating Revenues (Expenses):						
Interest Income	(6,775)	(60,005)	(967,179)	-	(613,232)	(2,572,949)
Gain or (Loss) on Disposal of Capital Assets	-	-	-	-	-	98,457
Total Non-Operating Revenues (Expenses)	(6,775)	(60,005)	(967,179)	-	(613,232)	(2,474,492)
Income (Loss) Before Contributions and Transfers	416,537	411,548	(79,361)	(256,645)	(4,102,653)	(2,104,945)
Capital Assets Contributed from (to) Governmental Activities	-	-	(23,866)	-	-	(806,200)
Transfers In	-	-	1,260,801	-	1,234,299	2,604,891
Transfers Out	(19,218)	(19,218)	(905,252)	-	-	(1,125,221)
Change in Net Position	397,319	392,330	252,322	(256,645)	(2,868,354)	(1,431,475)
Net Position, Beginning of Year	(731,060)	45,071	24,149,404	631,361	19,210,923	71,031,785
Net Position, End of Year	\$ (333,741)	\$ 437,401	\$ 24,401,726	\$ 374,716	\$ 16,342,569	\$ 69,600,310

City of Brentwood

Combining Statement of Cash Flows
All Internal Service Funds
For Year Ended June 30, 2022

	Information Services	Vehicle and Equipment Replacement	Information Systems Replacement	Facilities Replacement	Tuition
Cash Flows from Operating Activities					
Cash Received from Customers/Other Funds	\$ 3,313,067	\$ 2,332,037	\$ 1,047,038	\$ 1,105,523	\$ 15,333
Cash Payments to Suppliers of Goods and Services	(1,162,762)	(382,793)	(136,227)	(80,278)	(26,278)
Cash Payments to Employees for Services	(2,330,032)	-	-	-	-
Cash Payments for Interfund Services	(188,459)	-	-	-	-
Other Receipts	83,900	23,447	-	-	-
Net Cash Provided By (Used for) Operating Activities	(284,286)	1,972,691	910,811	1,025,245	(10,945)
Cash Flows from Non-Capital Financing Activities					
Transfers Received	-	72,201	37,590	-	-
Transfers Paid	-	-	(181,533)	-	-
Interfund Advance Receivable	-	-	-	-	-
Net Cash Provided By (Used for) Non-Capital Financing Activities	-	72,201	(143,943)	-	-
Cash Flows from Capital and Related Financing Activities					
Capital Assets Contributed to Governmental Funds	-	-	(667,847)	(114,487)	-
Proceeds from Sale of Capital Assets	-	135,670	-	-	-
Acquisition and Construction of Capital Assets	-	(1,169,977)	-	-	-
Net Cash Provided By (Used for) Capital and Related Financing Activities	-	(1,034,307)	(667,847)	(114,487)	-
Cash Flows from Investing Activities					
Interest on Investments	(50,659)	(401,113)	(149,052)	(325,188)	(3,411)
Net Cash Provided By Investing Activities	(50,659)	(401,113)	(149,052)	(325,188)	(3,411)
Net Increase (Decrease) in Cash and Cash Equivalents	(334,945)	609,472	(50,031)	585,570	(14,356)
Cash and Cash Equivalents - Beginning of Year	1,646,962	10,204,261	3,725,367	8,124,157	94,622
Cash and Cash Equivalents - End of Year	\$ 1,312,017	\$ 10,813,733	\$ 3,675,336	\$ 8,709,727	\$ 80,266
Reconciliation of Operating Income to Net Cash Provided By (Used for) Operating Activities:					
Operating Income (Loss)	\$ 186,511	\$ 304,941	\$ 842,768	\$ 1,005,792	\$ (7,082)
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used for) Operating Activities:					
Depreciation and Amortization	-	1,708,544	-	-	-
Change in Assets, Liabilities and Deferred Outflows/Inflows of Resources:					
Receivables	(1,078)	179,853	-	-	-
Prepaid Items	(18,724)	-	-	-	-
Accounts Payable and Other Payables	(83,949)	(220,647)	68,043	19,453	(3,863)
Net OPEB Liability and Deferred Outflows/Inflows of Resources related to OPEB	(76,028)	-	-	-	-
Net Pension Liability and Deferred Outflows/Inflows of Resources related to Pensions	(308,314)	-	-	-	-
Compensated Absences Payable	17,296	-	-	-	-
Net Cash Provided By (Used for) Operating Activities	(284,286)	1,972,691	910,811	1,025,245	(10,945)

Continued

City of Brentwood

Combining Statement of Cash Flows
All Internal Service Funds (Continued)
For Year Ended June 30, 2022

	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	\$ 2,003,857	\$ 1,992,715	\$ 1,495,957	\$ 2,411,391	\$ 4,411,208	\$ 20,128,126
Cash Payments to Suppliers of Goods and Services	(771,834)	(748,037)	(483,703)	(2,687,783)	(113,102)	(6,592,797)
Cash Payments to Employees for Services	(912,615)	(801,526)	-	-	(7,809,660)	(11,853,833)
Cash Payments for Interfund Services	(116,837)	(123,598)	-	-	-	(428,894)
Other Receipts	1,155	1,734	12,272	-	-	122,508
Net Cash Provided By (Used for) Operating Activities	203,726	321,288	1,024,526	(276,392)	(3,511,554)	1,375,110
Cash Flows from Non-Capital Financing Activities						
Transfers Received	-	-	1,260,801	-	1,234,299	2,604,891
Transfers Paid	(19,218)	(19,218)	(905,252)	-	-	(1,125,221)
Interfund Advance Receivable	-	-	(722,476)	-	-	(722,476)
Net Cash Provided By (Used for) Non-Capital Financing Activities	(19,218)	(19,218)	(366,927)	-	1,234,299	757,194
Cash Flows from Capital and Related Financing Activities						
Capital Assets Contributed to Governmental Funds	-	-	(23,866)	-	-	(806,200)
Proceeds from Sale of Capital Assets	-	-	-	-	-	135,670
Acquisition and Construction of Capital Assets	-	-	-	-	-	(1,169,977)
Net Cash Provided By (Used for) Capital and Related Financing Activities	-	-	(23,866)	-	-	(1,840,507)
Cash Flows from Investing Activities						
Interest on Investments	(6,844)	(60,293)	(970,310)	-	(615,132)	(2,582,002)
Net Cash Provided By Investing Activities	(6,844)	(60,293)	(970,310)	-	(615,132)	(2,582,002)
Net Increase (Decrease) in Cash and Cash Equivalents	177,664	241,777	(336,577)	(276,392)	(2,892,387)	(2,290,205)
Cash and Cash Equivalents - Beginning of Year	332,078	1,519,881	24,278,755	674,887	18,676,182	69,277,152
Cash and Cash Equivalents - End of Year	\$ 509,742	\$ 1,761,658	\$ 23,942,178	\$ 398,495	\$ 15,783,795	\$ 66,986,947
Reconciliation of Operating Income to Net Cash Provided By (Used for) Operating Activities:						
Operating Income (Loss)	\$ 423,312	\$ 471,553	\$ 887,818	\$ (256,645)	\$ (3,489,421)	\$ 369,547
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used for) Operating Activities:						
Depreciation and Amortization	-	-	-	-	-	1,708,544
Change in Assets, Liabilities and Deferred Outflows/Inflows of Resources:						
Receivables	-	-	-	-	-	178,775
Prepaid Items	3,668	409	-	-	(22,133)	(36,780)
Accounts Payable and Other Payables	(6,066)	9,391	136,708	(19,747)	-	(100,677)
Net OPEB Liability and Deferred Outflows/Inflows of Resources related to OPEB	(36,739)	(33,129)	-	-	-	(145,896)
Net Pension Liability and Deferred Outflows/Inflows of Resources related to Pensions	(170,215)	(130,473)	-	-	-	(609,002)
Compensated Absences Payable	(10,234)	3,537	-	-	-	10,599
Net Cash Provided By (Used for) Operating Activities	\$ 203,726	\$ 321,288	\$ 1,024,526	\$ (276,392)	\$ (3,511,554)	\$ 1,375,110

City of Brentwood

Combining Statement of Fiduciary Net Position

Custodial Funds

June 30, 2022

	<u>Assessments</u>	<u>Pass-Through Funds</u>	<u>Total Custodial Funds</u>
ASSETS			
Current Assets:			
Cash and Investments	\$ 10,198,849	\$ 2,312,541	\$ 12,511,390
Restricted Cash and Investments	3,516,546	-	3,516,546
Interest Receivable	3,072	-	3,072
Total Assets	<u>13,718,467</u>	<u>2,312,541</u>	<u>16,031,008</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	9,930	-	9,930
Due to Local Governments	-	1,913,297	1,913,297
Total Current Liabilities	<u>9,930</u>	<u>1,913,297</u>	<u>1,923,227</u>
Total Liabilities	<u>9,930</u>	<u>1,913,297</u>	<u>1,923,227</u>
NET POSITION (DEFICIT)			
Restricted for:			
Individuals and Organizations	13,708,537	-	13,708,537
Other Governments	-	399,244	399,244
Total Net Position (Deficit)	<u>\$ 13,708,537</u>	<u>\$ 399,244</u>	<u>\$ 14,107,781</u>

City of Brentwood

Combining Statement of Changes in Fiduciary Net Position

Custodial Funds

For Year Ended June 30, 2022

	Assessments	Pass-Through Funds	Total Custodial Funds
ADDITIONS			
Contributions:			
Assessments	\$ 12,709,671	\$ -	\$ 12,709,671
Private Contributions	-	12,176,246	12,176,246
Total Contributions	<u>12,709,671</u>	<u>12,176,246</u>	<u>24,885,917</u>
Investment earnings:			
Interest	(364,624)	-	(364,624)
Less Investment Expense	8,313	-	8,313
Net Investment Earnings	<u>(372,937)</u>	<u>-</u>	<u>(372,937)</u>
Total Additions	<u>12,336,734</u>	<u>12,176,246</u>	<u>24,512,980</u>
DEDUCTIONS			
Administrative Expenses	309,056	-	309,056
Payments to Bondholders	12,491,356	-	12,491,356
Recipient Payments	-	12,863,612	12,863,612
Total Deductions	<u>12,800,412</u>	<u>12,863,612</u>	<u>25,664,024</u>
Net Increase (Decrease) in Fiduciary Net Position	(463,678)	(687,366)	(1,151,044)
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION			
Net Position (Deficit) - Beginning of Year	14,172,215	1,086,610	15,258,825
Net Position (Deficit) - End of Year	<u>\$ 13,708,537</u>	<u>\$ 399,244</u>	<u>\$ 14,107,781</u>

STATISTICAL SECTION CONTENTS

	Page
Financial Trends	153 to 157
<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	158 to 166
<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	167 to 171
<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	172 to 173
<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	174 to 177
<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 Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	178 to 179
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City of Brentwood

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

(Unaudited)

	2013	2014	2015 ⁽¹⁾	2016	2017 ⁽²⁾	2018	2019	2020	2021	2022
Governmental Activities										
Net Investment in Capital Assets	\$ 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	\$ 445,827,339
Restricted	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	98,666,260
Unrestricted	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	59,980,629
Total Governmental Activities Net Position	\$ 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	\$ 604,474,228
Business-Type Activities										
Net Investment in Capital Assets										
and Capacity Rights	\$ 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	\$ 244,726,467
Restricted	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	46,692,198
Unrestricted	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	67,345,200
Total Business-Type Activities Net Position	\$ 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	\$ 358,763,865
Primary Government										
Net Investment in Capital Assets										
and Capacity Rights	\$ 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	\$ 690,553,806
Restricted	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	145,358,458
Unrestricted	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	127,325,829
Total Primary Government Net Position	\$ 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	\$ 963,238,093

(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)

	2013	2014	2015	2016	2017 ⁽¹⁾	2018 ⁽¹⁾	2019	2020	2021	2022
Expenses										
General Government	\$ 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	\$ 12,640,259
Public Safety	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	23,093,796
Community Development	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	4,652,217
Engineering	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	2,764,684
Public Works	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	7,369,216
Parks and Recreation	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	19,241,106
Community Services	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	7,862,198
Interest on Long-Term Debt	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	1,745,437
Total Expenses	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	79,368,913
Program Revenues										
Charges for Services:										
General Government	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	9,512,175
Public Safety	485,363	511,100	432,433	457,271	418,829	418,188	476,632	527,323	369,513	405,942
Community Development	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	4,026,433
Engineering	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	1,869,904
Public Works	1,250	-	-	-	-	-	-	-	-	-
Parks and Recreation	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	1,538,564
Operating Grants and Contributions	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	25,304,745
Capital Grants and Contributions	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	28,780,866
Total Program Revenues	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	71,438,629
Total Governmental Activities Net Expense	(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)	(7,930,284)
General Revenues and Other Changes in Net Position										
Taxes:										
Property Taxes	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	17,662,589
Sales Tax	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	11,033,446
Franchise Fees	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	1,581,396
Real Property Transfer Tax	396,148	389,109	452,426	506,626	547,975	641,279	491,249	473,351	781,173	794,244
Measure J, Transient Occupancy Tax	960,804	1,036,221	349,683	377,043	396,763	555,535	551,122	505,956	486,632	657,874
Motor Vehicle Taxes In-Lieu, Unrestricted	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	5,480,504
Investment Earnings	679,229	1,186,001	1,095,957	2,988,030	373,212	502,436	6,608,333	7,541,296	449,898	(6,200,352)
Miscellaneous	1,149,975	1,123,910	871,959	1,156,862	352,324	692,654	641,871	783,295	492,380	458,050
Transfers	(74,087)	52,112	702,328	762,119	(270,142)	(2,399,950)	(8,719,022)	(1,554,876)	(850,274)	(1,225,585)
Special Items:										
Denial of Transfer of Assets to the City	(3,989,500)	-	(12,381,097)	(2,574,834)	-	(1,327,129)	-	-	-	-
Total General Revenues and Other Changes in Net Position	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	30,242,166
Total Governmental Activities Change in Net Position	\$ 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	\$ 22,311,882

(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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Wastewater	\$ 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	\$ 11,516,452
Solid Waste	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	13,547,713
Water	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	24,126,086
City Rentals	150,179	165,319	174,597	178,558	196,829	194,306	275,207	213,595	124,962	142,191
Housing	686,241	831,157	656,778	723,908	797,400	879,920	683,927	813,376	793,820	796,823
Total Expenses	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	50,129,265
Program Revenues										
Charges for Services:										
Wastewater	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	15,996,687
Solid Waste	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	17,297,074
Water	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	27,378,018
City Rentals	428,869	438,420	476,212	486,477	497,573	579,656	605,941	562,648	130,105	-
Housing	196,900	221,519	239,057	265,269	285,418	305,623	317,385	330,951	327,577	385,496
Operating Grants and Contributions	-	-	-	918,028	1,024,113	740,936	595,800	407,651	182,113	1,417,564
Capital Grants and Contributions	6,679,473	4,082,059	4,382,019	7,414,680	11,863,994	9,812,301	4,679,827	7,006,724	10,428,209	14,422,134
Total Program Revenues	46,100,378	44,419,193	44,830,772	47,556,815	54,285,914	57,613,799	57,224,248	62,453,325	69,378,100	76,896,973
Total Business-Type Activities Net Expense	9,123,103	6,046,754	4,086,578	3,841,347	10,497,628	12,424,200	9,985,445	14,090,027	17,298,779	26,767,708
General Revenues and Other Changes in Net Position										
Investment Earnings	417,783	765,633	719,108	1,759,735	233,539	200,691	3,825,940	4,535,029	241,533	(3,977,615)
Transfers	74,087	(52,112)	(702,328)	(762,119)	270,142	2,399,950	8,719,022	1,554,876	850,274	1,225,585
Total General Revenues and Other Changes in Net Position	491,870	713,521	16,780	997,616	503,681	2,600,641	12,544,962	6,089,905	1,091,807	(2,752,030)
Total Business-Type Activities Change in Net Position	9,614,973	6,760,275	4,103,358	4,838,963	11,001,309	15,024,841	22,530,407	20,179,932	18,390,586	24,015,678
Total Primary Government Change in Net Position	\$ 14,576,687	\$ 14,166,614	\$ (1,074,121)	\$ 14,661,062	\$ 21,256,450	\$ 26,237,858	\$ 27,239,317	\$ 36,460,374	\$ 32,126,819	\$ 46,327,560

City of Brentwood

FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

(Unaudited)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable	\$ 302,936	\$ 63,693	\$ 108,998	\$ 68,054	\$ 83,944	\$ 87,527	\$ 88,247	\$ 89,806	\$ 76,064	\$ 39,794
Restricted	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	10,478,042
Assigned	6,522,500	5,083,574	5,137,130	-	-	-	-	-	-	-
Unassigned	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	21,019,628
Total General Fund	\$ 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	\$ 31,537,464
Other Governmental Funds										
Nonspendable	\$ 1,310	\$ 845	\$ 576	\$ 889	\$ 80,914	\$ 81,092	\$ 80,904	\$ 81,680	\$ 81,469	\$ 80,915
Restricted	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	98,593,372
Committed	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	3,789,250
Unassigned	(2,839,605)	(2,792,828)	(2,421,683)	(561,034)	(510)	(1,280,327)	(966,997)	(502,784)	(223,414)	(94,294)
Total Other Governmental Funds	\$ 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	\$ 102,369,243
Total Governmental Funds	\$ 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	\$ 133,906,707

City of Brentwood

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)
(Unaudited)

	2013	2014	2015	2016	2017 ⁽¹⁾	2018 ⁽¹⁾	2019 ⁽¹⁾	2020	2021	2022
REVENUES										
Taxes	\$ 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	\$ 37,606,581
Licenses	550,111	618,161	633,722	826,330	878,054	887,614	880,361	853,455	927,184	955,854
Permits and Fines	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	6,188,715
Uses of Money and Property	1,403,814	1,022,233	912,078	1,967,917	469,616	688,771	4,688,742	5,075,099	624,972	(3,311,516)
Intergovernmental	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	11,989,612
Franchises	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	1,581,396
Charges for Other Services	291,411	381,111	306,603	287,150	561,815	573,488	728,194	281,466	187,540	259,762
Charges to Other Funds	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	8,190,240
Fees and Other Revenues	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	29,708,572
Total Revenues	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	93,169,216
EXPENDITURES										
Current:										
General Government	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	11,201,089
Public Safety	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	34,175,515
Community Development	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	5,863,412
Engineering	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	3,545,915
Public Works	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	4,019,329
Parks and Recreation	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	13,837,574
Community Services	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	7,955,338
Capital Outlay	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	1,624,299
Debt Service:										
Principal	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	19,443,690
Interest and Fiscal Charges	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	2,351,854
Total Expenditures	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	104,018,015
REVENUES OVER (UNDER) EXPENDITURES	(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	(10,848,799)
OTHER FINANCING SOURCES (USES)										
Bond Issuance	-	-	-	11,515,000	-	-	-	-	-	-
Premium on Bonds Issued	-	-	-	-	-	-	5,297,298	-	-	-
Refunding Bonds Issued	-	-	-	-	-	-	32,210,000	-	-	14,450,491
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	-	(42,663,905)	-	-	-
Transfers In	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	30,549,644
Transfers Out	(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)	(33,221,907)
Total Other Financing Sources (Uses)	(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)	11,778,228
Net Change in Fund Balances before Extraordinary Items	\$ (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	\$ 929,429
EXTRAORDINARY ITEMS										
Assets Transferred to Successor Agency	(3,989,500)	-	-	-	-	-	-	-	-	-
Assets Transferred from Successor Agency	-	-	-	-	-	-	-	-	-	-
Total Extraordinary Items	(3,989,500)	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	\$ (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	\$ 929,429
Debt Service as a Percentage of Noncapital Expenditures	10.77%	10.69%	10.39%	11.39%	12.29%	12.16%	12.05%	9.49%	9.51%	21.29%

(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
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%
2022	10,402,665,673	919,931,165	110,293,241	601,566,592	252,806,680	11,781,649,991	1.0049%

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
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%	0.0565%	0.0746%
2022	1.00%	0.0049%	1.0049%	0.0360%	0.0527%	0.0758%

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 2022			Fiscal Year 2013		
	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	\$ 95,963,127	1	0.82%	\$ -	-	-
Sand Creek Crossing LLC	60,794,360	2	0.52%	41,532,800	2	0.77%
DS Lone Tree Plaza LLC	50,842,811	3	0.44%	32,600,360	4	0.61%
John Muir Mt Diablo Health	42,736,326	4	0.37%	37,353,346	3	0.69%
KCM Brentwood LLC	28,908,989	5	0.25%			
Well Cogir Landlord III LLP	25,956,944	6	0.22%			
Brentwood Arbor Ridge LP	25,481,039	7	0.22%	21,549,503	6	0.40%
SPT Ivey Brentwood CA Mob, LLC	24,070,934	8	0.21%			
WK LLC	24,017,000	9	0.21%			
Brentwood Assisted Living, LLC	22,716,546	10	0.19%	17,000,000	10	0.32%
G and I VII Brentwood LP				94,407,500	1	1.76%
Trilogy Vineyards, LLC				26,869,207	5	0.50%
New Urban Comm Sciortino, LLC				19,775,100	7	0.37%
Towncentre-Balfour LP				19,346,870	8	0.36%
AFE Brentwood Park LLC				19,000,000	9	0.35%
Total	\$ 401,488,076		3.45%	\$ 329,434,686		6.13%

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
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%
2022	17,662,589	17,662,589	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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Apparel Stores	\$ 47,782	\$ 51,009	\$ 49,524	\$ 53,502	\$ 57,143	\$ 57,848	\$ 60,142	\$ 58,902	\$ 41,813	\$ 65,032
Food Stores	44,710	46,829	47,983	50,251	50,026	51,721	53,567	55,623	62,983	61,863
Eating and Drinking Establishments	80,693	84,531	100,497	112,715	120,253	131,119	139,144	142,487	124,035	167,381
Building Materials	57,644	64,725	63,693	72,414	80,502	95,994	95,259	95,389	115,145	127,550
Auto Dealers and Supplies	39,996	43,202	54,180	68,267	76,852	86,794	98,184	98,979	97,078	107,185
Service Stations	105,065	104,865	106,658	94,021	90,449	105,328	124,856	121,639	89,535	119,788
Other Retail Stores	126,723	134,417	131,494	143,394	152,268	158,470	145,530	119,609	110,041	119,856
All Other Outlets	111,150	124,413	136,218	159,019	168,056	188,438	193,540	214,049	268,807	314,686
Total	\$ 613,763	\$ 653,991	\$ 690,247	\$ 753,583	\$ 795,549	\$ 875,712	\$ 910,222	\$ 906,677	\$ 909,437	\$ 1,083,341
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
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%
2022	1.00%	1.50%	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)

2022		2013	
Tax Remitter ⁽¹⁾	Business Category	Tax Remitter ⁽¹⁾	Business Category
7 Eleven	Service Stations	Arco AM PM	Service Stations
Ace Hardware	Building Materials	AT&T Mobility	Electronics/Appliance Stores
Arco AM PM	Service Stations	Best Buy	Electronics/Appliance Stores
Arco AM PM	Service Stations	Big B Lumber	Building Materials
Big B Lumber	Building Materials	Bill Brandt Ford	New Motor Vehicle Dealers
Bill Brandt Ford	New Motor Vehicle Dealers	BJ's Restaurant & Brewhouse	Casual Dining
BJ's Restaurant & Brewhouse	Casual Dining	Brentwood Ready Mix	Contractors
Brentwood Ready Mix	Contractors	Brentwood Service Station	Service Stations
Chevron	Service Stations	Chevron	Service Stations
Circle K Gas	Service Stations	Circle K Gas	Service Stations
Dallas Shanks Services	Service Stations	Dallas Shanks Chevron Services	Service Stations
Home Depot	Building Materials	Food Maxx	Grocery Stores
Home Goods	Home Furnishings	Home Depot	Building Materials
In N Out Burger	Quick-Service Restaurants	Home Goods	Home Furnishings
Kohl's	Department Stores	Kohl's	Department Stores
Power Market	Service Stations	Michael's Arts & Crafts	Art/Gift/Novelty Stores
Ross	Family Apparel	Quik Stop	Service Stations
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	Garden/Agricultural Supplies	Tower Mart	Service Stations
Ulta Beauty	Specialty Stores	Verizon Wireless	Electronics/Appliance Stores
Watersavers Irrigation	Garden/Agricultural Supplies	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 = 49.29%

Percent of Fiscal Year Total Paid by Top 25 Accounts = 50.16%

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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Type of Customer										
Residential	\$ 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	\$ 12,468,504
Commercial	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	2,625,873
Industrial	588,820	544,326	566,740	429,897	467,446	526,072	643,601	720,373	824,694	818,864
Government	1,278,646	1,371,209	919,019	726,120	933,648	1,161,546	1,318,552	1,518,578	1,741,075	1,666,928
Total	\$ 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	\$ 17,580,169

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)

	2013	2014	2015	2016	2017 ⁽¹⁾	2018	2019	2020	2021	2022
Monthly Base Rate										
5/8" or 3/4" meter	\$ 19.08	\$ 19.65	\$ 20.24	\$ 20.85	\$ 21.61	\$ 23.56	\$ 24.03	\$ 24.88	\$ 25.76	\$ 26.67
1" meter	28.62	29.48	30.36	31.27	29.83	32.52	34.00	35.19	36.43	37.71
1 1/2" meter	57.24	58.96	60.73	62.55	50.39	54.93	58.90	60.97	63.11	65.32
2" meter	95.40	98.26	101.21	104.25	75.07	81.83	88.79	91.90	95.12	98.45
3" meter	171.73	176.88	182.19	187.65	153.21	167.00	183.44	189.87	196.52	203.40
4" meter	248.05	255.49	263.16	271.05	268.36	292.65	322.91	292.65	293.65	294.65
6" meter	515.19	530.65	546.57	562.96	543.89	592.85	656.65	679.64	703.43	728.06
Consumption Charge (per 1,000 gallons = 1 unit)										
Residential Tiers										
Tier 1: Units 1-10	\$ 2.99	\$ 3.08	\$ 3.17	\$ 3.27						
Tier 1: Units 1-5					\$ 2.49	\$ 2.72	\$ 2.84	\$ 2.94	\$ 3.05	\$ 3.16
Tier 2: Units 11-20	3.56	3.67	3.78	3.89						
Tier 2: Units 6-14					4.96	5.41	5.48	5.68	5.88	6.09
Tier 3: Units 21-30	4.26	4.39	4.52	4.66						
Tier 3: Units 15-20					5.93	6.47	6.43	6.66	6.90	7.15
Tier 4: Units 31+	4.97	5.12	5.27	5.43						
Tier 4: Units 21+					6.52	7.11	6.64	6.88	7.13	7.38
Non Residential Tiers										
Tier 1: Units 1-10	\$ 2.99	\$ 3.08	\$ 3.17	\$ 3.27						
Tier 1: Units 1-5					\$ 2.31	\$ 2.52	\$ 2.93	\$ 3.04	\$ 3.15	\$ 3.27
Tier 2: Units 11+	3.56	3.67	3.78	3.89						
Tier 2: Units 6+					4.60	5.02	5.97	6.18	6.40	6.63
Non Potable										
Tier 1: Units 1+	\$ 1.10	\$ 1.13	\$ 1.17	\$ 1.20	\$ 1.31	\$ 1.43	\$ 1.43	\$ 1.47	\$ 1.51	\$ 1.56

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

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

City of Brentwood

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year	Governmental Activities							
	2002 General Obligation Bonds	2012 CIP Revenue Refunding Bonds	2009 Civic Center Project Lease Revenue Bonds	2015 Lease Financing	2019 Civic Center Project Lease Refunding Bonds	Capital Improvement Revenue Refunding Bonds 2021 A & B	Notes Payable	Capital Leases (Internal Service)
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	-
2022	5,176,715	-	-	8,855,000	32,982,846	14,450,491	6,063,014	-

Fiscal Year	Business-Type Activities								Total Primary Government	Percentage of Personal Income ⁽²⁾	Per Capita ⁽²⁾
	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⁾					
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		
2022	-	38,358,479	2,240,846	25,797,267	13,586,322	-	147,510,980	5.53%	2,297		

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
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
2022	5,176,715	60,823	5,115,892	0.04%	80

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, 2022

(Unaudited)

2021/22 Assessed Valuation	\$ 11,781,649,991
Redevelopment Incremental Valuation	1,133,507,121
Adjusted Assessed Valuation	<u>\$ 10,648,142,870</u>

	<u>Total Debt 6/30/22</u>	<u>Percentage Applicable ⁽¹⁾</u>	<u>City's Share of Debt 6/30/22</u>
DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:			
Bay Area Rapid Transit	\$ 2,521,570,000	1.324%	\$ 33,385,587
Contra Costa Community College District	568,780,000	5.050%	28,723,390
Liberty Union High School District	141,785,000	5.245%	7,437,332
Brentwood Union School District	59,542,367	92.889%	55,308,309
Oakley Union School District	39,400,000	0.001%	394
City of Brentwood	5,176,715 ⁽²⁾	100.000%	5,176,715
City of Brentwood Community Facilities Districts	15,936,842	100.000%	15,936,842
City of Brentwood 1915 Act Bonds	98,525,339	100.000%	98,525,339
California Statewide Communities Development Authority Assessment Districts	30,248,292	100.000%	30,248,292
East Bay Regional Park District	184,590,000	2.114%	3,902,233
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT	<u>\$ 3,665,554,555</u>		<u>\$ 278,644,433</u>
DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:			
Contra Costa County General Fund Obligations	\$ 224,500,000	5.033%	\$ 11,299,085
Liberty Union High School District Certificates of Participation	3,207,306	52.455%	1,682,392
City of Brentwood General Fund Obligations	46,414,509	100.000%	46,414,509
GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT	<u>\$ 274,121,815</u>		<u>\$ 59,395,986</u>
Less: Contra Costa Obligations Supported From Revenue Funds			2,903,695
NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			<u>\$ 56,492,291</u>
OVERLAPPING TAX INCREMENT DEBT (SUCCESSOR AGENCY)	\$ 20,600,526	100.000%	\$ 20,600,526
TOTAL DIRECT DEBT			\$ 67,528,066
TOTAL GROSS OVERLAPPING DEBT			\$ 291,112,879
TOTAL NET OVERLAPPING DEBT			\$ 288,209,184
GROSS COMBINED TOTAL DEBT			\$ 358,640,945 ⁽³⁾
NET COMBINED TOTAL DEBT			\$ 355,737,250

Ratios to Adjusted Assessed Valuation:

Total Direct Debt (\$67,528,066)	0.63%
Gross Combined Total Debt	3.37%
Net Combined Total Debt	3.34%

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 \$5,211,738 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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt Limit	\$ 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	\$ 441,811,875
Total Net Debt Applicable to Limit	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	5,115,892
Legal Debt Margin	\$ 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	\$ 436,695,983
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	3.15%	2.88%	2.40%	2.10%	1.91%	1.72%	1.55%	1.41%	1.28%	1.16%

Legal Debt Margin Calculation for Fiscal Year 2022

Assessed Value ⁽¹⁾	\$ 11,781,649,991
Debt Limit (3.75% of Assessed Value) ⁽²⁾	441,811,875
Debt Applicable to Limit:	
General Obligation Bonds	5,115,892
Total Net Debt Applicable to Limit	5,115,892
Legal Debt Margin	\$ 436,695,983

Source: Contra Costa County Assessor

(1) Contra Costa County Auditor/Controller

(2) State of California Government Code 25 and 43605

City of Brentwood

PLEGGED REVENUE COVERAGE

LAST 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	
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
2022	30,834,772	(18,728,462)	12,106,310	1,860,000	1,650,350	3.45

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
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%
2021	64,224	2,665,452	41,502	40.9	17,424	6.3%

*(1) As of January 1 of each year.**(2) Based on last available Census and projected post census trends**(3) Totaled from Census Block Groups that overlap City boundaries.*

Sources: California Department of Finance
US Census Bureau
Liberty Union High School and Brentwood Union School Districts
CA Employment Development Department

Note: Pre 2010 – Income, Age and Economic Data are based on the last available census. Projections are developed by incorporating all of the prior census data released to date.
2010 - Present – Income, Age and Economic Data is based on the most recent American Community Survey, US Census Bureau.

City of Brentwood

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

(Unaudited)

Employer	2022			2013		
	No. Employees	Rank	Percent of Total City Employment	No. Employees	Rank	Percent of Total City Employment
Brentwood Union High School District	966	1	6.91%	400-450	1	3.63%
Liberty Union High School District	797	2	5.70%	250-300	2	2.35%
City of Brentwood	515	3	3.69%	250-300	3	2.35%
Precision Cabinets	280	4	2.00%	150-200	5	1.54%
Safeway Stores (2 stores)	262	5	1.88%	200-250	4	1.92%
Thorpe Design, Inc.	260	6	1.86%			
Winco Foods, Inc.	176	7	1.26%	150-200	7	1.37%
Rodda Electric	160	8	1.15%	100-150	9	1.20%
The Home Depot	150	9	1.07%	150-200	7	1.37%
John Muir Health	132	10	0.94%	100-150	10	1.07%
Kohl's	122	11	0.87%	100-150	10	1.07%
BJ's Restaurant & Brewhouse	100	12	0.72%	150-200	5	1.54%
Save Market Supermarket (Food Maxx)	79	13	0.57%			
Town & Country's Roofing	75	14	0.54%			
Black Angus	65	15	0.47%			
Red Robin Gourmet Burgers	65	16	0.47%			
Brentwood Ace Hardware	60	17	0.43%			
Capital Builders Building Supply	7	18	0.05%			
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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government	37	35	34	34	35	35	37	37	37	38
Public Safety	79	83	83	85	95	95	95	105	105	106
Community Development	23	21	20	19	19	22	23	23	23	25
Engineering	13	13	14	14	14	14	14	14	13	13
Public Works	23	24	23	23	23	26	26	26	27	27
Parks and Recreation	24	24	24	25	24	25	26	27	27	27
Wastewater	17	18	18	18	19	20	24	24	24	25
Solid Waste	24	25	26	27	26	27	28	29	29	29
Water	26	26	26	26	26	27	27	28	29	29
Housing	1	2	2	2	2	2	2	2	2	2
Total ⁽¹⁾	267	271	270	273	284	293	302	315	315	320

(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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Function/Program										
General Government										
Single-Family Dwelling Permits Issued	290	500	451	519	541	411	352	274	241	326
Accounts Payable Invoices Processed	10,458	10,440	12,023	13,364	13,625	12,463	12,222	12,044	10,624	11,536
Purchase Orders Issued	355	291	286	269	279	264	244	354	360	409
Checks Issued	14,064	13,692	14,299	15,764	15,844	15,133	14,753	14,129	13,593	14,959
Public Works										
Debris Collected (tons)	2,229	2,226	1,890	1,756	1,687	1,568	1,880	2,032	1,798	1,855
Streetlights Maintenance Requests	680	713	697	410	424	293	422	415	336	518
Police										
Physical Arrests (est.)	1,626	1,563	1,679	1,648	1,626	1,629	1,596	1,226	1,023	1,062
Calls for Service (est.)	36,781	36,192	39,934	40,661	44,417	50,300	51,777	51,867	46,042	48,744
Case Files Taken (est.)	5,823	5,821	6,133	5,925	6,335	6,396	6,217	5,870	5,891	6,189
Parks and Recreation										
Total Programs Offered (est.)	997	924	852	852	891	962	993	993	1,069	1,329
Refuse Collection										
Refuse Collected (tons per day)	93	95	97	102	110	114	119	114	118	125
Yard Waste (tons per day)	35	35	38	35	38	37	40	42	41	39
Recyclables Collected (tons per day)	22	22	23	25	26	25	30	29	30	30
Residential Services	16,337	16,729	17,245	17,802	18,310	18,806	19,329	19,884	20,285	20,533
Commercial Services	468	465	475	487	499	508	497	507	516	532
Water										
New Connections	197	338	467	475	527	470	353	304	321	223
Average Daily Production (millions of gallons)	11	11	10	7	8	9	9	10	11	10
Peak Daily Production (millions of gallons)	16	17	17	18	16	20	19	19	18	17
Number of Utility Customers	17,120	17,505	18,289	18,785	19,385	19,736	20,285	20,628	20,964	21,210
Wastewater										
New Connections	199	338	467	480	529	471	356	307	323	222
Average Daily Sewage Treatment (millions of gallons)	3	4	4	3	4	4	3	4	4	4

Source: Various City Departments

City of Brentwood

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

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
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	52	52	49	49	49	49	44	42	42
Parks and Recreation										
Developed Park Acreage ⁽¹⁾	221	223	226	231	234	253	237	240	240	243
Play Areas	48	48	51	52	56	61	61	65	67	68
Multi-Use Trails (miles)	16	17	18	18	19	19	19	19	19	19
Multi-Use Ball and Soccer Fields	23	23	23	19	19	20	20	20	20	20
Picnic Tables	290	292	305	311	331	351	353	364	374	378
Refuse Collection										
Collection Trucks	14	14	16	16	17	17	18	19	19	19
Water										
Water Mains (miles)	256	266	284	287	302	324	345	347	348	352
Fire Hydrants	2,535	2,588	2,704	2,719	2,841	2,901	2,990	3,013	3,019	3,053
Number of Wells	7	7	7	7	7	7	7	7	6	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)	202	209	225	226	235	237	242	243	244	247
Lift Stations	2	2	2	2	2	2	3	3	3	3
Other Public Works										
Streets (miles)	192	192	192	192	192	192	192	192	192	192
Street Lights	5,948	5,957	5,957	6,691	6,693	7,403	7,592	7,645	7,740	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 21, 1948
Forms of Government:	General Law Council-Manager
Fiscal Year Begins:	July 1
Area of City:	14.83 Sq. Miles
Population as of January 2022:	64,342

Municipal Water System	
Number of Wells	6
Number of Reservoirs	6
Storage Capacity (gallons)	19 MG
Average Daily Production	10 MGD
Peak Daily Production	17 MGD
Number of Connections	21,210

Municipal Solid Waste	
Number of Residential Services	20,533
Number of Commercial Services	532

Number of Full-time Equivalent Positions	Year-End
320	2022
315	2021
315	2020
302	2019
293	2018
284	2017
273	2016
270	2015
271	2014
267	2013

Parks and Recreation	
Developed Park Acreage	243.20 acres
Aquatic Complex	7.5 acres
Skate Park	.50 acres
Play Areas	68
Sunset Park Athletic Complex	38 acres
Veterans Park	10.5 acres

Parks Facilities	
Multi-Use Trails	19.35 miles
Multi-Use Ball and Soccer Fields	20
Tennis Courts	2
Basketball Courts	15
Bocce Ball Courts	8
Volleyball Courts	3
Horseshoe Courts	2
Gazebos	3
Picnic Tables	378
BBQ Areas	34
Restrooms (Permanent)	9

Public Schools	
Elementary	8
Intermediate	3
High School	2
Alternative High Schools	2

Miles of Streets	
Miles of Streets	192
Miles of Sanitary Sewers	247
Miles of Water Mains	352
Number of Street Lights	7,740

Police Protection	
Sworn Officers	72
Vehicles	42
Motorcycles	5

Municipal Wastewater System	
Sanitary Lift Stations	3
Number of Connections	20,508
Average Daily Flow	4.01 MGD

Contra Contra Costa Fire Protection District	
Stations Located in Brentwood	1
Firefighters in Brentwood	9
Stations Located in Contra Costa County	30
Firefighters in Contra Costa County	389

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, 2022, and have issued our report thereon dated November 21, 2022. Our report included an emphasis of a matter paragraph disclosing the implementation of new accounting principles.

Report on 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) as a basis for designing 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 or significant deficiencies may exist that have not been identified.

Report on 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 21, 2022 which is an integral part of our audit and should be read in conjunction with this report.

Purpose of this Report

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

Mane & Associates

Pleasant Hill, California
November 21, 2022