

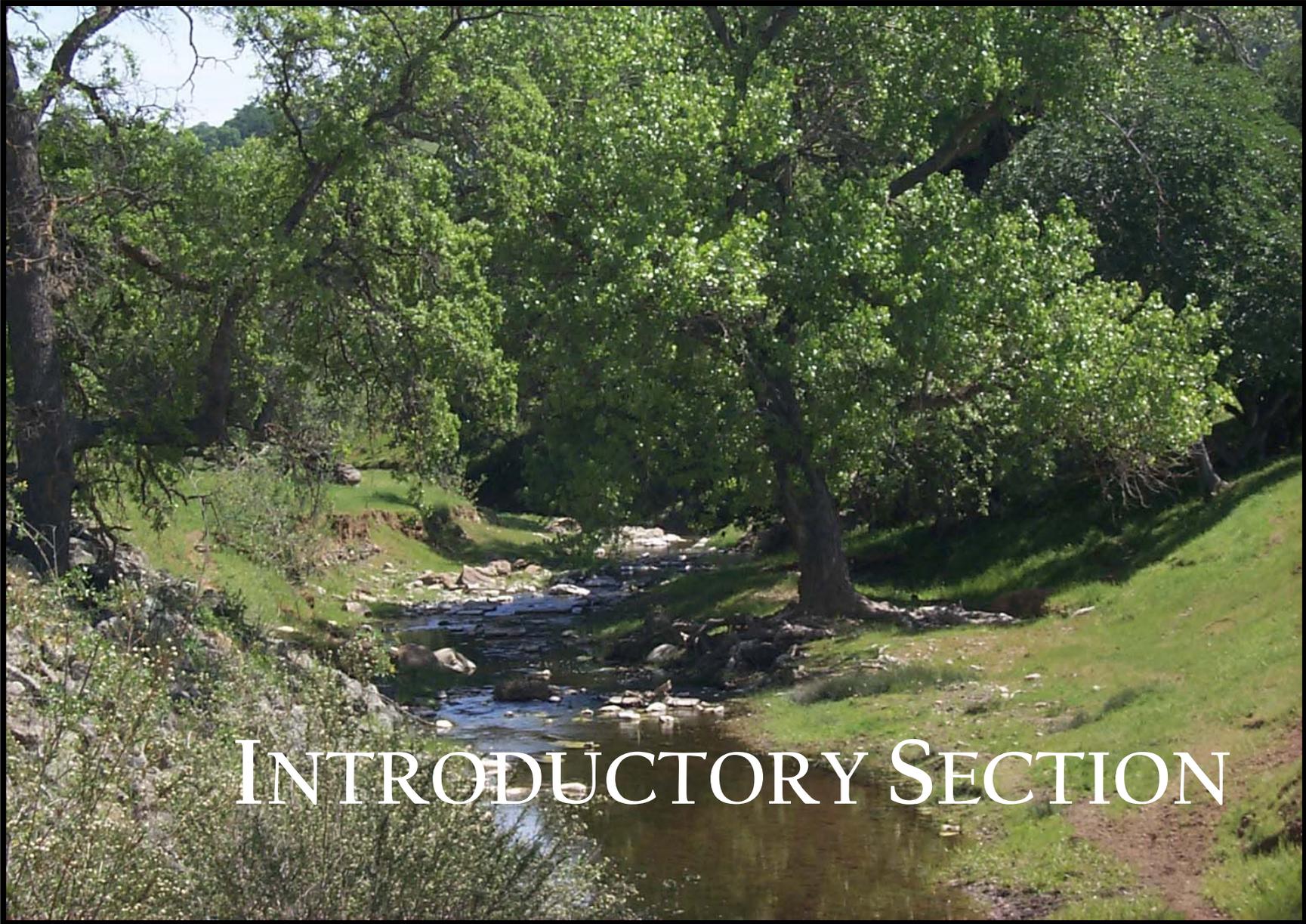


COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED
JUNE 30, 2002

PREPARED BY FINANCE DEPARTMENT

CITY OF BRENTWOOD
708 THIRD STREET, BRENTWOOD, CALIFORNIA 94513



INTRODUCTORY SECTION

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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INTRODUCTORY SECTION

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City of Brentwood

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Certificate of
Achievement
For Excellence
In Financial
Reporting

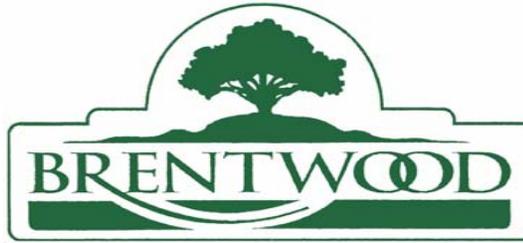
Presented to
City of Brentwood,
California

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended
June 30, 2001

A certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement Systems whose Comprehensive Annual Financial Reports (CAFRs) achieve the highest standards in government accounting and financial reporting



William J. Patton
President
Jeffrey R. Emer
Executive Director



LIST OF PRINCIPAL OFFICIALS

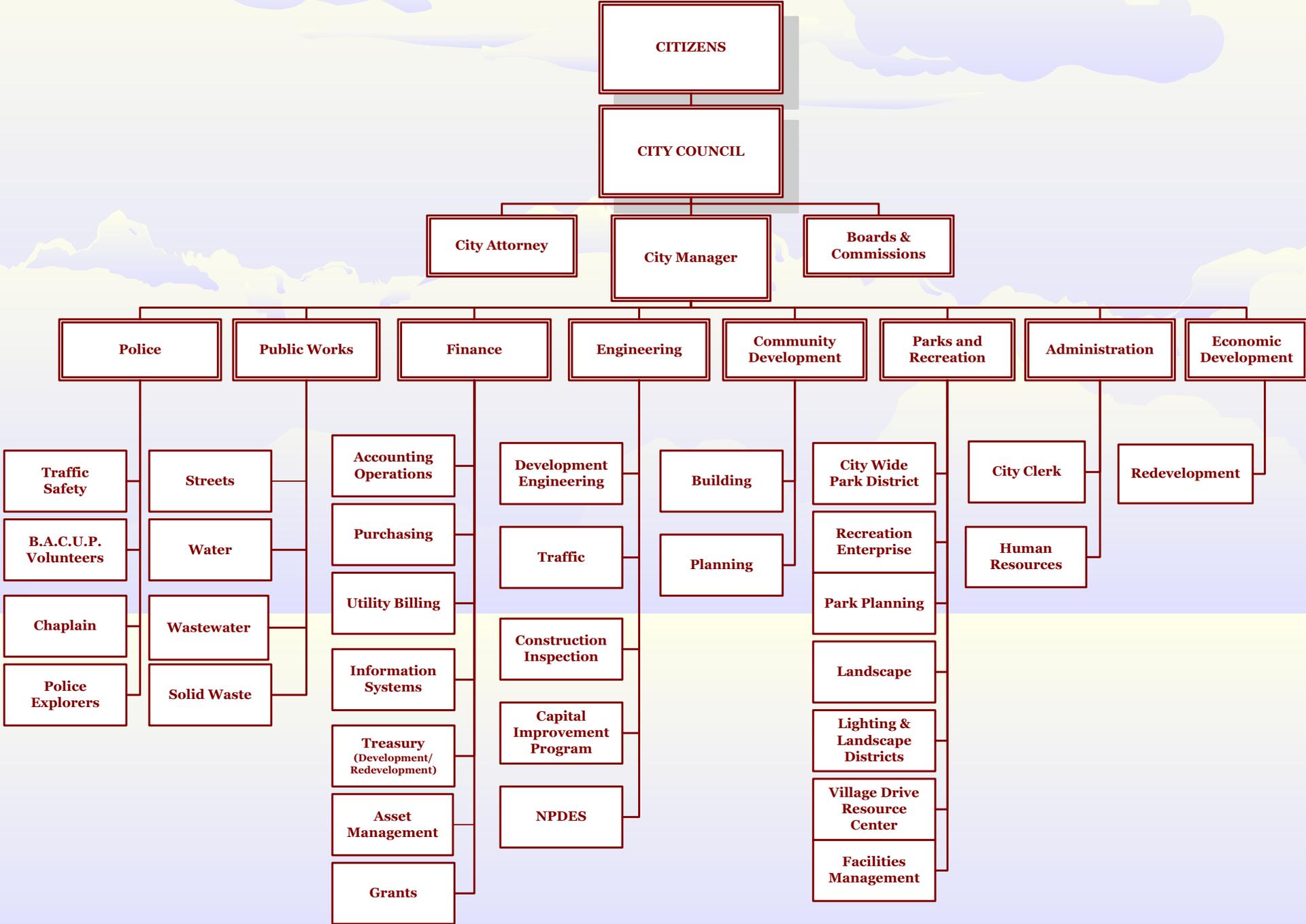
City Officials

Michael A. McPoland, Sr.....	Mayor
Pete Petrovich	Vice-Mayor
Annette Beckstrand.....	Council Member
Wade Gomes.....	Council Member
Bill Hill	Council Member

Administrative Staff

John Stevenson.....	City Manager
Dennis Beougher.....	City Attorney
Pamela Ehler.....	Director of Finance & Information Systems
Craig Bronzan.....	Director of Parks & Recreation
Mike Davies.....	Chief of Police
Karen Diaz.....	City Clerk / Director of Administrative Services
Bailey Grewal.....	City Engineer
Tom Haglund.....	Assistant City Manager
Mitch Oshinsky.....	Director of Community Development
Howard Sword.....	Director of Economic Development
Paul Zolfarelli.....	Director of Public Works

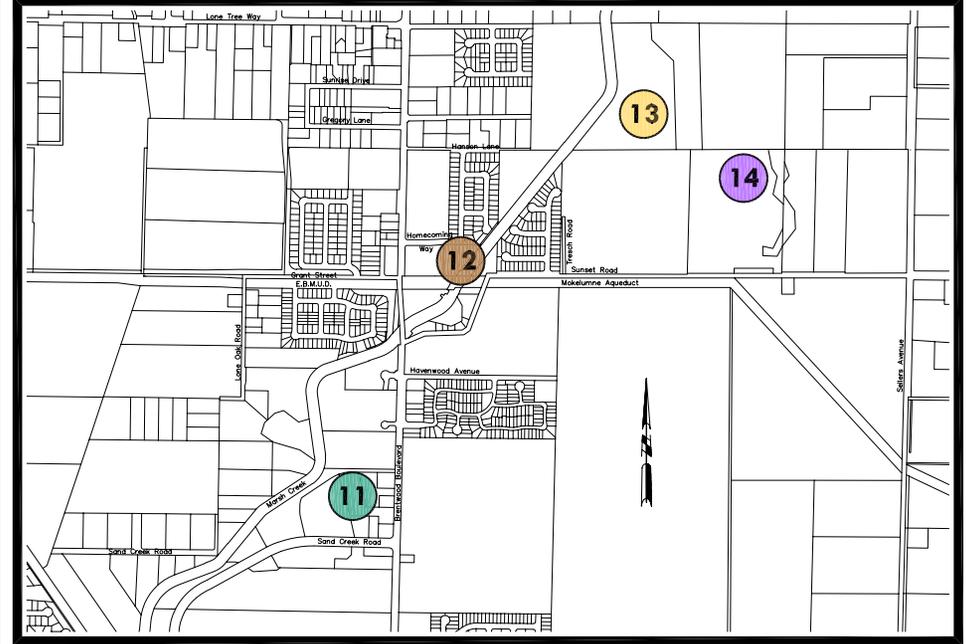
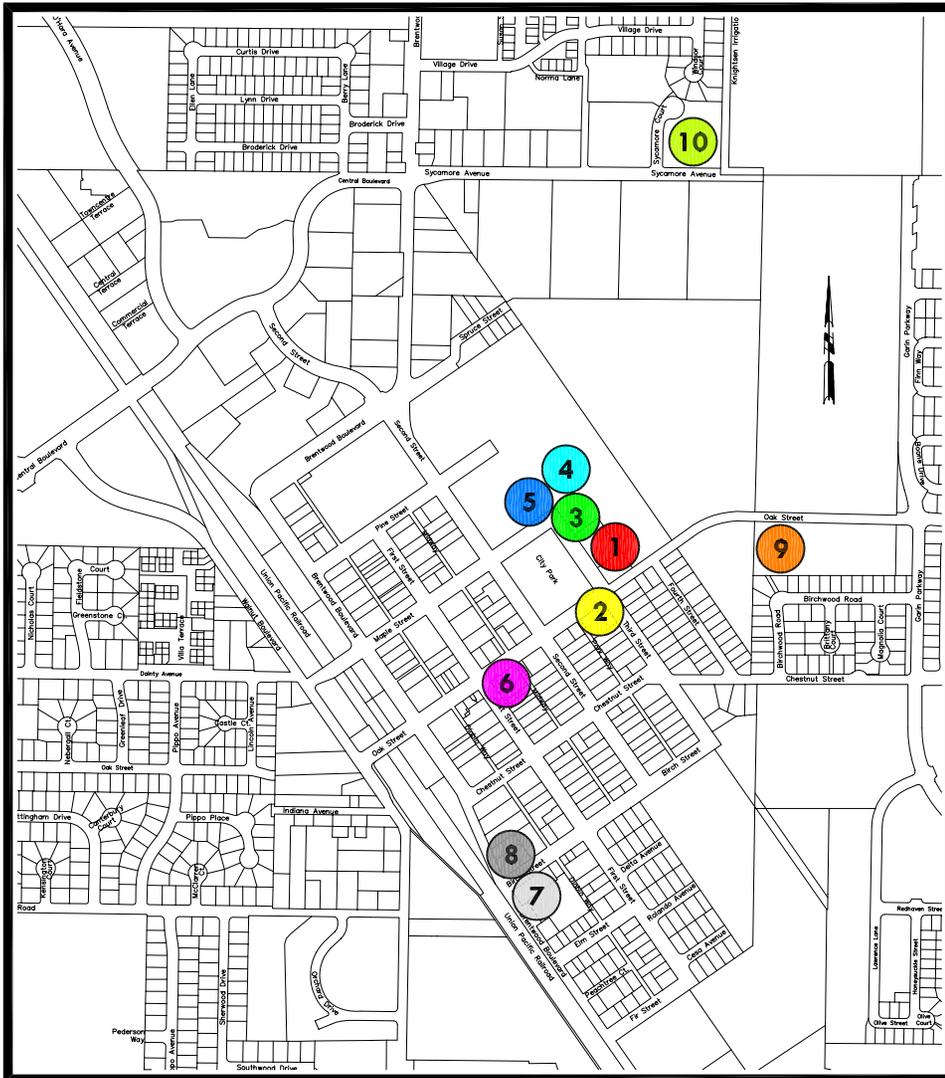
City of Brentwood - Organizational Chart



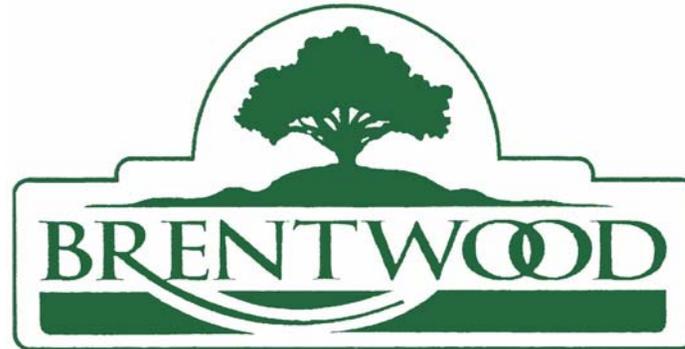


COMMUNITY SERVICES

Location Map



NO.	FACILITY/SITE ADDRESS	
1	Administration/Finance/Engineering	708 Third Street
2	Community Development	104 Oak Street
3	Council Chambers	734 Third Street
4	Delta Community Center	730 Third Street
5	Library	751 Third Street
6	Chamber of Commerce	240 Oak Street
7	Police Department	500 Chestnut Street
8	Police Department - Annexation	8440 Brentwood Boulevard
9	Post Office	18 Oak Street
10	Public Works/Maintenance	161 Sycamore Avenue
11	Technical Center/Incubator	101 West Sand Creek Road
12	Water Treatment Plant	2000 Homecoming Way
13	Wastewater Treatment Plant	325 Sunset Road
14	Solid Waste Transfer Facility	375 Sunset Road



October 31, 2002

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

Dear Mayor McPoland and Members of the City Council:

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Brentwood, California for the fiscal year ended June 30, 2002. The City of Brentwood has taken a leadership role in implementing GASB 34. This early implementation, before the 2003 deadline, will enable the City Council and residents to become more aware of the benefits and information contained in the new financial reporting model. This is the first year that the City's Department of Finance has prepared this report using the new reporting requirements as prescribed by GASB Statement No. 34. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of City Staff's knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to fairly present the financial position and results of operations of the various activities of the City of Brentwood. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

City Hall - 708 Third Street, Brentwood, California 94513-1396 Phone: (925) 516-5400 Fax: (925) 516-5401
Public Works - 161 Sycamore Avenue, Brentwood, California 94513-1396 Phone: (925) 516-5498 Fax: (925) 516-5497
Community Development - 104 Oak Street, Brentwood, California 94513-1396 Phone: (925) 516-5405 Fax: (925) 516-5407
Police Department - 500 Chestnut Street, Brentwood, California 94513-1306 Phone: (925) 634-6911 Fax: (925) 516-5247
Parks and Recreation - 740 Third Street, Brentwood, California 94513-1396 Phone: (925) 516-5444 Fax: (925) 516-5445

In addition to fund-by-fund financial information currently presented in the City’s financial statements, we are now including government-wide financial statements. The government-wide financial statements include a Statement of Net Assets that provides the total net equity of the City including infrastructure and the Statement of Net Activities that shows the cost of providing government services. These statements have been prepared using the accrual basis of accounting versus the modified accrual method used in the fund financial statements. A reconciliation report is provided as a key to understanding the changes between the two reporting methods. In addition, the new reporting model includes an emphasis on the City’s major funds as shown in the Governmental Fund Statements. These new statements combined with other information are further analyzed in a new narrative section called Management’s Discussion and Analysis (MD&A). The MD&A provides “financial highlights” and interprets the financial reports by analyzing trends and by explaining changes, fluctuations and variances in the financial data. In addition, the MD&A is intended to disclose any known significant events or decisions that affect the financial condition of the City.

The Comprehensive Annual Financial Report (CAFR) is prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (GASB).

This report is presented in three sections as follows:

1. **Introductory Section** - Letter of Transmittal with comments on the operations of the City, the City’s organizational chart and a list of principal public officials and administrative personnel;
2. **Basic Financial Statements and Required Supplementary Information** - The Basic Financial Statements include Management’s Discussion and Analysis, Government-Wide Financial Statements, Fund Financial Statements, Notes to the Financial Statements and Required Supplementary Information, as well as the Auditors’ Report on the financial statements and schedules. The City of Brentwood also includes an additional Supplementary Section that includes the Combining Fund Financial Statements and is not a required section of the report; and
3. **Statistical Section** – Selected financial and demographic information, generally presented on a multi-year basis.

Reporting Entity

In addition to reporting directly for the City operations, two component units, the Brentwood Redevelopment Agency and Brentwood Joint Powers Financing Authority, have been included in the primary reporting entity.

The **Brentwood Redevelopment Agency** (the “Agency”) was established pursuant to the State of California Health and Safety Code, Section 33000, entitled “Community Redevelopment Law” and on August 20, 1981 the City Council became the governing board of the Brentwood Redevelopment Agency. The Agency was formed for the purpose of preparing and carrying out plans for improvement, rehabilitation and redevelopment of blighted areas within the territorial limits of the City of Brentwood. The funds of the Agency have been included in the governmental activities in the financial statements.

The **Brentwood Joint Powers Financing Authority** (the “Authority”) is a joint powers authority organized under Section 6500 *et seq.* of the California Government Code on March 14, 1995 between the City and the Agency for the purpose of acting as a vehicle for various financing activities of the City and the Agency. The Authority’s Board of Directors is the Brentwood City Council. The primary purpose of the Authority is to render financial assistance to the City and the Agency by issuing debt and financing the construction of public facilities.

Blended component units, although legally separate entities are, in substance, part of the government’s operations and so data from these units are combined with data of the primary government. Each of the blended components has a June 30 year-end date for accounting purposes.

Accounting for all of the City’s activities is centralized under the Department of Finance. The department has been delegated the responsibility for maintaining the integrity of the City’s recorded financial data. In fulfilling this responsibility, the Finance Department has prepared the accompanying financial statements. In our professional judgment, these statements fairly and accurately reflect the financial position of the City and the results of its operations.

This financial report includes all of the City’s funds and account groups. The City provides a full range of services. These services include police services, public works, economic development, planning, building, engineering and inspection services, parks and recreation, and general administrative services. The City also operates a public water and wastewater utility, as well as refuse collection, which includes disposal and a recycling program.

Background

The City of Brentwood is located halfway between the cities of San Francisco and Sacramento at the eastern portion of Contra Costa County. The City is governed by a five (5) member City Council, under the Council – Manager form of government. As of June 30, 2002, the City has a current population of approximately 31,500 and encompasses approximately 13.73 square miles. Brentwood was incorporated in 1948 as a general law city under the laws of the State of California.

Financial Data

Providing reliable financial information requires the establishment of accounting records adequately supported by systems of internal control. The City’s management is responsible for establishing and maintaining an internal control structure designed to ensure that the City’s assets are protected from loss, theft, or misuse. They must also ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable assurance that these objectives are met, while recognizing that this assurance is not absolute. The concept of reasonable assurance recognizes that: (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 administration believes the existing internal control systems are adequate to provide this reasonable assurance that City assets are safeguarded against loss and that financial records are reliable for preparing financial statements and maintaining accountability for assets. Furthermore, the City received the second “Unqualified” Audit this past year. This was primarily due to the

City of Brentwood

Letter of Transmittal

Asset Valuation Study that accurately identified all the City's assets, thus allowing the auditors to identify those assets. This is the first step toward the City's requirement of maintaining an up to date inventory program. The Governmental Accounting Standards Board (GASB) adopted a number of significant changes now commonly called GASB 34 or, the "new accounting model". Assets, including infrastructure, must now be valued, capitalized and depreciated under the new reporting model.

The accompanying financial statements have been examined by Vavrinek, Trine, Day and Co., LLP, Certified Public Accountants. 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.

The City Council is responsible for:

1. Assuring that City administration fulfills its responsibilities in the preparation of the financial statements; and
2. Engaging the certified public accountants with whom the City Council reviews the scope of the audits and the accounting principles to be applied in financial reporting.

To ensure complete independence, Vavrinek, Trine, Day and Co., LLP has full and free access to meet with the City Council to discuss the results of their assessment of the adequacy of internal accounting controls and the quality of financial reporting.

The City also maintains 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. Activities of the general fund, special revenue funds, debt service funds, enterprises, and capital projects funds are included in the annual appropriated budget, except the Bypass Authority, Mark Roos Drainage Credit, Street Improvement Projects, Capital Improvement 2001, Capital Projects, and the Capital Improvement Financing Programs. The level of budgetary control is established at the fund level. The City also maintains an encumbrance accounting system as one technique for accomplishing budgetary control.

These budgets reflect an organization whose top priorities continue to be:

- Provide and build public facilities
- Provide and maintain an adequate public infrastructure
- Plan and manage growth to maintain and enhance our small town character
- Enhance and promote Brentwood's economic vitality
- Provide friendly customer service

City of Brentwood

Letter of Transmittal

The Operating Budget maintains a stable financial environment for the City of Brentwood. The decisions made in the budget process emphasize the City Council's Goals and Objectives. Staff will continue to pursue all means available to achieve the City's Mission Statement:

The City of Brentwood is dedicated to creating, maintaining and enhancing a well-planned community that is friendly, safe and healthy for everyone.

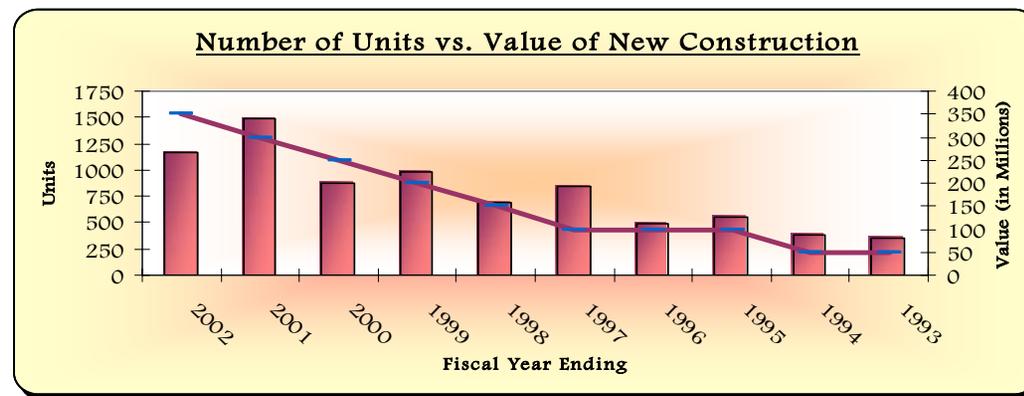
Mission Statement Adopted January 5, 2001.

The City's accounting records are maintained on the Accrual Basis, or Modified Accrual Basis, as appropriate. Budgets are prepared and expenditures recorded at the object of expenditure level. A thorough explanation of the City's funds as of June 30, 2002, and the results of each fund's operation for the year, are presented in the financial section of this report.

Brentwood Today

Fiscal Year 2001/02 saw positive economic news for the City of Brentwood with growth in population, residential construction, sales and median family home prices, and rapidly accelerating commercial/industrial development as follows:

- Population increased by 17%
- Single family home construction decreased by 12% (1,485 permits issued in 2000/01; 1,160 issued in 2001/02)
- New Home sales - 897
- Existing home sales - 523
- Median price for existing homes is \$295,000, up 6.5%
- Median price for new homes is \$351,500, up 8%
- 530,000 square feet of retail shopping center space under construction



Economic Condition and Outlook

Until recently, Brentwood was a small rural agricultural community. The need for housing in the Bay Area in the early 1990's prompted Brentwood's growth at a rate of 10% to 15% per year. The City's population has increased steadily over the last fiscal year as predicted, and the development of single-family homes, commercial sites and infrastructure reflects the increase in this expanding population.

The City issued 1,160 building permits for single-family homes during the fiscal year ending June 30, 2002. To keep up with the growth demands, infrastructure also was at a high level with several projects at various stages of design, construction or completion for the year.

There was significant progress in Brentwood's economic development during Fiscal Year 2001/02. Prior planning efforts materialized in the construction of the several commercial projects that will provide our residents convenient goods and services and local jobs. This commercial growth is fueled by the maturation of the socio-economic demographic of our far-east county sub-region defined as lands in Contra Costa County to the south and east of Somersville Road in Antioch. Approximately 160,000 people reside in the area with a median annual household income of \$63,000. This represents a critical mass of population and disposable income that will attract an estimated 1,200,000 square feet of retail space in the next two years. A survey of Brentwood's residents indicates that the far-east county population is highly trained and educated providing an available workforce for business activities. The median value of housing in the sub-region is \$215,000 providing an affordable housing stock with certain areas providing executive homes in the \$500,000 price range.



Sand Creek Crossing Shopping Center

Sand Creek Crossing, a 260,000 square foot community center, was completed and will offer the far-east county population shopping opportunities that have not been present in the region. This shopping center will generate an estimated \$650,000 in annual sales tax for Brentwood. There are approved entitlements for a 450,000 square foot community center, 180,000 square foot community center and three neighborhood centers totaling 220,000 square feet. These projects, totaling 850,000 square feet, are presently starting construction and will be complete in 2003. It is estimated that these projects will generate approximately \$2,600,000 in sales tax when completed.

Future Outlook

Far East County communities, located along the State Route 4 corridor, have all experienced significant residential growth over the last ten years as many Bay Area residents have sought out more affordable housing options than were provided in the inner Bay Area. As the region has grown, the Far East County has transformed from being a primarily industrial and agricultural sub-region to a series of bedroom communities for employment centers in the Bay Area, including San Francisco, the

City of Brentwood

Letter of Transmittal

Silicon Valley, the Tri-Valley, and Contra Costa County. For the City of Brentwood, the shift has, for the most part, been from an agricultural community to a bedroom community.

Employment growth has occurred in conjunction with resident growth, though primarily in resident-serving industry sectors, including retail and certain service sectors. A few new firms have stepped in to replace the “basic industry” role of agriculture in exporting goods and services beyond the local area, catalyzing the generation of new wealth in the City.

The Economic Development Department also advanced two important capital improvement projects during the last year. A 17,000 square foot campus for Los Mendanos College was completed and occupied in September 2001 providing a full AA degree curriculum for our residents. The City also constructed an adjacent 17,000 square foot Business and Technology Incubator to provide an affordable workplace for our resident entrepreneurs. The final entitlements for the Sunset Industrial Complex were received in June 2002 and construction is scheduled to start in September 2002. This is a 28-acre medium industrial project that will be sold to multiple end-users.

DEVELOPMENT

Completed Projects:

- The City completed and opened five (5) new neighborhood parks (Arbor View, Garin, Lake, Loma Vista and Orchard)
- The Brentwood Union School District and the City completed and opened a second community joint use gymnasium at Edna Hill School, with office and storage space provided for after school City sponsored use.
- The Liberty Union High School District and the City completed construction of a third joint use gymnasium at Liberty High School.
- An 18,500+ square foot Skate Park was completed and opened in the community. With the lead from the Community Skate Park Task Force, this facility is used for recreational skating and has been host to area-wide skate competitions.
- The City of Brentwood Family Aquatic complex completed its first full year of operation, serving over 37,000+ swimmers. This facility offers swimming lessons, recreational swimming, lap swim, exercise classes and is the home of three competitive swim teams, and is used for practices and swim meets/water polo games for Liberty Union High School.
- The conceptual master plan for the expansion of Sunset Sports Park from 10 to 37 acres and for the development of the Family Aquatic Complex neighborhood park were completed as a result of community meetings with citizens and local user groups.



Skateboard Park

- The Village Drive Resources Center was chosen as one of twenty-five sites in the United States by the Ford Foundation to receive a 15 passenger van for use in health awareness/prevention programs.
- The UC Berkeley graduate students in environmental design completed a conceptual master plan for the City for the renovation/revegetation of Marsh Creek and its tributaries entitled: Envisioning Brentwood's Creeks: A Green Resource for the Future.
- The Natural Heritage Institute completed a Corridor Width Report, Parcel Inventory, and Conceptual Stream Corridor Master Plan for Marsh, Sand and Deer Creeks for the City to assist with future planning and development.
- The City of Brentwood Parks, Trails and Recreation Master Plan was completed after nearly two years of work. This master plan sets the policies and direction for the development of parks, trails and recreation facilities as per the recently adopted City of Brentwood General Plan.
- The City Parks division established the first tree nursery for the City as a result of a tree grant that provided 500 seedlings. The City has planted the trees with the assistance of community volunteers and will raise the trees for future planting in public areas.
- The first phase of the Highway 4 Bypass was opened in Spring 2002. This phase connects Balfour Road and Lone Tree Way removing congestion from the Fairview Avenue/Lone Tree Way area of Brentwood. This project was constructed by the a joint powers authority with funding contributions from Contra Costa County, Brentwood and surrounding communities.



Wastewater Treatment Plant

- Walnut Boulevard was widened to four lanes from Balfour Road south to the city limits, including landscaped median. This project has improved the entry statement to the City from the south entry into Brentwood.
- The completion of Balfour Road from the Concord Avenue/Highway 4 Bypass to the western city limits completes the four-lane arterial from the easterly to westerly city limits. This is one of the few east-west major corridors to have four lanes and helps to move the vehicular and bicycle traffic throughout the City.
- The section of Lone Tree Way from Heidorn Ranch Road to the Highway 4 Bypass has been widened to six-lanes. The next phase from Highway 4 Bypass to Fairview Avenue began construction in the Summer of 2002.
- The new public parking lot located behind Chevron gas station on Brentwood Boulevard has been completed, increasing parking availability for the downtown area.
- To improve public parking surrounding City Hall, the high school and the downtown area, an additional 110-space parking lot was constructed on the Liberty High School campus in July 2002.

- The existing, elevated water tank was repainted, which included a new finish and two Brentwood logos. The water tank is also a major site for antenna location.
- Fire Station # 52, a joint project between the City and the development community is located at Balfour Road and John Muir Parkway. This new fire station has doubled the fire suppression forces in the area and ensures that fire safety is provided to the residents of Brentwood.
- One of the largest projects in the City's history, the Wastewater Treatment Plant, has been completed expanding the City's wastewater treatment capabilities from 2 million gallons per day (mgd) to 4.5 mgd. The tertiary treated water will be available for irrigation of golf courses, medians and parkways or released into Marsh Creek.
- Since Brentwood's primary source of water is groundwater from local wells, the addition of Well # 14 expands our water production capabilities by approximately 1.3 million gallons per day. This is seven times over the 1990 available supply.
- The completion of Zone II Reservoir increases our available storage capacity to 10.8 million gallons, which is 40% above the required capacity. Keeping continued growth and public health and safety in mind, the City has already planned to construct more reservoirs in the coming years.

CURRENT PROJECTS/PROJECTS UNDER CONSTRUCTION

- Eight (8) new neighborhood parks are starting construction for opening in the 2002/03 fiscal year (Balfour-Guthrie Park, Oak Meadow, Berkshire, Miwok Park and Trail, Rolling Hills, Walnut, Heron and Black Gold.)
- Expansion of the Sunset Sports Park, the City's only sports complex is underway. The expansion will increase the 10-acre site to 37 acres, and will include four championship soccer fields, four softball fields, and three multi-use baseball and soccer fields. Additionally, an equestrian staging area, children's play area and two concessions stands will provide for a wide range of multi-use opportunities.
- The City has started the mapping of all water lines and valves and an inventory of all 15,000⁺ City trees. This information will be included in the final edition of the computerized maintenance management program that will operate the Park and Facility Maintenance divisions.
- The City is starting the conversion to a Central Irrigation Control system for the operation of all landscape and median irrigation control city-wide, which will decrease water and energy usage.
- The City is working with Liberty Union High School District on four joint use community projects: Renovation of Liberty High School football field into a year round surface/all weather track; construction of a 50-meter pool at Heritage High School; construction of a joint-use gymnasium at Heritage High School and provision of underground conduit for future sports lighting of athletic fields at Heritage High School.
- Sand Creek Road Central - Construction of the central section of Sand Creek Road from the Highway 4 Bypass to Minnesota Avenue is planned for completion in the Fall of 2002. This project will provide a major east-west connector by extending Sand Creek Road easterly to Minnesota Avenue.

City of Brentwood

Letter of Transmittal

- Sand Creek Road East - Construction of the eastern section of Sand Creek Road from Minnesota Avenue to Brentwood Boulevard began in Summer 2002. At its completion, it will provide another major east-west corridor for traffic circulation in the City. It will connect the Highway 4 Bypass to the existing Highway 4 (Brentwood Boulevard).
- Brentwood Boulevard Widening - This project will widen Brentwood Boulevard to four lanes with a median from Village Drive to Applewood Commons. This widening will improve accessibility to commercial centers and will ease the traffic flow during peak hours.
- Sunset Road Realignment - Sunset Road will be realigned in a due east-west direction along the north side of the EBMUD Aqueduct to intersect with Brentwood Boulevard at the Grant Street signal. The project includes the construction of a bridge over Marsh Creek, water and non-potable water and fiber optic line improvements.
- Brentwood Boulevard Curve - This project will improve the public safety at the curve located south of the Safeway Shopping Center.
- Chestnut Street Extension - The extension of Chestnut Street from Oak Street to Sellers Avenue is currently under construction.
- Annual Pavement Management Program - As part of the City's



Sunset Industrial Complex



New Police Station – Artist's Rendering

preventative maintenance program, the streets are surveyed to determine where reconstruction, overlaying, surface sealing and crack sealing are required. Various streets are repaired each year.

- Sunset Industrial Complex - Construction began in the Summer of 2002 for the City's first major redevelopment effort. It is intended to relocate heavy industrial uses from Brentwood Boulevard to a more appropriate location. This project will provide a new roadway and includes a pedestrian trail system.
- New Police Station - Brentwood's New Police Station has begun construction at the southeast corner of Central Boulevard and Walnut Boulevard. The 30,000 square foot facility will serve future demand and will have space available for a dispatch center.

- Northwest Quadrant -The City's newly annexed northwest quadrant is currently undergoing intensive planning related to both commercial, as well as residential development. Infrastructure, which is virtually non-existent at this time will be financed and constructed through an acquisition-type assessment district. The district will fund approximately \$30 million worth of infrastructure consisting of roads, wastewater lines, water lines, storm drains and parks. Phased construction is scheduled to break ground in the third quarter of 2002 with completion scheduled concurrently with the opening of several major commercial projects on Lone Tree Way.

Financing Future Infrastructure

Capital Improvement Financing Programs: Capital Improvement Financing Programs (CIFP) are a mechanism through which the City and the Development Community cooperate to fund and construct major Master Planned and Sub-Master Planned infrastructure (roads, water and wastewater lines, regional drainage facilities, etc.). The City is able to obtain very low interest rates through its outstanding financial reputation and bonds are sold using the participating Developer's property as the collateral. There is no risk involved for the City as a 3 to 1 value to lien ratio is used to determine the amount of bonds to be sold. As the properties develop, the bonds are repaid by the new property owner over a 30-year period.

The most recent CIFP the City has funded was CIFP 2002-1. Items to be constructed or funded through CIFP 2002-1 are: Lone Tree Way Segments One and Two, Fairview Avenue reconstruction and realignment, Master Planned storm drain facilities along the Lone Tree Way Corridor, Sycamore Avenue extension, Minnesota Avenue improvement and the extension of Garin Parkway. The total amount of the bond sale was \$16,585,000.

DEPARTMENT REVIEW

In the **City Manager's** office, the City's Administrative functions are expanding to fill the ever-growing needs of the community. The establishment of an Assistant City Manager is the result of the City recognizing the needs in these areas. The Assistant City Manager will oversee the Human Resources Division, provide staff assistance to various City Council Subcommittees, oversight of the franchise agreements, and work on special projects assigned by the City Manager and the City Council. The Assistant City Manager will also serve as a communications liaison for the City and its citizens. The goal is to secure and strengthen the long-term economic vitality of the City. The City has also introduced new conveniences for its residents through establishing passport application and processing services at City Hall. Future plans call for the expansion of the City's grant writing efforts that will increase to citywide from what has been an engineering effort for infrastructure. The challenge for this grant writing effort is not to lose the very successful infrastructure effort while expanding the scope.

The **City Clerk's** office successfully implemented the ePacket (paperless) agenda process. Production of the bi-monthly City Council agenda packets utilizing the new program has resulted in the reduction of staff time and materials as follows:

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- 88% reduction in staff time
- 83% reduction in materials used
- 95% reduction in staff reports requested by public
- 100% reduction in staff reports requested by staff

Furthermore, the paperless process enables staff to post the ePackets on the City's Website for convenient viewing, downloading and retrieval of records by the public. The process has also enhanced the City's Records Management Program.

In 2002/03, the City Clerk's office will introduce a software upgrade that will expand the City's optical imaging system by allowing the import of documents into the system, thus reducing the need for scanning. This will dramatically save in staff time and in the cost of outsourcing scanning projects by eliminating paper and paper storage.

City Clerk staff will develop strategies for updating and converting the filing system for the City's permanent and vital records located in the vault. This will allow for the safekeeping and easy retrieval of documents.

The City Clerk's office will perform the bi-annual update of the City's Conflict of Interest Code pertaining to designated employee filers. The update ensures that employees with job duties meeting criteria outlined in the Fair Political Practices Commission's regulations file annual Statements of Economic Interest forms.

The **City Attorney** has been consulted on numerous issues that could have results in claims, disputed, mediation, or litigation. In an attempt to resolve issues before they reach the need for dispute resolution, the City has employed an in-house attorney to better respond to these possible issues. As of June 30, 2002, the City had only one issue subject to litigation, that being the dispute with the State Water Quality Control Board concerning the imposition of a \$225,000 fine for the City sewer treatment plant discharge of water into Marsh Creek that had lower dissolved oxygen than permitted. There were also only three outstanding claims, as of June 30, 2002, filed with the City Clerk, with minimum potential financial exposure to the City.

During the past year, the City Attorney has acted with other department heads to provide opinions concerning new development fees, respond to claims, resolve challenges to various city projects, and daily operating issues. The City expects to continue to employ an in-house counsel to better provide daily legal advice and opinion concerning on-going city projects, operations and compliance with statutory procedures.

The **Finance Department** compiled and developed the City's first Comprehensive Annual Financial Report (CAFR) award. This was a monumental task as it served two purposes – a savings in the preparation and publishing of the report and an amplification of the understanding of the City's financial status by the staff. The CAFR has become a very useful document made available to residents and interested parties.

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Annual Budgets and Capital Improvement Program Budgets are maintained to enable the City to plan, comply with the legal limit that the City can expend on funds, monitor the flow of resources, and to allow end of period evaluations for reporting to the legislative bodies. Through a concerted effort of gathering and verifying facts, the Finance Department continues to compile reliable data for the Legislative body, city-wide, and for its residents.

A Cost Allocation Plan is prepared annually to present an analysis of the computation of overhead charges for City-wide and department programs. It also provides the framework for computing specific user fees and charges such as Building, Electrical, Plumbing and Mechanical Permit fees; Engineering, Police, Parks & Recreation, Utility Billing, Facilities, Business Tax, and Administration Fees; Water, Solid Waste, Wastewater and Solid Waste Enterprise Rates to name a few.

In an effort to minimize the cost and the time required to produce Budget reports and the Comprehensive Annual Financial Report, the Finance Department has created its own publishing center – streamlining the gathering of data for the reports and utilizing current manpower and equipment to produce these extensively detailed reports.

With the desire to maximize the use of labor hours in the Finance Department, an Optical Imaging system has been put to greater use. Accounts Payable documents are now scanned into a database system that allows each employee requiring a copy or documentation of Capital Improvement project payments, for instance, to be accessed in a timely and efficient manner – all within the confines of one's own workspace. Documents are available for review and copies are easily downloaded for printing without the need to dig through files of documents, thus maximizing time and minimizing effort.

The Department administered the issuance of four new Bond issues within a one year period, which amount to \$73,930,000. These bonds will fund the construction, acquisition, and improvements for infrastructure within the City of Brentwood. Finance continues to be a facilitator in the formation and administration of all Lighting and Landscape Districts, Assessment Districts, and the new Community Facilities District.

The Finance Department has proposed amending its fifty-four year old Business License Tax and Regulations, as set forth in Ordinance No. 707. The City proposes that its business license fee and regulations be comparable to adjacent cities, provide for an equitable basis and rate, require all businesses to pay a business license fee, provide a consistent general fund revenue for such vital services as police services, and establish updated regulations and fees so it will not be difficult or costly to administer and for the business community to understand. The proposed change to the business license tax is stated on a ballot, Measure D, for vote on November 5, 2002.

The Information Systems Division of the Finance Department is proud to have a center that makes state of the art equipment available. The City has created a Business Technology Center that houses a Usability Lab to be used by businesses to test their products. The lab features a state-of-the-art technology system designed to attract Bay Area companies and is available for collegiate courses.

The Information Systems Division provides up-to-date technology to better access City records. For example, the City has made available via the internet, our City Budgets downloadable in Adobe Acrobat reader format. They are also working on an E-Commerce site where people will be

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able to register and pay for Parks & Recreation classes on line. In addition, anyone can now subscribe to the current agendas, watch live Council meetings on the Web and access past and current Council agendas and meetings. The City of Brentwood website features City Council items, Boards and Commissions, City Department and General Information. Very helpful items have been incorporated into the website, including Road Conditions, Capital Improvement projects, Web page information translated into Spanish, Public Notices, Children's Place, Municipal codes, a Map room guided by our GIS system, the City temperature and helpful links to local, community, state and federal sites. The City has automated its way of processing service requests by making them accessible on line. Internally, computer service requests are instantaneous and, more importantly, work service requests for residents for Parks and Maintenance, Public Works and Utility Billing are now available over the Internet and transmitted to the intended department rather quickly. Work service requests are tended to in the most efficient time possible.

The Utility Billing Division of the Finance Department accomplished two major goals in the 2001/02 Fiscal Year. Billing software was converted from the DOS-based TAABS system to the Windows-based Inhance system. This upgrade has enabled the City to provide our customers with more comprehensive and detailed billing history, as well as providing more thorough reporting for internal use.

The meter change out program was completed and radio-read equipment has been installed on every meter in the City of Brentwood. This program has allowed City staff to accurately read all the meters in the City on a monthly basis, and has eliminated the need for estimates. The completion of this major project allows our meter readers to spend more time on customer service issues, as well as on repairs and trouble shooting for the approximately 10,000 meters that exist in Brentwood.

In this fiscal year grants awarded to the Grants Division of the Finance Department amounted to \$2,954,554, which were used for Parks & Recreation projects, Waste Management and Traffic Congestion Relief. The grants awarded significantly increased from the last fiscal year by 96%.

The **Brentwood Police Department** continues its commitment to deliver high quality law enforcement services to a growing community. Community programs include Neighborhood Watch, Red Ribbon Week, Vacation Watch, Tell-A-Cop, D.A.R.E. and Operation Identification.

New in 2002 is the Community Introduction Program. This program involves officers "stopping by" a home or business simply to introduce themselves and provide a pamphlet of services offered by the Department. Every other year the police department presents the "Every Fifteen Minutes" program to junior and senior high school students. The two-day presentation involves the "staging" of a drunken driving fatal collision, which takes students through the dramatized consequences of drinking and driving. Program participants include students, parents, teachers, public safety personnel and medical service providers.



Responding to emergency calls for service remains a high priority. In addition to the typical police car, officers may also be assigned to foot, bicycle and off-road motorcycle patrol. Two motorcycle officers are assigned to traffic enforcement and collision prevention. A SWAT team was established to respond to critical incidents.

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Implementing and keeping current on new technologies has allowed the Department to become more efficient in its operations and service to the public. Detectives are using new technologies, such as “computer forensics,” to investigate Internet and other computer-related crimes.

The Police Department actively collaborates and participates with outreach groups on issues such as domestic violence, gang involvement, hate crimes, substance abuse, victim assistance, mental illness, and the homeless.

Youth activities focus on giving kids positive direction and mentoring. The Police Activities League (PAL) continues to grow and expand on program variety. The Brentwood Police Explorer Scouting program offers teenagers an opportunity to be involved in their community, work with officers and explore a career in law enforcement.

The Police Department continues to grow and evolve to meet the needs of our community. Personnel have been added and trained to provide faster service for Livescan, child safety seat installations and processing counter requests. Police staffing has expanded to include the additions of a new Lieutenant, Detective, Administrative Sergeant and “Argo” the police dog. The recruitment of top quality police applicants to our City has been extremely effective through the use of innovative hiring incentives that encourage officers to work and live in Brentwood.

The Police Department is open to the public on weekdays from 8:30 AM to 8:00 PM. Public information pamphlets and resource brochures are available in the police station lobby.

During the fiscal year 2001/02, the **Engineering Department** underwent significant personnel changes. With the appointment of a new City Engineer, Assistant City Engineer and Project/Contracts Manager, this new management team has continued to drive the department to the level of success necessary to maintain complete control over the many public projects.

The Engineering Department continues its commitment to plan, engineer and assure the highest quality infrastructure to the residents of Brentwood. To meet the challenge of the growing demand of infrastructure, the Engineering Department pursued an aggressive approach to expedite the construction of major roadways, water storage and distribution and sanitary sewer collection treatment facilities. With available limited revenue sources of the City and grants through State and Federal programs, over \$28 million were invested in the City’s roadway, sewer and water systems.

The Engineering Department also works cooperatively with the development community to secure innovative financing for infrastructure ahead of the



Sand Creek Business Center

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developments. Final maps, grading plans, roadway, sewer and water improvement plans were approved for 1,332 residential lots over the past year.

This has been an incredible year of commercial development for the **Community Development Department**. They have successfully taken several major shopping centers through the complex environmental and development review processes. These include almost 1 million square feet of commercial building area, such as the 75 acre Arcadia Regional Shopping Center, the Winco Shopping Center, the Sunset Industrial Park, Sand Creek Business Park, Denny's, Microtel, two Arco stations, a full serve car wash, and the Walgreen's Center. Due to the size and scope of some of these projects, Environmental Impact Reports (EIR's) have been required, which significantly contributed to the complexity and time required for processing. The level of public comments on these EIR's has been unprecedented in Brentwood's history. Stacks of comments, many inches thick, prepared by attorneys and environmental "experts" significantly challenged the expertise and endurance of our Planning staff. Yet they successfully reviewed and responded in writing to these extremely lengthy, highly technical complex documents in a timely fashion, which enabled these major economic development projects to move through the process expeditiously. The Planning Division of the Community Development Department also reviewed and approved plans for 1,550 new homes. Three annexations were also processed through the City and State review processes, adding 18 acres to the City.

The Building Division of the Community Development Department continued to bring a number of other major commercial projects online through plan check construction this year, including the Sand Creek Crossing Shopping Center with TJ Maxx and Homegoods having their second best opening sales ever. Raley's, Ross, Home Concepts furniture, Starbucks, and many other stores are soon to open in that center. Construction continued on the Walnut Business Park and the Town Center Office Park, bringing several new office buildings online. Two new Arco gasoline stations were also built this year and have opened to serve the community. All of the commercial Building Division activity is in addition to plan check and inspection of over 1,200 new homes this year.



City of Brentwood Community Center

In fiscal year 2002, the **Parks and Recreation Department** ended with 70+ acres of usable park acreage, up from 16+ acres in 1992. An additional 30+ acres are under construction and will be open for use in 2003. With the addition of a second joint use gymnasium at Edna Hill School, the recreation division was able to offer a first-ever youth basketball program that had 275+ youth enrolled in the eight-week program. As a result of the City of Brentwood/Brentwood Union School District joint use agreement, the City operates and schedules the two community gymnasiums after school and on weekends for the community. The addition of the Liberty High School joint use gymnasium in 2003 will continue to provide indoor sports facility use for the entire community. The addition of the skate park has provided the City the opportunity to add skate events and competitions, something that the youth of the community have been requesting for a number of years. The fenced facility is supervised by City staff, providing a safe and controlled environment for users of all ages. The City of Brentwood Arts Commission

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completed their first year in existence, offering their first art exhibit and gallery at the new Brentwood Technology Center. The Arts Commission expanded program offering included a downtown art exhibit for local artists and school age artists from local middle schools. With the support of City Council, the Brentwood Youth Commission conducted its first ever City-wide youth interest survey, to see what the issues and needs are for the youth of Brentwood. With the expansion of senior citizens in the community, the recreation division also started the first steps in development of a Senior Citizens advisory board, to provide input and direction to the department as to the issues and needs of the growing senior population.

The Parks division completed the first phase of a Computerized Maintenance Management System program that computerizes all work requests, staff scheduling and preventative maintenance tasks. The work request will allow for City employees to input their needs directly into the system, which also allows for tracking of the progress and task completion. Parks also took the lead in development and completion of the Urban Forest Guidelines, the document that will guide the City in selection, planting, and maintenance of the over 15,000 City trees. With the adoption of the City of Brentwood Parks, Trails and Recreation Master Plan, the department now has updated standards and policies for the development of park, trail and recreation facilities for the build-out population of Brentwood. Included in this master plan are specific guidelines and requirements to ensure the City has the necessary funding mechanisms in place for construction and maintenance of existing and future park and recreational facilities. The Parks division also started the conceptual design process for the renovation of City Park - the City's oldest park facility. Using State Park Bond money, the City is looking to restore the park and will consider future possibilities as a result of the downtown specific plan, the downtown parking study, and City Park redesign.

The Parks and Recreation Department added a third division in fiscal year 2002 with the merging of the City's Facility Maintenance division. This division also started implementation of the Computerized Maintenance Management System to automate the work and progress of maintenance of City facilities.



Public Works Corporation Yard

After receiving four awards from the California Park and Recreation Society for excellence in programming and facility design in 2001, the Department received two additional awards in 2002 for excellence in the agency showcase awards division. These awards recognize excellence of park and recreation agencies and individuals that create community through people, parks and programs.

In fiscal year 2001/02, the **Department of Public Works** came under new management. This created a refocusing of providing exceptional service to the citizens of Brentwood and the fellow staff members in other City Departments. Additionally, a more business-like approach to running public services has been implemented. This includes budget preparation and monitoring by the Division Managers and Supervisors. The Department is made up of four Divisions: Solid Waste, Water/Wastewater Services, Street Maintenance and Fleet Maintenance. An Administration Division provides support to each of these Divisions.

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Originally established by the City of Brentwood eight years ago, the Solid Waste Enterprise Fund provides refuse collection for all residents in the City limits. While the division continues to operate within a healthy enterprise funding, needs assessment and rate studies have not been conducted in the past. A study is currently underway to identify long-term needs in the Division. Also, a rate study will be implemented to ensure that the Enterprise is appropriately funded. The projected rates will support the current and future costs of the Division including expanding the capacity of the transfer station to accommodate residential drop off.

The Water/Wastewater Division is a single division comprised of two separate enterprise funds. The Wastewater Enterprise is seeing the completion of a new \$40,000,000 tertiary treatment facility. Utilizing state of the art process control, this facility will have the capacity to process up to 4.5 mgd for beneficial reuse in irrigation throughout the City. Funded through user and development fees, this facility will ensure adequate treatment of the City of Brentwood's wastewater through the next 15 years. Staff is currently conducting a rate study to increase the necessary revenues needed to improve the health of this enterprise fund while refocusing the rates from developer based to user based. In fiscal year 2003/04, a more comprehensive rate study will be conducted including an extensive analysis of renewal and replacement of all equipment associated with the wastewater treatment plant. Also, associated with the Wastewater Enterprise fund is the collection system maintenance. It is currently planned to have the entire collection system cleaned once per year. Additionally, staff will be recommending the purchase of a specialized video based inspection equipment to assist in determining the condition of the sanitary sewer system.

The City of Brentwood's Municipal Water System supplies approximately 80 million gallons of potable water to the community per month. While expenditures are slightly out pacing revenues, a rate study is being conducted to chart a course to correct this. Staff is also re-evaluating the need to build a new water treatment facility. Current and immediate future potable water needs are met through municipal wells and purchased water. There is a significant potential for water demand reduction utilizing the reclaimed water from the wastewater treatment plant.

The Fleet Maintenance Division has been handling Preventative Maintenance and Repairs for one full year now. In fiscal year 2001/02, regularly scheduled maintenance was performed on the 107 vehicles owned by the City of Brentwood (excluding Police vehicles). Cost for the maintenance and repairs are currently running approximately \$85/hour. Staff is examining methods to reduce this hourly rate by identifying the actual annual cost for each vehicles and billing based on that rate. A computerized maintenance management program will enhance this.

The Street Maintenance Division is responsible for asphalt repair and replacement, including emergency repairs, sidewalk, curb and gutter replacements, street sweeping, sign production and replacement, pavement marking and storm drain maintenance. In the past year, the costs associated with this division have risen significantly. These increases will continue as our infrastructure ages and maintenance demands increase. Staff is examining ways to reduce the costs associated with the division, including producing signage for other agencies and charging market rate for these products.



Public Works

City of Brentwood

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During the fiscal year 2001/02, the Brentwood **Redevelopment Agency** accomplished several programs and projects in its efforts to attain the goals and objectives outlined in the Redevelopment Plans and implementation plan.

In September 2001, the Agency authorized the execution and issuance of Tax Allocation Bonds in the amount of \$23,000,000 to finance certain public improvements and to refinance an existing outstanding bond.

The Agency funded sewer line improvements for health and safety purposes in the Lone Tree Way and Brentwood Boulevard area. In addition, the Agency funded the construction of 32 additional parking spaces in downtown area to facilitate expansion of existing businesses and attraction of new businesses. The Agency also funded the restoration and rehabilitation of the historical theater marquee within the downtown area.

An agreement with a local developer for the development of nine high-density, single family residential units on the Agency-owned, one-acre lot at 159 Sycamore Avenue is currently being negotiated. The developer of the Casitas Del Sol development shall design a marketing and resale program that gives preference to residents and workers of Brentwood. This high density project will provide another housing product at a market price not currently available in the City of Brentwood's predominately single family housing stock selling at area median prices.

The Agency agreed to contribute \$530,000 to the development of Sycamore Place II, a 40-unit, very low income, senior housing development that will mirror an existing and successful complex in Brentwood. The non-profit owner/operator also secured commitments from HUD and Contra Costa County HOME programs, for a total project cost of over \$5M. The site is adjacent to the existing complex, and currently houses the City Corp Yard. The Corp Yard intends to relocate to the Sunset Industrial Complex, recently annexed into the North Brentwood Project Area.

The development of a 40-acre commercial, residential, hotel and restaurant mixed-use was facilitated by the Agency's agreement to reimburse \$1.5M to the developer for assistance towards the roadway improvement costs. The Sand Creek Business Park and Gregory Ranch development will provide 856 jobs, annual sales tax of \$43,000 and transient occupancy tax of \$130,300, as well as return the Agency's investment of \$1.5M in less than eight years from the increased tax increment generated by the project.

The Agency purchased a small parcel adjacent to an existing Agency-owned parcel on the corner of Oak Street and Walnut Boulevard. The Agency is considering the potential develop ability of assembling its two parcels with one privately owned parcel to the south, for a total assemblage of approximately 4.4 acres. The development could consist of retail and/or restaurants, and become a gateway to the downtown area.

Staff has embarked on a Downtown Parking Study to assess the design alternatives, construction costs and financial feasibility of a parking structure in the downtown area. The parking structure will house 21,000 to 30,000 square feet of retail space on the first floor, with three levels of parking above.



Concert in the Park

Summertime in the Downtown concert series was funded by the Redevelopment Agency. The concert series consists of 12 consecutive Wednesday evenings, and brings pedestrians to the downtown. The Agency's contribution will be a benefit to the Downtown area in that it supports, improves and preserves the economic stimulation and revitalization, and encourages and assists in the retention of existing businesses and attraction of new businesses in the Downtown area.

A plan amendment process to add territory to the North Brentwood Redevelopment Area, commonly referred to as the Sunset Industrial Complex, and to extend and re-establish eminent domain authority was approved by the Agency and City Council. The Sunset Industrial Complex will facilitate the reuse of existing light and heavy industrial uses along Brentwood Boulevard in an effort to eliminate conditions of blight.

A Project Area Committee was elected during the plan amendment process. The Committee meets monthly to discuss residential displacement and relocation plans, redevelopment housing activities, and general redevelopment projects.

Staff anticipates developing an economic strategic plan for the Downtown Area and the Brentwood Boulevard Corridor Area in North Brentwood. In addition, the Agency may consider matching funds for a Chamber of Commerce marketing program.

The mid-term review of the Five-Year Implementation Plan will be prepared for approval by the Agency during the 2002/03 fiscal year. An analysis and study will be undertaken to determine the feasibility of adding territory along the Lone Tree Way corridor to the North Brentwood Project Area.

To further its mission in the upcoming 2002/03 year, the Redevelopment Agency will continue the identification of commercial, retail, and industrial development programs, business assistance programs, public improvements and facilities programs, and the assistance and participation in the expansion and improvement of the supply of very low, low and moderate income housing. This would include continuous efforts on the Casitas Del Sol and Sycamore Place II housing projects, Downtown Parking Study, Oak and Walnut assemblage, and summer concert series.

As part of developing a business assistance program, the Agency will also consider the level of participation to assist the voluntary relocation of industrial uses from the Brentwood Boulevard area to the new Sunset Industrial Park to act as a catalyst in the removal of existing blighted conditions and to facilitate reuse and revitalization of the area. To facilitate the success of the Sunset Industrial Complex, the Agency has committed to partially fund the infrastructure improvements in Sunset Industrial Complex.

Risk Management

The City has initiated a limited risk management program for workers' compensation and general liability. As part of this comprehensive plan, resources are being accumulated in a fund balance reserve to meet potential losses. In addition, various risk control techniques, including employee accident prevention training, have been implemented during the year to minimize accident-related losses. Effective with the renewal of excess insurance policies on July 1, 2002, third-party coverage is currently maintained for workers' compensation and risk liability claims up to \$350,000. Risk liability coverage is currently maintained and provides coverage in three tiers:

\$1 million with 18 cities in primary insurance pool, with a \$5,000 deductible;

\$2 million excess \$1 million in an excess self-insurance pool with 135 members;

Through the excess pool, CARMA, we have reinsurance to \$15 million. This is with Am Re and would be \$12 million plus \$3 million.

Total liability coverage is \$15 million, subject to a \$10,000 deductible.

Independent Audit

The Government Code of the State of California requires general law cities, such as the City of Brentwood, to have its financial statements audited by an independent certified public accountant. Accordingly, this year's audit was completed by the accounting firm of Vavrinek, Trine, Day and Co., LLP. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Federal Single Audit Act of 1984 and related OMB Circular A-133. The auditor's report on the general purpose financial statements is included in the financial section hereof. The examination relating to the single audit was found to be under the limit and not needed for fiscal year 2001/02.

Certificate of Achievement

The Government Finance Officers Association (GFOA) offers a recognition program for public entities to determine whether the City conforms to the highest level of governmental accounting and financial reporting standards. Its attainment represents a significant accomplishment by a government and its management. If a city qualifies, a Certificate of Achievement is awarded for a period of one year.

GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Brentwood for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2001, the City's first CAFR. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

We believe that our current CAFR conforms to the Certificate of Achievement program requirements and, therefore, this year we are submitting it to GFOA again this year. The California Society of Municipal Finance Officers (CSMFO) offers a similar recognition program and we will be submitting our CAFR to them as well to determine its eligibility. It is our goal to be awarded both Certificates because it demonstrates that the

City of Brentwood

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City conforms to a high level of financial reporting standards, which may improve the City's future bond rating with the debt investment community.

Acknowledgements

I wish to thank the City Council for providing clear policy direction and goals that have been used to prepare this comprehensive annual financial report. I would also like to express my appreciation to all City of Brentwood staff members who have taken the time to participate in the development of the report. A great deal of effort and attention to detail has gone into the preparation of this document, representing many hours of work by staff members throughout the organization. These dedicated members assisted and contributed to its preparation. Special recognition is given to the Finance Department staff, and specifically Gail Leech, Denise Davies, Patti Bowden, Brian Kelleher and Brenda Cappello. Their efforts made it possible to improve the quality of the information being reported to the citizens, the City Council, and other users on a much timelier basis. Appreciation is also expressed to the Mayor, the City Council, and the City Manager for their interest and support in planning and conducting the financial activities of the City in a responsible and responsive manner.

The City of Brentwood has a bright future ahead because of its committed elected leadership combined with the talents and ingenuity of the individuals within this organization. One of the key components in securing this future is through a well-planned, long-term fiscal strategy, based upon economic development that will generate high paying, long-term employment opportunities, new and stable sales tax revenue sources and improved intergovernmental relations. City Council and staff have taken steps to plan and implement this long-term strategy.

Though the challenges are great, the City is firmly committed to meeting each and every challenge that comes our way. This comprehensive annual financial report is the next step towards meeting those challenges. By continuing to follow the financial policy set forth by the City Council, Brentwood will deliver the highest level of service permitted by the available resources.

Respectfully submitted,

John Stevenson

John Stevenson
City Manager

Pamela Ehler

Pamela Ehler
City Treasurer
Director of Finance and Information Systems



INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying basic financial statements of the City of Brentwood, California, as of and for the year ended June 30, 2002, as listed in the table of contents. These basic financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the City of Brentwood, California, as of June 30, 2002, and the results of its operations and the cash flows of its proprietary funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in the notes to the basic financial statements, the accompanying financial statements reflect certain changes as required by GASB Statement No. 34 for the year ended June 30, 2002. This resulted in a change in the format and content of the basic financial statements.

The Required Supplementary Information, including Management's Discussion and Analysis, as listed in the table of contents, is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. This Required Supplementary Information is the responsibility of the management of the City. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and accordingly, we do not express an opinion.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The combining and individual fund financial statements and schedules listed in the table of contents are presented for purpose of additional analysis and are not a required part of the basic financial statements of the City. These financial statements and schedules are also the responsibility of the management of the City. Such additional information has been subjected to the auditing procedures applied in our audit of the basic financial statements, and in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole. The scope of our audit did not include the statistical schedules listed in the table of contents and we do not express an opinion on them.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 4, 2002 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Vavrinek, Trine, Day & Co., L.L.P.

Pleasanton, California
September 4, 2002

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2002

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, 2002. Please read it in conjunction with the accompanying transmittal letter, the basic financial statements and the accompanying notes to those financial statements.

FINANCIAL HIGHLIGHTS

- The total net assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$280 million. Of this amount, \$29.4 million may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased \$54.6 million, primarily due to the completion of projects and acquisition of assets from developers.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$71.8 million, an increase of \$18.7 million net in comparison to the prior year.
- The City's total debt increased by \$46.7 million. The increase is the result of the funding of the Police Station with a General Obligation Bond and the issuance of Tax Allocation bonds for Redevelopment projects.
- The City established the Emergency Preparedness Fund with a balance of \$2 million at year end.

Overview of the Financial Statements

The financial statements presented herein include all of the activities of the City of Brentwood ("the City") and its component units using the integrated approach as prescribed by GASB Statement No. 34.

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 as prescribed by the statement in regards to interfund activity, payables and receivables.

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2002

The Fund Financial Statements include statements for each of the three categories of activities – governmental, business-type and fiduciary. The governmental activities are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The business-type activities are prepared using the economic resources measurement focus and the accrual basis of accounting. The fiduciary activities are agency funds, which only report a balance sheet and do not have a measurement focus.

Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach.

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities and Changes in Net Assets

The Statement of Net Assets and the Statement of Activities and Changes in Net Assets report information about the City as a whole and about its activities. These statements include *all* assets and liabilities of the City using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's *net assets* and changes in them. Net assets are the difference between assets and liabilities, which is one way to measure the City's financial health, or *financial position*. Over time, *increases or decreases* in the City's net assets 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.

In the Statement of Net Assets and the Statement of Activities and Changes in Net Assets, we separate the City activities as follows:

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

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2002

Business-type Activities – The City charges a fee to customers to cover all or most of the cost of certain services it provides. The City's Wastewater, Solid Waste, Water, Parks and Recreation and City Rental activities are reported in this category.

Fund Financial Statements

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, and other money.

Governmental Funds – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. 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 that 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.

Proprietary Funds - When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Fund Net Assets. In fact, the City's enterprise funds are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities – such as the City's Information Systems and Fleet Maintenance and Equipment Replacement Funds. The Internal Service funds are reported with governmental activities in the Government-Wide financial statements.

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2002

Reporting the City's Fiduciary Responsibilities

The City is the trustee, or *fiduciary*, for certain amounts held on behalf of developers, property owners, and others. The City's fiduciary activities are reported in separate Statements of Fiduciary Net Assets. We exclude these activities from the Government-Wide financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits to its employees, budgetary comparison schedules for the general fund and each major special revenue fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, the net assets for the City as a whole increased 24.20% from \$226 million at June 30, 2001 to \$280 million at June 30, 2002. This increase of \$54.6 million comes from the change in net assets as recorded in the Statement of Activities and flows through the Statement of Net Assets. Program expenses by function, general revenues by major source, excess and/or deficiency of revenues over expenses before contributions to fund principal, special, and extraordinary items, and total assets are presented in the Statement of Activities and Changes in Net Assets.

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2002

	Governmental Activities		Business-Type Activities		Total Primary Governments	
	2002	2001	2002	2001	2002	2001
Revenues:						
Program Revenues:						
Charges for services	\$ 12,131,112	\$ 12,422,500	\$ 12,746,951	\$ 10,692,865	\$ 24,878,063	\$ 23,115,365
Operating grants and revenues	698,207	534,740	-	-	698,207	534,740
Capital grants and contributions	163,450	158,399	-	-	163,450	158,399
General Revenues:						
Taxes:						
Property taxes	5,423,132	4,246,442	532,571	381,293	5,955,703	4,627,735
Sales Tax and Gas Taxes	2,661,107	2,618,538	-	-	2,661,107	2,618,538
Business license, Franchise Fees, Rentals	498,202	411,277	3,788	97,822	501,990	509,099
Public Service Taxes	391,088	316,490	-	-	391,088	316,490
Measure C - TOT	449,654	372,005	-	-	449,654	372,005
Motor Vehicle Taxes	1,423,128	1,226,478	-	-	1,423,128	1,226,478
Other Taxes	-	249,072	-	-	-	249,072
Investment earnings	3,122,319	3,061,885	1,247,935	1,278,451	4,370,254	4,340,336
Impact Fees	10,729,361	14,997,744	11,453,897	17,260,336	22,183,258	32,258,080
Capital Contributions	20,450,758	1,956,747	8,876,407	-	29,327,165	1,956,747
Miscellaneous	1,971,847	280,227	-	-	1,971,847	280,227
Total Revenues	60,113,365	42,852,545	34,861,549	29,710,767	94,974,914	72,563,312
Expenses:						
General Government	5,331,756	4,592,931	-	-	5,331,756	4,592,931
Public Safety	5,681,464	5,579,676	-	-	5,681,464	5,579,676
Community Development	2,944,722	7,884,275	-	-	2,944,722	7,884,275
Engineering	1,577,558	-	-	-	1,577,558	-
Public Works	2,783,123	3,752,576	-	-	2,783,123	3,752,576
Parks	744,725	169,711	-	-	744,725	169,711
Community Services	581,152	-	-	-	581,152	-
Other	2,805,061	463,613	-	-	2,805,061	463,613
Interest on Long-Term Debt	2,789,903	983,201	-	-	2,789,903	983,201
Wastewater	-	-	2,813,091	2,728,627	2,813,091	2,728,627
Solid Waste	-	-	2,703,827	2,582,651	2,703,827	2,582,651
Water	-	-	6,394,410	7,658,566	6,394,410	7,658,566
Parks and Recreation	-	-	2,749,011	2,387,882	2,749,011	2,387,882
City Rentals	-	-	396,025	77,208	396,025	77,208
Total Expenses	25,239,464	23,425,983	15,056,364	15,434,934	40,295,828	38,860,917
Increase in net assets before transfers	34,873,901	19,426,562	19,805,185	14,275,833	54,679,086	33,702,395
Transfers	(870,776)	1,890,753	870,776	(801,977)	-	1,088,776
Increase (decrease) in net assets	34,003,125	21,317,315	20,675,961	13,473,856	54,679,086	34,791,171
Net assets 7/1/01, as restated	149,591,581	128,274,266	76,285,733	62,811,877	225,877,314	191,086,143
Net assets 6/30/02	\$ 183,594,706	\$ 149,591,581	\$ 96,961,694	\$ 76,285,733	\$ 280,556,400	\$ 225,877,314

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2002

The City's combined Net Assets for fiscal year ended June 30, 2002 were:

	Governmental Activities		Business-Type Activities		Total	
	2002	2001	2002	2001	2002	2001
Current and other assets	\$ 89,666,864	\$ 64,275,430	\$ 30,225,305	\$ 26,821,456	\$ 119,892,169	\$ 91,096,886
Capital assets	147,070,420	107,668,177	117,482,994	82,958,987	264,553,414	190,627,164
Total assets	<u>\$ 236,737,284</u>	<u>\$ 171,943,607</u>	<u>\$ 147,708,299</u>	<u>\$ 109,780,443</u>	<u>\$ 384,445,583</u>	<u>\$ 281,724,050</u>
Long-term liabilities outstanding	\$ 39,214,503	\$ 12,630,838	\$ 47,180,897	\$ 29,620,998	\$ 86,395,400	\$ 42,251,836
Other liabilities	13,928,075	9,721,188	3,565,708	3,873,712	17,493,783	13,594,900
Total liabilities	<u>\$ 53,142,578</u>	<u>\$ 22,352,026</u>	<u>\$ 50,746,605</u>	<u>\$ 33,494,710</u>	<u>\$ 103,889,183</u>	<u>\$ 55,846,736</u>
Net assets:						
Invested in capital assets, net of related debt	\$ 107,356,555	\$ 1,783,730	\$ 68,499,556	\$ 44,714,572	\$ 175,856,111	\$ 46,498,302
Restricted	47,295,121	139,285,180	27,949,628	-	75,244,749	139,285,180
Unrestricted	28,943,030	8,522,671	512,510	31,571,161	29,455,540	40,093,832
Total Net Assets, Restated	<u>\$ 183,594,706</u>	<u>\$ 149,591,581</u>	<u>\$ 96,961,694</u>	<u>\$ 76,285,733</u>	<u>\$ 280,556,400</u>	<u>\$ 225,877,314</u>

The City's net assets from governmental activities increased 22.73% from \$149.6 million to \$183.6 million. Invested in Capital assets net of related debt increased \$105.6 million due to the completion of projects. Restricted net assets decreased \$91.9 million overall as a result of the reclassification of assets as reserved for specific projects and programs.

The City's net assets from business-type activities increased 27.10% from \$76.2 million to \$96.9 million. Invested in Capital assets, net of related debt increased \$23.7 million due primarily to the completion of projects. The unrestricted net assets decreased by \$31 million as a result of the reclassification of assets as reserved for specific projects and programs.

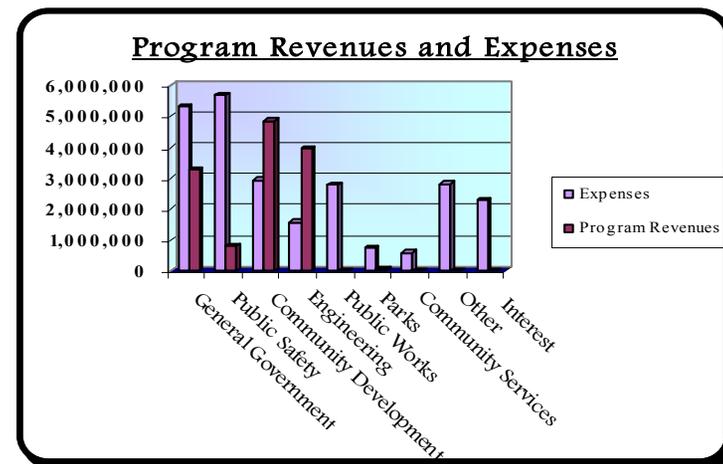
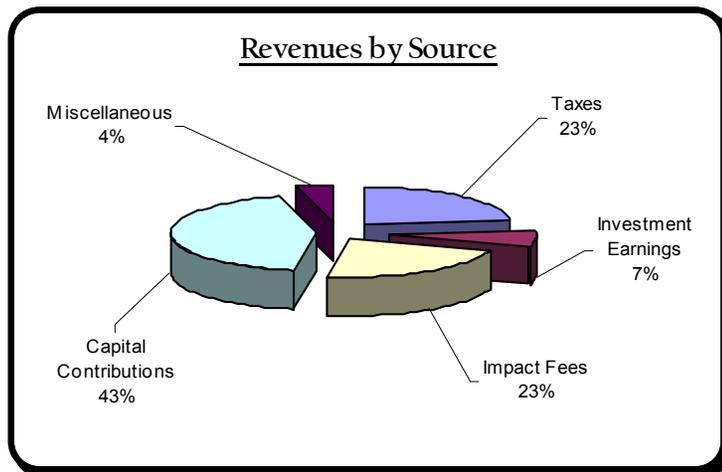
Management's Discussion and Analysis

Fiscal Year Ended June 30, 2002

The cost of all Governmental activities this year was \$25.2 million. However, as shown in the Statement of Activities, the amount that the taxpayers ultimately financed for these activities was only \$12.2 million because some of the cost was paid by those who directly benefited from the programs (\$12.1 million), or by other governments and organizations that subsidized certain programs with operating grants and contributions (\$.7 million) and capital grants and contributions (\$.2 million). Community Development and Engineering show a net revenue of \$1.9 and \$2.4 million, respectively, which is the result of this aggressive growth. Overall, the City's governmental program revenues were \$13 million. The City paid for the remaining "public benefit" portion of governmental activities with \$10.8 million in taxes (some of which could only be used for certain programs) and with other revenues, such as interest and general entitlements.

Total resources available during the year to finance governmental operations were \$242.8 million consisting of Net Assets at July 1, 2001 of \$149.6 million, program revenues of \$13 million and General Revenues of \$46.2 million. Total Governmental Activities during the year were \$25.2 million; thus Net Assets were increased by \$34 million to \$183.6 million.

GOVERNMENTAL ACTIVITIES



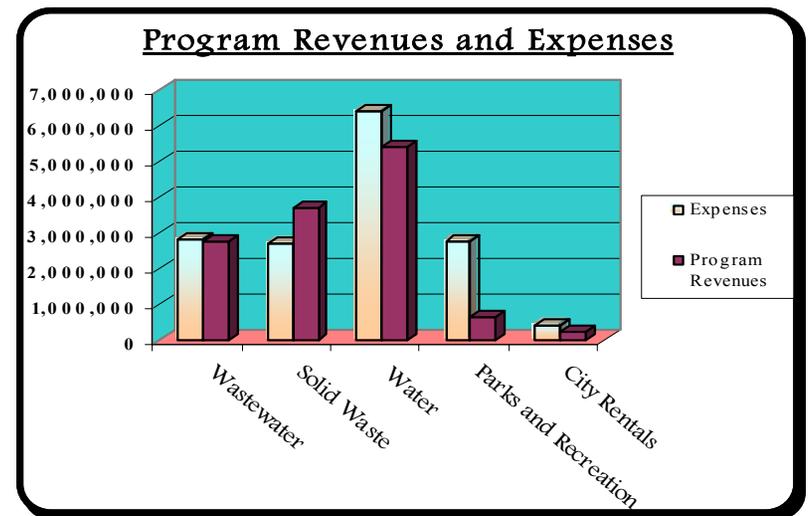
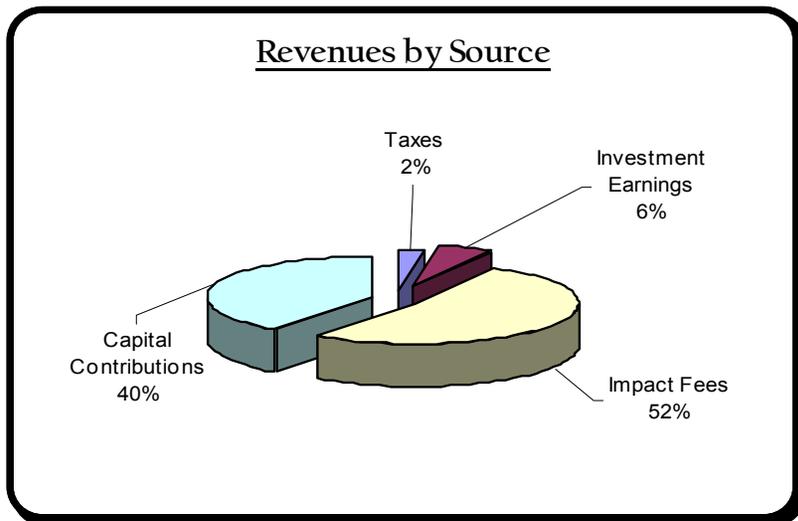
Management's Discussion and Analysis

Fiscal Year Ended June 30, 2002

BUSINESS TYPE ACTIVITIES

The cost of all Proprietary (Business Type) activities this year was \$15.0 million. As shown in the Statement of Activities and Changes in Net Assets, the amounts paid by users of the systems was \$12.7 million. Investment earnings were \$1.2 million and Impact Fees totaled \$11.4 million.

Total resources available during the year to finance Proprietary Fund (Business Type) Activities were \$132.7 million consisting of Net Assets at July 1, 2001 of \$76.3 million, program revenues of \$12.7 million and General Revenues of \$23.0 million. Total Proprietary Fund (Business Type) Activities during the year were \$15 million; thus Net Assets were increased by \$20.7 million to \$97 million.



Management's Discussion and Analysis

Fiscal Year Ended June 30, 2002

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The fund balance at year-end for the City's General Fund of \$8,960,546 is an overall increase of \$5,087,540 over last year, primarily due to the issuance of a General Obligation Bond for the new Police facilities. A balance of \$4,000,000 is invested until needed.

Internal Service Funds show an increase of \$3,192,298. The City has been able to continue to fully fund all the replacement funds and add \$2,000,000 to the new Emergency Preparedness Fund.

The Special Revenue Funds decreased by \$5,060,759 from the prior year, this is attributable to the aggressive building of Roadway infrastructure the City Council has committed to.

The Debt Service Funds increased by \$1,978,235 due to the issuance of new debt for the City's Capital Improvement Financing Program (CIFP's) for new infrastructure, there is no liability to the City for these bonds.

The Capital Projects Funds increased by \$16,781,317 from the prior year, this is attributable to the aggressive building program the City has adopted.

DEBT ADMINISTRATION

Debt, considered a liability of governmental activities, increased in FY 2001/02 by \$29,132,343. Per capita debt outstanding increased from \$342 to \$1,245 per capita compared to the prior fiscal year due primarily to the issuance of the Certificates of Participation Bonds and General Obligation Bonds for the new Police Facility. Detailed information regarding long-term debt activity can be found in Notes to the Basic Financials.

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2002

	Balance June 30, 2001	Incurred or Issued	Satisfied or Matured	Balance June 30, 2002
Governmental Activities				
Certificates of Participation	\$ 865,000	\$ -	\$ 270,000	\$ 595,000
Tax Allocation Bonds	3,240,000	-	3,240,000	-
CIP 2001 Revenue Bonds	-	32,080,000	-	32,080,000
Capital Improvement Programs	5,320,000	-	5,320,000	-
2002 General Obligation Payable	-	5,999,976	-	5,999,976
Capital Leases	202,951	-	24,847	178,104
Accumulated Compensated Absences	454,209	69,269	162,055	361,423
Total Governmental Activities	\$ 10,082,160	\$ 38,149,245	\$ 9,016,902	\$ 39,214,503
Business-Type Activities				
Lease Payable	293,878	-	97,523	196,355
Notes Payable	4,273,165	-	3,197,336	1,075,829
Note Payable - State Water Resources	12,428,954	21,010,789	-	33,439,743
Water and Wastewater Revenue Bonds	12,625,001	-	295,001	12,330,000
Accumulated Compensated Absences	-	138,970	-	138,970
Total Business-Type Activities	\$ 29,620,998	\$ 21,149,759	\$ 3,589,860	\$ 47,180,897

Debt of the business-type activities increased by \$17,559,899 in FY 2001/02 as a result of the issuance of the State Water Resources loan for the new Wastewater Treatment Facility.

CASH MANAGEMENT

The City invests temporarily idle cash in accordance with the Government Code and a formal investment policy approved by the City Council. This policy limits investments to certain types of instruments and requires that investments must meet established criteria for safety, liquidity and yield. As of June 30, 2002, investments (not including investments with fiscal agent) totaled \$105.8 million of which \$50.8 was invested in the California State Local Agency Investment Fund (LAIF) and \$55 in other investments managed by

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2002

Public Financial Management (PFM). The portfolio managed by Public Financial Management is in full compliance with California Government Code Section 53601 and the City's investment policy.

The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by federal depository insurance or collateralized, with all collateral held either by the City, its agent, or a financial institution's trust department in the City's name. All investments held by the government during the year and at June 30, 2002, are classified in the category of lowest credit risk as defined by the Governmental Accounting Standards Board.

To obtain flexibility in cash management, the City employs a pooled cash system (Reference Note 3 in the Notes to the Basic Financial Statements). Under the pooled cash concept, the City invests the cash of all funds with maturities planned to coincide with cash needs. Idle cash is invested in certain eligible securities as constrained by law and further limited by the City's Investment Policy. The goals of the City's Investment Policy are safety, liquidity and yield.

CAPITAL ASSETS

The capital assets of the City are those assets, which are used in the performance of the City's functions including infrastructure assets. At June 30, 2002, net capital assets of the governmental activities totaled \$147,070,420 and the net capital assets of the business-type activities totaled \$117,482,994. Depreciation on capital assets is recognized in the Government-Wide financial statements. Detailed information regarding Capital Assets can be found in Notes to the Basic Financials.

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2002

The City has elected to use the depreciation method as defined by GASB Statement No. 34 for infrastructure reporting.

	Original Cost	Accumulated Depreciation	Book Value
Capital Assets - Governmental Assets:			
Land	\$ 28,102,645	\$ -	\$ 28,102,645
Land Improvements	282,074	109,096	172,978
Buildings	5,755,996	1,107,474	4,648,522
Infrastructure	119,054,973	25,275,262	93,779,711
Equipment	1,536,499	647,509	888,990
Vehicles	1,716,247	865,993	850,254
Work in Progress – CIP	18,627,320	-	18,627,320
Total Governmental Assets	\$175,075,754	\$28,005,334	\$ 147,070,420
Capital Assets - Business-Type Assets:			
Land	\$ 414,352	\$ -	\$ 414,352
Land Improvements	1,763,693	593,977	1,169,716
Buildings	34,117,746	2,851,802	31,265,944
Infrastructure	60,722,034	7,112,272	53,609,762
Equipment	3,781,166	1,742,080	2,039,086
Vehicles	1,558,902	964,601	594,301
Work in Progress – CIP & Infrastructure	27,811,453	-	27,811,453
Intangible Assets	597,532	19,152	578,380
Total Business-Type Assets	\$130,766,878	\$13,283,884	\$ 117,482,994

GENERAL FUND BUDGETARY HIGHLIGHTS

Comparing the FY 2001/02 original budget (or adopted) General Fund amount of \$13,159,477 to the final budget amount of \$15,326,827 shows a net increase of \$2,167,350.

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2002

<u>Beginning Balance</u>	+	<u>Supplemental Changes</u>	=	<u>Final Budget</u>
\$13,159,477	+	2,167,350	=	\$15,326,827

Supplemental General Fund budget changes were made at the mid-year budget review. They include the following:

- \$6,000,000 General Obligation Bonds issued, \$2,000,000 was budgeted for project expenditures in the current year
- \$117,350 reorganization resulting from reclassifications
- \$50,000 donation to the PAL Program

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The key assumptions in the General Fund revenue forecast for fiscal year 2002/03 were:

1. Property tax revenues will increase by 29.97% due to an estimated rise in assessed valuation and general growth.
2. Sales tax revenues will increase by 27.56% as a result of anticipated growth in the retail base.
3. The 14.89% increase in Franchise Fees as a result of increased rates.
4. Investment earnings will increase from the merging of Engineering and Community Development into the General Fund.
5. Approximately 850 new housing units will be constructed.
6. Decrease in Development Services Administration is due to the merger of Engineering and Community Development into the General Fund. This is directly offset by the decrease in Administration costs to those Departments.

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2002

New items specifically addressed in the 2002/03 budget were:

Public Safety With the rapid growth in Brentwood, the need to maintain the required 1.5 Sworn Officers per 1,000 residents mean an additional eight officers will be needed for 2002/03. As the City grows in residential and commercial locations, the need for nearby public safety facilities and staffing expands accordingly. Additional non-sworn Police staffing includes two records clerks. Also included in the budget were the Police Incentive Program and Police Silent Second Program. Additionally, \$400,000 was budgeted to add a third firefighter at each Fire Station.

Recreational and Cultural Continued support for the PAL Program, Dimes A Ride, Woman's Club, Library, and REACH were included in the budget. The City will have seven parks coming on-line in 2003 that will add 30+ acres. Additional program expansion will result with the opening of Liberty High School community gymnasium and the Senior Advisory board. The department will also be expanding the computerized recreation registration/facility rental program to include an on-line registration option to provide service to citizens who wish to register at home from their personal computers.

Administration The addition of an Assistant City Manager will meet the needs of a rapidly growing city to stay in touch with its residents.

Business License City Council authorized the placement of a measure on the November 2002 ballot to increase the 54-year old business license tax rate. If passed, revenue would substantially increase.

Transportation Street Paving Equipment has been included in the 2002/03 Budget. Transportation issues remain at the forefront for the community. Sandcreek Road will interconnect the North end of the City to the new Bypass. This will improve traffic flow.

Retail Expansion Sand Creek Crossing, a 260,000 square foot community center, was completed and will offer the far-east county population shopping opportunities that have not been present in the region. This center will include TJ Maxx, Home Goods, and Raley's stores.

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2002

Economic Development/Redevelopment The budget focus's on the following items:

- Update of our trade area demographic information
- Creation and distribution of marketing materials
- Debt service on the 2001 Series Tax Allocation Bonds
- Downtown Parking Study
- Sunset Industrial Complex Construction and Marketing
- Assembly of properties located at Oak and Walnut
- Installation of Sewer and Water facilities in Downtown
- Property acquisition for Christian Church Homes

The Economic Development Department also advanced two important capital improvement projects during the last year. A 17,000 square foot campus for Los Mendanos College was completed and occupied in September 2001 providing a full AA degree curriculum for our residents. The City also constructed an adjacent 17,000 square foot Business and Technology Incubator to provide an affordable workplace for our resident entrepreneurs. The final entitlements for the Sunset Industrial Complex were received in June 2002 and construction is scheduled to start in September 2002. This is a 28-acre medium industrial project that will be sold to multiple end-users.

Facility Development The Public Works Department will be relocating to temporary facilities on City of Brentwood-owned property next to the newly constructed wastewater treatment plant. Five acres of the 13-acre site will be improved for the temporary facility. The remaining acreage will be improved and prepared for the final corpyard facility planned to be constructed in the next three to five years.

Water, Wastewater, and Solid Waste All three enterprises are in the process of conducting user rate studies. Solid Waste is preparing a Master Plan to address current and future faculty needs and operational efficiencies. The Wastewater Enterprise is updating its renewal and replacement schedule to address the new facilities and equipment associated with the new treatment plant.

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2002

Emergency Preparedness Fund A new fund was established to insure financial integrity in case of an emergency, disaster or catastrophic event.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report, separate reports of the City's component units or need any additional financial information, contact the Office of Finance at 708 Third Street, Brentwood, California 94513, phone (925) 516-5415 or e-mail dept-finance@ci.brentwood.ca.us.

Government-Wide Financial Statements

- Statement of Net Assets
- Statement of Activities and Changes in Net Assets



City of Brentwood
Statement of Net Assets
June 30, 2002

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Investments	\$ 55,781,957	\$ 25,873,454	\$ 81,655,411
Restricted Cash and Investments	30,790,812	867,668	31,658,480
Receivables	2,253,264	2,159,570	4,412,834
Prepays	365,020	11,125	376,145
Land Held for Resale	475,811	-	475,811
Non-Current Assets:			
Deferred Charges	-	630,746	630,746
Long-term Loans Receivable	-	682,742	682,742
Capital Assets, Net	128,443,100	89,671,541	218,114,641
Work in Progress	18,627,320	27,811,453	46,438,773
Total Assets	236,737,284	147,708,299	384,445,583
LIABILITIES AND NET ASSETS			
Current Liabilities:			
Accounts Payable	6,627,741	2,669,691	9,297,432
Other Liabilities	46,019	35,293	81,312
Long-term Debt due within One Year	822,100	572,162	1,394,262
Deferred Revenue	1,045,628	752,515	1,798,143
Deposits Held	5,984,200	103,912	6,088,112
Compensated Absences Payable	224,487	4,297	228,784
Non-current Liabilities due in more than One Year:			
Bonds Payable	37,939,976	12,020,000	49,959,976
Notes Payable	-	34,309,275	34,309,275
Capital Leases Payable	91,004	140,490	231,494
Compensated Absences Payable	361,423	138,970	500,393
Total Liabilities	53,142,578	50,746,605	103,889,183
Net Assets:			
Investment in Capital Assets, Net of Related Debt	107,356,555	68,499,556	175,856,111
Restricted for:			
Debt Service	3,216,986	-	3,216,986
Specific Projects and Programs	44,078,135	27,949,628	72,027,763
Unrestricted	28,943,030	512,510	29,455,540
Total Net Assets	\$ 183,594,706	\$ 96,961,694	\$ 280,556,400

City of Brentwood
Statement of Activities and Changes in Net Assets
For Year Ended June 30, 2002

Functions/Programs	Program Revenues					Net (Expenses) Revenues and Changes in Net Assets		
	Expenses	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Total	Primary Government		
						Governmental Activities	Business-Type Activities	Total
Primary Government:								
Government Activities								
General Government	\$ 5,331,756	\$ 2,931,381	\$ 358,729	\$ 1,707	\$ 3,291,817	\$ (2,039,939)	\$ -	\$ (2,039,939)
Public Safety	5,681,464	371,995	281,663	161,743	815,401	(4,866,063)	-	(4,866,063)
Community Development	2,944,722	4,851,821	-	-	4,851,821	1,907,099	-	1,907,099
Engineering	1,577,558	3,969,265	-	-	3,969,265	2,391,707	-	2,391,707
Public Works	2,783,123	6,650	-	-	6,650	(2,776,473)	-	(2,776,473)
Parks	744,725	-	57,815	-	57,815	(686,910)	-	(686,910)
Community Services	581,152	-	-	-	-	(581,152)	-	(581,152)
Other	2,805,061	-	-	-	-	(2,805,061)	-	(2,805,061)
Interest on Long-Term Debt	2,789,903	-	-	-	-	(2,789,903)	-	(2,789,903)
Total Governmental Activities	<u>25,239,464</u>	<u>12,131,112</u>	<u>698,207</u>	<u>163,450</u>	<u>12,992,769</u>	<u>(12,246,695)</u>	<u>-</u>	<u>(12,246,695)</u>
Business-Type Activities								
Wastewater	2,813,091	2,764,158	-	-	2,764,158	-	(48,933)	(48,933)
Solid Waste	2,703,827	3,725,346	-	-	3,725,346	-	1,021,519	1,021,519
Water	6,394,410	5,414,427	-	-	5,414,427	-	(979,983)	(979,983)
Parks and Recreation	2,749,011	626,179	-	-	626,179	-	(2,122,832)	(2,122,832)
City Rentals	396,025	216,841	-	-	216,841	-	(179,184)	(179,184)
Total Business-Type Activities	<u>15,056,364</u>	<u>12,746,951</u>	<u>-</u>	<u>-</u>	<u>12,746,951</u>	<u>-</u>	<u>(2,309,413)</u>	<u>(2,309,413)</u>
Total Primary Government	<u>\$ 40,295,828</u>	<u>\$ 24,878,063</u>	<u>\$ 698,207</u>	<u>\$ 163,450</u>	<u>\$ 25,739,720</u>	<u>(12,246,695)</u>	<u>(2,309,413)</u>	<u>(14,556,108)</u>
General Revenues:								
Taxes:								
Property Taxes						5,423,132	532,571	5,955,703
Sales Tax and Gas Taxes						2,661,107	-	2,661,107
Business Licenses, Franchise Fees, Rental						498,202	3,788	501,990
Public Services Taxes						391,088	-	391,088
Measure C, TOT						449,654	-	449,654
Motor Vehicle Taxes						1,423,128	-	1,423,128
Investment Earnings						3,122,319	1,247,935	4,370,254
Impact Fees						10,729,361	11,453,897	22,183,258
Capital Contributions						20,450,758	8,876,407	29,327,165
Miscellaneous						1,971,847	-	1,971,847
Transfers						(870,776)	870,776	-
Total General Revenues and Transfers						<u>46,249,820</u>	<u>22,985,374</u>	<u>69,235,195</u>
Change in Net Assets						<u>34,003,125</u>	<u>20,675,961</u>	<u>54,679,086</u>
Net Assets - Beginning of Year						<u>149,591,581</u>	<u>76,285,733</u>	<u>225,877,314</u>
Net Assets - End of Year						<u>\$ 183,594,706</u>	<u>\$ 96,961,694</u>	<u>\$ 280,556,400</u>

Governmental Fund Financial Statements

- Balance Sheet – Governmental Funds
- Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Assets
- Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds
- Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-Wide Statement of Activities and Changes in Net Assets



Dimes-A-Ride

City of Brentwood
Balance Sheet
Governmental Funds
June 30, 2002

	Special Revenue				Capital Projects			Other Governmental Funds	Total Governmental Funds
	General Fund	Thoroughfares	Community Development	Engineering	Capital Improvement Financing Program CIFP 2000-1	Capital Projects	Capital Improvement Financing Program CIFP 94-1		
ASSETS									
Current Assets:									
Cash and Investments	\$ 13,740,801	\$ 30,375	\$ 5,952,965	\$ 7,286,012	\$ -	\$ 11,723,616	\$ -	\$ 12,597,347	\$ 51,331,116
Restricted Cash and Investments	4,002,431	-	-	-	2,912,194	-	6,008,502	17,867,685	30,790,812
Receivables	678,031	1,190,925	60,387	79,248	-	13,409	-	750,583	2,772,583
Prepays	341,374	-	4,923	3,018	-	4,228	-	9,552	363,095
Land Held for Resale	-	-	-	-	-	-	-	475,811	475,811
Total Assets	\$ 18,762,637	\$ 1,221,300	\$ 6,018,275	\$ 7,368,278	\$ 2,912,194	\$ 11,741,253	\$ 6,008,502	\$ 31,700,978	\$ 85,733,417
LIABILITIES AND FUND BALANCES									
Current Liabilities									
Accounts Payable and Accrued Liabilities	\$ 3,790,205	\$ 5,275	\$ 31,370	\$ 38,285	\$ -	\$ 2,245,921	\$ -	\$ 490,933	\$ 6,601,989
Other Liabilities	-	-	-	-	-	-	-	46,019	46,019
Deferred Revenue	18,328	921,449	40,209	-	-	-	-	65,301	1,045,287
Deposits Held	5,983,200	-	-	-	-	-	-	1,000	5,984,200
Compensated Absences Payable	10,358	-	102,301	45,689	-	64,110	-	1,209	223,667
Total Liabilities	9,802,091	926,724	173,880	83,974	-	2,310,031	-	604,462	13,901,162
Fund Balances:									
Reserved for:									
Prepays	341,374	-	4,923	3,018	-	4,228	-	9,552	363,095
Land Held for Resale	-	-	-	-	-	-	-	475,811	475,811
Debt Service	-	-	-	-	-	-	-	3,216,986	3,216,986
Specific Projects and Programs	4,002,431	-	-	-	2,912,194	9,426,994	6,008,502	20,889,108	43,239,229
Unreserved, Reported in:									
General Fund	4,616,741	-	-	-	-	-	-	-	4,616,741
Special Projects	-	-	5,839,472	7,281,286	-	-	-	20,099	13,140,857
Capital Projects	-	294,576	-	-	-	-	-	6,484,960	6,779,536
Total Fund Balances	8,960,546	294,576	5,844,395	7,284,304	2,912,194	9,431,222	6,008,502	31,096,516	71,832,255
Total Liabilities and Fund Balances	\$ 18,762,637	\$ 1,221,300	\$ 6,018,275	\$ 7,368,278	\$ 2,912,194	\$ 11,741,253	\$ 6,008,502	\$ 31,700,978	\$ 85,733,417

City of Brentwood

***Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Assets
June 30, 2002***

Total Fund Balances - Total Governmental Funds	\$ 71,832,255
Amounts reported for Governmental Activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheets.	146,584,746
Internal Service Funds are used by management to charge to 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 Assets.	4,740,793
Long-term liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Funds Balance Sheet.	<u>(39,563,088)</u>
Net Assets of Government Activities	<u><u>\$ 183,594,706</u></u>

City of Brentwood
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For Year Ended June 30, 2002

	Special Revenues				Capital Projects			Other Governmental Funds	Total Governmental Funds
	General Fund	Thoroughfares	Community Development	Engineering	Capital Improvement Financing Program 2000-1	Capital Projects	Capital Improvement Financing Program 94-1		
REVENUES									
Taxes	\$ 5,182,419	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,404,939	\$ 8,587,358
Licenses	66,810	-	-	-	-	-	-	-	66,810
Permits and Fines	149,560	-	4,851,821	2,040,244	-	-	-	-	7,041,625
Uses of Money and Property	703,354	328,361	300,171	428,750	69,325	-	183,093	1,078,055	3,091,109
Intergovernmental	1,729,769	300,000	-	-	-	-	-	599,289	2,629,058
Franchises	338,692	-	-	-	-	-	-	-	338,692
Charges for Other Services	215,430	-	3,347	606,841	-	-	-	-	825,618
Charges to Other Funds	4,203,653	-	-	-	-	-	-	-	4,203,653
Fees and Other Revenues	92,194	6,921,620	-	1,610	-	687,400	-	3,839,245	11,542,069
Total Revenues	12,681,881	7,549,981	5,155,339	3,077,445	69,325	687,400	183,093	8,921,528	38,325,992
EXPENDITURES									
Current:									
General Government	2,878,194	-	-	-	-	-	-	1,205,311	4,083,505
Public Safety	5,947,124	-	-	-	-	-	-	163,552	6,110,676
Community Development	-	-	2,793,184	-	14,349	-	-	324,084	3,131,617
Engineering	-	-	-	1,687,754	-	-	-	-	1,687,754
Public Works	1,398,012	-	-	-	-	-	-	-	1,398,012
Parks	773,284	-	-	-	-	-	-	-	773,284
Community Services	152,988	-	-	-	-	-	-	428,164	581,152
Other	576,399	393,238	-	-	-	1,873,428	-	73,210	2,916,275
Capital Outlay	-	3,414,140	-	-	475,376	14,562,289	2,680,584	4,209,572	25,341,961
Debt Service:									
Principal	-	-	-	-	-	-	-	294,847	294,847
Interest	-	160,000	-	-	-	-	-	2,616,146	2,776,146
Total Expenditures	11,726,001	3,967,378	2,793,184	1,687,754	489,725	16,435,717	2,680,584	9,314,886	49,095,229
REVENUES OVER (UNDER) EXPENDITURES	955,880	3,582,603	2,362,155	1,389,691	(420,400)	(15,748,317)	(2,497,491)	(393,358)	(10,769,237)
OTHER FINANCING SOURCES (USES)									
Loan and Bond Proceeds	-	-	-	-	-	-	-	38,079,976	38,079,976
Refunding Bonds Issued	-	-	-	-	-	-	-	(8,560,000)	(8,560,000)
Capital Contributions	-	-	-	-	-	1,333,397	-	1,522,972	2,856,369
Transfers In	6,691,760	152,961	-	-	-	20,544,091	-	27,004,065	54,392,877
Transfers Out	(2,560,100)	(13,773,589)	(1,000,000)	(1,000,000)	-	(277,643)	-	(38,602,320)	(57,213,652)
Total Other Financing Sources (Uses)	4,131,660	(13,620,628)	(1,000,000)	(1,000,000)	-	21,599,845	-	19,444,693	29,555,570
NET CHANGE IN FUND BALANCE	5,087,540	(10,038,025)	1,362,155	389,691	(420,400)	5,851,528	(2,497,491)	19,051,335	18,786,333
Fund Balance, Beginning of Year, Restated	3,873,006	10,332,601	4,482,240	6,894,613	3,332,594	3,579,694	8,505,993	12,045,181	53,045,922
Fund Balance, End of Year	\$ 8,960,546	\$ 294,576	\$ 5,844,395	\$ 7,284,304	\$ 2,912,194	\$ 9,431,222	\$ 6,008,502	\$ 31,096,516	\$ 71,832,255

City of Brentwood

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities and Changes in Net Assets For Year Ended June 30, 2002

Net Changes in Fund Balances - Total Governmental Funds \$ 18,786,333

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental Funds report capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Assets, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period. 25,341,961

Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities and Changes in Net Assets, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in Governmental Funds. (1,779,512)

The net effect of various miscellaneous transactions involving Capital Assets (i.e.: sales, trade-ins, and contributions) is to increase net assets. 17,594,388

To record the net change in compensated absences in the Statement of Activities. 92,786

Bond proceeds provide current financial resources to governmental Funds, but issuing debt increases long-term liabilities in the Government-Wide Statement of Net Assets. Repayment of bond principal is an expenditure in Governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Assets.

This amount represents bond proceeds. (38,079,976)

This amount represents long-term debt repayments. 294,847

This amount represents Refunding Bonds Issued. 8,560,000

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. 3,192,298

Changes in Net Assets of Government Activities \$ 34,003,125

Proprietary Funds Financial Statements

The Proprietary Funds Financial Statements are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the City Council is that the costs of providing goods or services to the general public, on a continuing basis, be financed or recovered primarily through user charges.



Wastewater Treatment Plant

Wastewater Enterprise – To account for the operation and maintenance of the wastewater system which is funded by user charges and other fees.

Solid Waste Enterprise – To account for the operation and maintenance of the collection of solid waste generated within City limits.

Water Enterprise – To account for the City's water operations and maintenance which supplies water to the City.

Parks and Recreation – To account for the maintenance and operation of the City-owned and maintained park and recreation facilities programs.

City Rentals – All City facilities rented and maintained through this fund.

Internal Service Funds – Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the City, on a cost reimbursement basis.



Community Center

City of Brentwood
Statement of Net Assets
Proprietary Funds
June 30, 2002

	Wastewater	Solid Waste	Water	Parks and Recreation	City Rentals	Totals	Governmental Activities - Internal Service Funds
ASSETS							
Current Assets:							
Cash and Investments	\$ 10,263,755	\$ 764,640	\$ 11,164,665	\$ 3,804,416	\$ (124,022)	\$ 25,873,454	\$ 4,450,841
Restricted Cash and Investments	176,893	-	690,765	10	-	867,668	-
Receivables	791,195	401,772	871,844	33,893	60,866	2,159,570	33,896
Prepays	2,264	2,565	3,281	2,813	202	11,125	1,925
Non-Current Assets:							
Deferred Charges	125,456	-	505,290	-	-	630,746	-
Long-Term Loans Receivable	-	-	605,008	77,734	-	682,742	-
Capital Assets, Net	37,133,237	1,753,242	35,489,701	13,894,446	1,400,915	89,671,541	485,674
Work in Progress	23,211,812	21,673	1,799,898	1,278,070	1,500,000	27,811,453	-
Total Assets	71,704,612	2,943,892	51,130,452	19,091,382	2,837,961	147,708,299	4,972,336
LIABILITIES AND NET ASSETS							
Current Liabilities:							
Accounts Payable	1,071,846	258,751	988,241	318,338	32,515	2,669,691	25,752
Other Liabilities	-	7,384	-	27,909	-	35,293	-
Long-term Debt due within One Year	50,102	262,162	259,898	-	-	572,162	-
Deferred Revenue	314,603	-	392,690	33,688	11,534	752,515	341
Deposits Held	-	4,000	69,750	4,245	25,917	103,912	-
Compensated Absences Payable	793	906	1,077	1,471	50	4,297	820
Non-Current Liabilities due in more than one year:							
Bonds Payable	2,260,748	-	9,759,252	-	-	12,020,000	-
Notes Payable	33,439,743	869,532	-	-	-	34,309,275	-
Capital Lease Payable	-	140,490	-	-	-	140,490	178,104
Compensated Absences Payable	25,654	29,300	34,837	47,554	1,625	138,970	26,526
Total Liabilities	37,163,489	1,572,525	11,505,745	433,205	71,641	50,746,605	231,543
Net Assets:							
Invested in Capital Assets, Net of Related Debt	24,594,456	732,020	25,099,649	15,172,516	2,900,915	68,499,556	-
Restricted	9,784,842	554,963	13,746,695	3,863,128	-	27,949,628	-
Unrestricted	161,825	84,384	778,363	(377,467)	(134,595)	512,510	4,740,793
Total Net Assets	\$ 34,541,123	\$ 1,371,367	\$ 39,624,707	\$ 18,658,177	\$ 2,766,320	\$ 96,961,694	\$ 4,740,793

City of Brentwood
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For Year Ended June 30, 2002

	Wastewater	Solid Waste	Water	Parks and Recreation	City Rentals	Totals	Governmental Activities - Internal Service Funds
Operating Revenues:							
Charges for Services	\$ 2,614,068	\$ 3,590,827	\$ 5,377,073	\$ 538,476	\$ 212,787	\$ 12,333,231	\$ 2,524,367
Other Income	150,090	138,307	37,354	87,703	4,054	417,508	9,163
Total Operating Revenues	2,764,158	3,729,134	5,414,427	626,179	216,841	12,750,739	2,533,530
Operating Expenses:							
Personnel Services	697,447	863,124	988,210	1,153,404	33,624	3,735,809	709,083
Repairs and Maintenance	337,777	491,442	782,076	183,938	66,234	1,861,467	231,040
Materials, Supplies, and Services	1,319,973	1,364,266	3,934,110	1,197,443	206,167	8,021,959	537,576
Depreciation and Amortization	565,152	297,998	308,574	270,358	90,000	1,532,082	(90,564)
Total Operating Expense	2,920,349	3,016,830	6,012,970	2,805,143	396,025	15,151,317	1,387,135
Operating Income (Loss)	(156,191)	712,304	(598,543)	(2,178,964)	(179,184)	(2,400,578)	1,146,395
Non-Operating Revenues (Expenses):							
Interest Income	512,644	13,625	535,702	185,964	-	1,247,935	109,660
Property Tax	-	-	-	532,571	-	532,571	-
Developers Fees and Credits	3,653,742	-	5,992,787	2,757,917	-	12,404,446	-
Interest Expense	(136,192)	(88,060)	(631,344)	-	-	(855,596)	(13,757)
Total Non-Operating Revenues (Expenses)	4,030,194	(74,435)	5,897,145	3,476,452	-	13,329,356	95,903
Income (Loss) before Operating Transfers:	3,874,003	637,869	5,298,602	1,297,488	(179,184)	10,928,778	1,242,298
Capital Contributions	1,696,049	279,778	1,647,137	5,253,443	-	8,876,407	-
Transfers In	41,841,078	215,000	2,135,151	3,216,722	3,000,000	50,407,951	2,000,000
Transfers Out	(42,369,031)	(715,000)	(2,611,160)	(3,841,984)	-	(49,537,175)	(50,000)
Change in Net Assets	5,042,099	417,647	6,469,730	5,925,669	2,820,816	20,675,961	3,192,298
Net Assets, Beginning of Year, Restated	29,499,024	953,720	33,154,977	12,732,508	(54,496)	76,285,733	1,548,495
Net Assets, End of Year	\$ 34,541,123	\$ 1,371,367	\$ 39,624,707	\$ 18,658,177	\$ 2,766,320	\$ 96,961,694	\$ 4,740,793

City of Brentwood
Statement of Cash Flows
Proprietary Funds
For Year Ended June 30, 2002

	Wastewater	Solid Waste	Water	Parks and Recreation	City Rentals	Totals	Governmental Activities - Internal Service Funds
Cash Flows from Operating Activities							
Cash Received from Customers/Other Funds	\$ 2,540,065	\$ 3,535,966	\$ 4,673,053	\$ 521,920	\$ 162,167	\$ 11,433,171	\$ 2,539,094
Cash Payments to Suppliers of Goods and Services	(2,590,574)	(1,771,127)	(5,056,207)	(1,480,298)	(223,839)	(11,122,045)	(1,184,439)
Cash Payments to Employees for Services	(697,447)	(863,124)	(988,210)	(1,153,404)	(33,624)	(3,735,809)	(709,083)
Other Recipients / Payments	142,946	144,435	558,362	207,276	3,852	1,056,871	-
Net Cash Provided by (Used for) Operating Activities	(605,010)	1,046,150	(813,002)	(1,904,506)	(91,444)	(2,367,812)	645,572
Cash Flows from Noncapital Financing Activities							
Operating Grants and Contributions	-	-	-	512,251	-	512,251	-
Developer Fees and Credits	3,653,742	-	5,992,787	2,757,917	-	12,404,446	-
Transfers Received	41,841,078	215,000	2,135,151	3,216,722	3,000,000	50,407,951	2,000,000
Transfers Paid	(42,369,031)	(715,000)	(2,611,160)	(3,841,984)	-	(49,537,175)	(50,000)
Net Cash Provided By (Used for) Noncapital Financing Activities	3,125,789	(500,000)	5,516,778	2,644,906	3,000,000	13,787,473	1,950,000
Cash Flows from Capital and Related Financing Activities							
Proceeds from Capital Debt	21,010,789	-	-	-	-	21,010,789	-
Capital Grants and Contributions	-	(242,688)	3,806,299	525,605	-	4,089,216	-
Interest Paid on Capital Debt	(136,192)	(88,060)	(631,344)	-	-	(855,596)	(13,757)
Principal Paid on Capital Debt	(102,593)	(240,324)	(246,943)	-	(3,000,000)	(3,589,860)	-
Acquisition and Construction of Capital Assets	(23,211,812)	(21,673)	(1,043,344)	(1,251,075)	-	(25,527,904)	-
Net Cash Provided By (Used for) Capital and Related Financing Activities	(2,439,808)	(592,745)	1,884,668	(725,470)	(3,000,000)	(4,873,355)	(13,757)
Cash Flows from Investing Activities							
Interest on Investments	547,826	13,625	534,135	192,999	622	1,289,207	109,660
Net Cash Provided by Investing Activities	547,826	13,625	534,135	192,999	622	1,289,207	109,660
Net Increase (Decrease) in Cash and Cash Equivalents	628,797	(32,970)	7,122,579	207,929	(90,822)	7,835,513	2,691,475
Cash and Cash Equivalents - Beginning of Year	9,634,958	797,610	4,042,086	3,596,487	(33,200)	18,037,941	1,759,366
Cash and Cash Equivalents - End of Year	\$ 10,263,755	\$ 764,640	\$ 11,164,665	\$ 3,804,416	\$ (124,022)	\$ 25,873,454	\$ 4,450,841
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities							
Operating Income (Loss)	\$ (156,191)	\$ 712,304	\$ (598,543)	\$ (2,178,964)	\$ (179,184)	\$ (2,400,578)	\$ 1,146,395
Provided (Used) by Operating Activities							
Depreciation and Amortization	565,152	297,998	308,574	270,358	90,000	1,532,082	(90,564)
Changes in Assets and Liabilities:							
Receivables, Net	(380,605)	(52,559)	(704,020)	83,444	(50,620)	(1,104,360)	7,489
Inventories	(899,220)	(2,565)	(3,281)	(2,813)	(16,117)	(923,996)	(329,260)
Accounts Payable and Other Payables	(35,867)	83,903	(347,167)	(98,917)	27,026	(371,022)	(105,000)
Accrued Expenses	301,721	5,069	384,987	2,038	11,534	705,349	16,512
Deposits	-	2,000	146,448	20,348	25,917	194,713	-
Net Cash Provided by (Used for) Operating Activities	\$ (605,010)	\$ 1,046,150	\$ (813,002)	\$ (1,904,506)	\$ (91,444)	\$ (2,367,812)	\$ 645,572

Fiduciary Fund Financial Statements

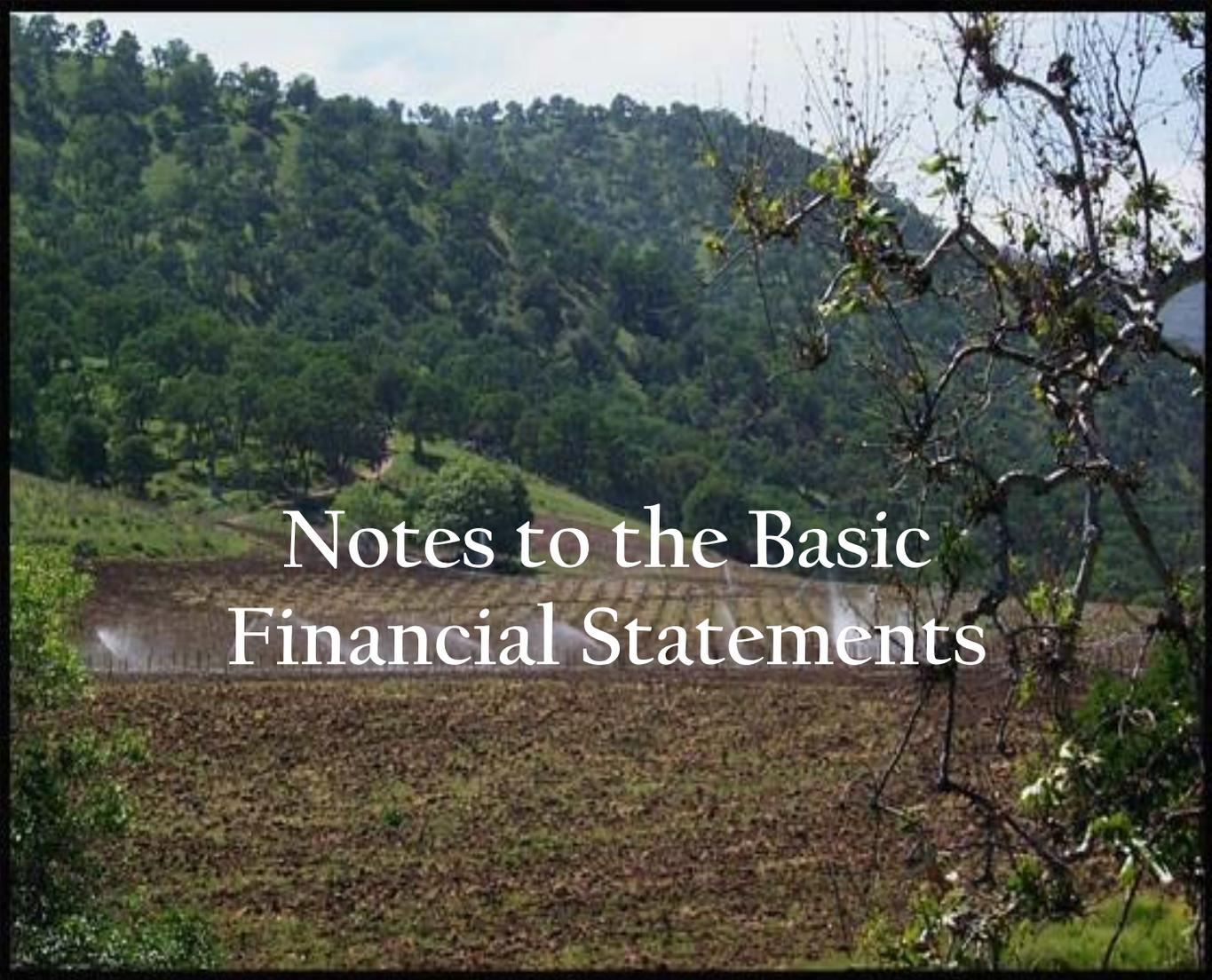
Agency funds consist of:

- Assessment Districts – Special Obligations payable from and secured by specific revenue sources.
- Asset Seizure – Special funds to be used exclusively to support law enforcement and prosecutorial efforts of the agency.



City of Brentwood
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2002

	Agency Funds
	<hr/>
ASSETS	
Cash and Investments	\$ 7,991,463
Restricted Cash and Investments	6,465,708
Accrued Interest Receivable	88,537
Prepaid	1,153
Accounts Receivable	7,310
	<hr/>
Total Assets	<u><u>\$ 14,554,171</u></u>
 LIABILITIES	
Accounts Payable	\$ 253,948
Due to Bondholders	14,300,223
	<hr/>
Total Liabilities	<u><u>\$ 14,554,171</u></u>

A landscape photograph showing a valley with a river in the foreground, green hills in the background, and a tree in the foreground on the right. The text "Notes to the Basic Financial Statements" is overlaid in the center.

Notes to the Basic
Financial Statements

Notes to the Basic Financial Statements

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Notes to the Basic Financial Statements

NOTE # 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Reporting Entity

The City of Brentwood is located halfway between the cities of San Francisco and Sacramento at the eastern end of Contra Costa County. The City is governed by a five (5) member City Council under the Council–Manager form of government and provides the following services: public safety (police), highways and streets, sanitation, public improvements, planning and zoning, and general administrative services. The City has a current population of approximately 31,500, as of June 30, 2002, and encompasses approximately 13.73 square miles. Brentwood was incorporated in 1948 as a general law city under the laws of the State of California.

At June 30, 2002, the City’s staff comprised 198 full-time employees who were responsible for City provided services. In addition, the City employs approximately 100 seasonal recreation personnel.

The accounting policies of the City of Brentwood conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting Principles.

As required by accounting principles generally accepted in the United States of America, these financial statements present the City of Brentwood (the primary government) and its component units, entities for which the government is considered financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization or there is a potential for that organization to 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., it is unable to adopt its 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.

Blended component units, although legally separate entities are, in substance, part of the governments operations and so data from these units are combined with data of the primary government. Each of the blended component units discussed below have a June 30, year-end, and meets the above-mentioned criteria.

Notes to the Basic Financial Statements

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

Blended Component Units

- Brentwood Redevelopment Agency

The Brentwood Redevelopment Agency (the Agency) is organized under the State of California Community Redevelopment Law. The Agency Directors also serve as the City Council. Separate financial statements for the Redevelopment Agency may be obtained from the City of Brentwood Finance Department.

- Brentwood Joint Powers Financing Authority

The Brentwood Joint Powers Financing Authority (the Authority) is a joint powers authority between the City and the Authority. The primary purpose of the Authority is to render financial assistance to the City and the Agency by issuing debt and financing the construction of public facilities. Separate financial statements are not required for the Authority, and therefore, are not issued.

B. Basis of Accounting / Measurement Focus

The *basic financial statements* of the City are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

Financial reporting is based upon all GASB pronouncements, as well as the FASB Statements and Interpretations, APB Opinions, and Accounting Research Bulletins that were issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements. FASB Pronouncements issued after November 30, 1989, are not followed in preparation of the accompanying financial statements.

Notes to the Basic Financial Statements

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

The government reports the following major governmental funds:

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 accounting for in another fund.

The *Special Revenue Funds* account for specific revenues that are legally restricted to expenditures for particular purposes. The major Special Revenue Funds included in the major governmental funds are *Thoroughfares, Community Development and Engineering*. Specific descriptions of these funds can be found on the Special Revenue section tab.

The *Capital Projects Funds* account for the acquisition and construction of major capital facilities other than those financed by proprietary funds. The major Capital Projects Funds included in the major governmental funds are *Capital Improvement Financing Program 2000-1, Capital Projects Fund, and Capital Improvement Financing Program 94-1*. Specific descriptions of these funds can be found on the Capital Projects section tab.

The government reports the following major proprietary funds:

The *Wastewater Enterprise* accounts for the operation and maintenance of the sewer system which is funded by user charges and other fees.

The *Solid Waste Enterprise* accounts for the operation and maintenance of the collection of solid waste generated within City limits.

The *Water Enterprise* accounts for the City’s water operations and maintenance which supplies water to the City.

The *Parks and Recreation Enterprise* accounts for the maintenance and operation of the City-owned and maintained park and recreations programs.

The *City Rentals* accounts for all the City facilities rented and maintained through this fund.

Notes to the Basic Financial Statements

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

Additionally, the government reports for the following fund types:

Internal Service funds account for data processing and fleet management services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis.

Debt Service funds are used to account for the accumulation of resources for, and the payment of long-term debt principal, interest, and related costs.

C. Government-Wide and Fund Financial Statements

The City Government-Wide Financial Statements include a Statement of Net Assets and a Statement of Activities and Changes in Net Assets. These statements present summaries of Governmental and Business-Type Activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements.

These statements are presented on an “*economic resources*” focus and the accrual basis of accounting. Accordingly, all of the City’s assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Assets. 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. The types of transactions reported as program revenues for the City are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

All governmental funds are accounted for on a spending or “*current financial resources*” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. 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 that revenues subject to accrual (generally 60 days after year – end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property tax, sales tax, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Assets have been eliminated except those representing balances between the governmental activities and

Notes to the Basic Financial Statements

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

the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities, which are presented as transfers, have not been eliminated. However, the transfers have been eliminated in the total primary government column.

Proprietary Fund Financial Statements

Proprietary Fund Financial Statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Fund Net Assets, and a Statement of Cash Flows for each major proprietary fund and non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

Proprietary funds are accounted for using the “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or non-current) are included on the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Fund Net Assets present increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period 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 that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses

Proprietary Fund Types:

- Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs, including depreciation, of providing goods or services to the general public on a continuing basis, be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Notes to the Basic Financial Statements

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

- Internal Service Funds – Internal Service Funds account for the financing of goods, services, or facilities provided by one City department to other City departments on a cost-reimbursement basis.

Fiduciary Financial Statements

- Fiduciary Funds – Fiduciary Fund Financial Statements include a Statement of Net Assets and Statement of Changes in Net Assets. The City’s Fiduciary funds represent Agency Funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency funds are accounted for on a spending or “*current financial resources*” measurement focus and the modified accrual basis of accounting as are the governmental funds explained above.

Reconciliation of the Fund financial statements to the Government-Wide financial statements is provided to explain the differences created by the integrated approach of GASB Statement No. 34.

D. Assets, Liabilities and Net Assets or Equity

i. Use of Restricted/Unrestricted Net Assets

When an expense is incurred for purposed for which both restricted and unrestricted net assets are available, the City’s policy is to apply restricted net assets first.

ii. Cash and Investments

The City pools idle cash form all funds for the purpose of increasing income through investment activities. In compliance with Governmental Accounting Standards Board Statement No. 31, the City’s investments are stated at fair value, except for highly liquid markets investments with maturities of one year or less at the time of purchase, which are stated at amortized cost. Market value is used for those securities for which market quotations are readily available. For securities that lack readily available market quotations, reasonable estimates of fair value are used based on the market value of similar investments. The City generally holds all investments until maturity or until market values equal or exceed cost. Therefore, the fair value of securities in the investment pool does not reflect realized gains or losses but rather the fair value of those investments as of June 30, 2002.

Notes to the Basic Financial Statements

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

iii. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the City considered 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. Unbilled Services Receivable

Utility Revenue is recorded when earned. Customers are billed monthly. The estimated value of services provided but unbilled at year-end has been included in the accompanying financial statements.

v. Use of Estimates

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

vi. Inventories, Prepaid Items and Land Held for Resale

Inventory is valued at cost using the first in, first out method. Inventory in the Proprietary Funds consists of expendable supplies held for future consumption or capitalization. The cost is recorded as an expense as inventory items are consumed. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Land held for resale is valued at the lower of cost or estimated net realizable value and is recorded in the capital project funds.

Notes to the Basic Financial Statements

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

vii. Capital Assets

The City’s assets are capitalized at historical cost or estimated historical cost. City policy has set the capitalization threshold for reporting capital assets at \$5,000. Gifts or contributions of capital assets are recorded at fair market value when received. Depreciation is recorded on a straight-line basis over the useful lives of the assets as follows:

Land improvements	20 years
Building and structures	50 years
Machinery and equipment	5 - 20 years
Vehicles	8 years
Infrastructure	65 years

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34 which requires the inclusion of infrastructure capital assets in local governments’ basic financial statements. In accordance with Statement No. 34, the City has included the value of all infrastructure into the 2001/02 Basic Financial Statements.

The City defines infrastructure as the basic physical assets that allow the City to function. The assets include the street system, water purification and distribution system, sewer collection and treatment system; park and recreation lands and improvement system, storm water conveyance system, and buildings combined with the site amenities such as parking and landscaped areas used by the City in the conduct of its business. Each major infrastructure system can be divided into subsystems. For example, the street system can be subdivided into pavement, curb and gutters, sidewalks, medians, streetlights, traffic control devices (signs, signals and pavement markings), landscaping and land. These subsystems were not delineated in the Basic Financial Statements. The appropriate operating department maintains information regarding the subsystems.

Notes to the Basic Financial Statements

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

viii. Compensation Absences Payable

A total of 11 to 28 vacation days, up to 60 hours of compensatory time off or 120 hours of administrative leave time and 12 days of sick leave may be accumulated by employees every year. Sick leave is not paid at termination but is used for additional service credits towards retirement and half (up to \$8,000) of accrued sick leave may be cashed in at time of retirement from Brentwood. Under certain restrictive circumstances, limited amounts of sick leave can be converted to vacation time. Vacation time is only to accumulate up to one and one-half years of earnings. All employees may elect to receive a lump sum payment of up to 40 hours of accumulated vacation each March and with Mid-Managers, Department Directors, and the City Manager eligible to elect payment of up to 80 hours in March. Additionally, each October, employees with five years of service may elect to receive a lump sum payment of up to 40 hours of accumulated vacation time; with Mid-Manager, Department Directors and the City Manager eligible to elect payment of up to 80 hours. Liabilities for compensated absences are included as a liability in the Government-Wide Financial Statements.

ix. Property Tax

Property tax valuation, lien, and levy for secured and unsecured property is March 1 of each year. Fifty percent of secured taxes are due on November 1 and February 1 of each fiscal year and are delinquent on December 10 and April 10, respectively. Unsecured property taxes are due on July 1 and delinquent on August 31. Contra Costa County bills and collects the City's property taxes, and the remittance of them to the City is accounted for in the City's General Fund. City property tax revenues are recognized when levied to the extent that they result in current receivables. The City receives their full assessment of property tax, and the County retains all delinquent charges.

Notes to the Basic Financial Statements

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

x. Deferred Compensation Plan

City employees may defer a portion of their compensation under a City Sponsored deferred compensation plan created in accordance with Internal Revenue Code Section 457. Under the plan, participants are not taxed on the deferred portion of their compensation until it is distributed to them. Distribution may be made only at termination of employment, retirement, death or in emergency as defined by the Plan. In accordance with GASB 32, the City revised the plan to no longer make the funds available to the City’s general creditors and accordingly, the City does not report any assets or liabilities associated with this plan in these financial statements.

NOTE # 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

• General Budget Policies

Formal budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds except the Capital Improvement Financing Programs (CIFP), Capital Improvement 2001, Street Improvement Projects, Capital Projects, Bypass Authority and Mark Roos Drainage Credit funds. These funds are not legally required to adopt budget as their appropriations are established by the related bond documentation and/or other legal documents. Expenditures may not exceed budgeted appropriations at fund level without City Council approval. The level of budgetary control is established at the fund level.

Prior to July 1, the budget is legally enacted through passage of a resolution. The City Council periodically reviews the budgets and adopts supplemental appropriations (amendments) at the fund level when required. Budgeted amounts presented in the financial statements are as originally adopted. Final budget includes amendments to the original budget. Individual amendments were not material in relation to original appropriations.

Notes to the Basic Financial Statements

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

- Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. Open encumbrances are recorded as reservations of fund balance since the commitments will be paid by subsequent years' budget appropriations. Encumbrances do not constitute expenditures or liabilities. Encumbered appropriations are presented to Council each year for reappropriations in the ensuing year's budget.

- Budget Basis of Accounting

Budgets for governmental funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

Budgetary comparisons presented for the General, Special Revenue, Capital Project and Debt Service Funds.

These funds are not legally required to adopt budgets as their appropriations are established by the related bond documentation and/or other legal agreements.

Capital Projects Funds

- Capital Improvement Financing Program 98-1
- Capital Improvement Financing Program 99-1
 - Capital Improvement 2001
 - Street Improvement Projects
- Capital Improvement Financing Program 2000-1
 - Capital Projects
- Capital Improvement Financing Program 94-1

Notes to the Basic Financial Statements

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

Special Revenue Funds

Bypass Authority
 Mark Roos Drainage Credit
 Economic Development, Closed 7/1/01
 North Brentwood Redevelopment Low Income Housing, Merged into Redevelopment Low Income Housing 7/1/01

B. Interfund Receivables, Payables and Transfers:

The composition of interfund balances as of June 30, 2002 are as follows:

Due to/from other funds:

There are no balances as of June 30, 2002.

Advances from/to other funds:

There are no balances as of June 30, 2002

Interfund Transfers For Year Ended June 30, 2002											
Transfers In:											
	General Fund	Thoroughfares	Capital Projects	Non-major Governmental	Wastewater Project	Solid Waste Project	Water Project	Parks Project	City Rentals	Internal Service	Total
Transfer out:											
General Fund			\$ 314,100	\$ 2,025,000			\$ 71,000	\$ 150,000			\$ 2,560,100
Thoroughfares			13,773,589								13,773,589
Community Development										1,000,000	1,000,000
Engineering										1,000,000	1,000,000
Capital Projects		13,861	16,303	157,541	26,603			63,335			277,643
Non-major Governmental	6,691,759	139,100	3,852,881	24,821,524	79,808			17,248	3,000,000		38,602,320
Wastewater Operations			634,364		41,734,667						42,369,031
Solid Waste Operations			500,000			215,000					715,000
Water Operations			547,008				2,064,152				2,611,160
Parks & Recreation Operations			855,846					2,986,138			3,841,984
Internal Service			50,000								50,000
Total	\$ 6,691,759	\$ 152,961	\$ 20,544,091	\$ 27,004,065	\$ 41,841,078	\$ 215,000	\$ 2,135,152	\$ 3,216,721	\$ 3,000,000	\$ 2,000,000	\$ 106,800,827

Notes to the Basic Financial Statements

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

The interfund transfers are in balance.

C. Deficit Fund Equity

The following funds contain a deficit fund or accumulated deficit balance as of June 30, 2002, which was due to a timing issue at year-end. Coverage of these funds was addressed in the fiscal year 2002/03 Budget:

Capital Projects Fund:

North Brentwood Redevelopment Project	\$ 3,882
---------------------------------------	----------

Internal Service Fund:

Fleet Maintenance	\$ 8,185
-------------------	----------

D. Excess of Expenditures over Appropriations

The following funds or fund types had expenditures, which exceeded budgeted amounts, for the 2001/02 fiscal year and have been approved by the City Council.

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
<u>Special Revenue Funds</u>			
Thoroughfares	\$ 1,591,950	\$ 3,967,378	\$ (2,375,428)
Police Grants	74,361	87,330	(12,969)
Vehicle Abatement	5,000	5,347	(347)
Open Space	12,000	13,050	(1,050)
Facility Fee Administration	-	3,232	(3,232)

Notes to the Basic Financial Statements

NOTE # 3 - CASH AND INVESTMENTS

The City of Brentwood maintains a cash investment pool that is available for all funds. Each fund type balance in the pool is reflected on the combined balance sheet as cash and investments. The carrying amounts of the City’s cash deposits were \$936,204 at June 30, 2002. The bank balances at June 30, 2002 were \$1,160,959, which were either insured or collateralized with securities held by the pledging financing institutions in the City’s name as discussed below:

Pooled Deposits:	
Demand deposits	\$ 936,204
Petty Cash	4,656
Pooled Investments	126,830,202
Total Cash and Investments	<u>\$ 127,771,062</u>

Cash and investments appear on the balance sheet as follows:

Cash and investments	
Governmental Activities	\$ 55,781,957
Business-Type Activities	25,873,454
Fiduciary Funds	<u>7,991,463</u>
	<u>89,646,874</u>
Restricted cash and investments	
Governmental Activities	30,790,812
Business-Type Activities	867,668
Fiduciary Funds	<u>6,465,708</u>
	<u>38,124,188</u>
Total Cash and Investments	<u>\$ 127,771,062</u>

The City apportions interest earnings to all funds based on their monthly cash balances in accordance with California Government Code Section 53647. The City has an adopted investment policy pursuant to Government Code Section 53647 which authorizes the City to invest in Securities of the US Government or its agencies, Certificates of Deposit, the State of California Local Agency Investment Fund (LAIF), Bankers Acceptances, Commercial Paper, Negotiable Certificates of Deposit, Repurchase Agreements and Corporate Medium Term Notes. The City selects its investments based on safety, liquidity and yield.

Notes to the Basic Financial Statements

NOTE # 3 - CASH AND INVESTMENTS (Continued)

The cash and cash equivalents at June 30, 2002, presented below categorized separately to give an indication of the level of risk assessment with each deposit.

	Bank Balance Category *			Total	Carrying Amount
	1	2	3		
Categorized					
Demand Deposits	\$ 100,000	\$ -	\$ 1,060,959	\$ 1,160,959	\$ 936,204
Uncategorized					
Petty Cash					4,656
Total Cash and Cash Equivalents					\$ 940,860

* In accordance with GASB Statement No. 3, deposits are categorized in the following manner:

Category 1: Insured or collateralized with securities held by the City or by its agent in the City’s name.

Category 2: Collateralized with securities held by the pledging financial institution’s trust department or agent in the City’s name.

Category 3: Uncollateralized. This includes any bank balance that is collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the City’s name.

Notes to the Basic Financial Statements

NOTE # 3 - CASH AND INVESTMENTS (Continued)

A. Pooled Cash and Non-Negotiable Certificates of Deposit

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by outside fiscal agents, under the provisions of bond indentures.

B. Investments

Investments at June 30, 2002, held on behalf of the City of Brentwood are presented below, categorized separately to give an indication of the level of risk associated with each investment:

	Category			Reported Value	Fair Value
	1	2	3		
U.S. Treasury Notes / Bonds	\$ 20,203,880	\$ -	\$ -	\$ 20,203,880	\$ 24,584,111
Commercial Paper	1,078,380	-	-	1,078,380	1,078,649
Corporate Notes	7,028,273	-	-	7,028,273	7,318,973
Municipal Bonds / Notes	3,382,512	-	-	3,382,512	3,250,000
Federal Agency Bonds / Notes	40,064,141	-	-	40,064,141	40,543,294
	<u>\$ 71,757,186</u>	<u>\$ -</u>	<u>\$ -</u>	<u>71,757,186</u>	<u>76,775,027</u>
Uncategorized:					
Local Agency Investment Fund				50,841,233	50,982,579
Money Market Mutual Funds				32,725	32,725
Guaranteed Investment Contracts				4,199,058	4,199,058
				<u>\$ 126,830,202</u>	<u>\$ 131,989,389</u>

Notes to the Basic Financial Statements

NOTE # 3 - CASH AND INVESTMENTS (Continued)

These categories are as follows:

- Category 1: Insured or registered, or securities held by the City or its agent in the City's name.
- Category 2: Uninsured and unregistered, with securities held by the counter party's trust department or agent in the City's name.
- Category 3: Uninsured and unregistered, with securities held by the counter party or by its trust department or agent but not in the City's name.

At June 30, 2002, the City had no investments in repurchase agreements. At no time during the fiscal year did the City borrow funds through use of a reverse-repurchase agreement, even though such transactions are authorized by the City's investment policy. Investments are stated at fair value. All investments held by the City at year-end had maturities of less than 5 years.

C. Investment In State Treasurer's Pool

The Local Agency Investment Fund (LAIF) is an external investment pool sponsored by the State of California authorized under Section 16429.1,2,3 of the California Government code. The fund is a voluntary program created by statute as an investment alternative for California local governments and special districts. The fund is administered by the California State Treasurer. The City deposits excess cash in LAIF is not required to be categorized. The fair value for these deposits was provided by the pool sponsor.

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, certificates of participation, and lease obligations. 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 in accordance with the ordinance, resolutions or indentures specifying the types of investments its trustees or fiscal agents may make.

Notes to the Basic Financial Statements

NOTE # 3 - CASH AND INVESTMENTS (Continued)

E. Fair Value of Investments

Methods and assumptions used to estimate fair value: The City maintains investment accounting records on amortized cost and adjusts those records to “fair value” on a monthly basis when material. The Funds investment custodian provides market values on each investment instrument on a monthly basis. The investments held by the Fund are widely traded in the financial markets and trading values are readily available from numerous published sources. The Fund has elected to report its money market investments (those investments with maturities of less than one year) at amortized cost adjusted to fair value on a monthly basis. Unrealized gains and losses are recorded on a monthly basis and the carrying value of its investments is considered “fair value”.

State of California State Treasurer’s Local Agency Investment Fund (LAIF): The City holds an investment in LAIF that is subject to being adjusted to “fair value”. The City is required to disclose its methods and assumptions used to estimate the fair value of its holdings in LAIF. The City relied upon information provided by the State Treasurer in estimating the City’s fair value position of its holding in LAIF. The City had a contractual withdrawal value of \$50,841,233 whose pro-rata share of fair value was estimated by the state Treasurer to be \$50,982,579. The fair value change in this investment for the year came to an amount that was not material for presentation in the financial statements.

The State Treasurer’s Local Agency Investment Fund (“LAIF”) is a governmental investment pool managed and directed by the California State Treasurer and is not registered with the Securities and Exchange Commission. An oversight committee, comprised of California State officials and various participants, provide oversight to the management of the fund. The daily operations and responsibilities of LAIF fall under the auspices of the State Treasurer’s office. The City is a voluntary participant in the investment pool.

The management of LAIF has indicated to the City that as of June 30, 2002, the amortized cost of the pool was \$47,756,784,469. The fair value was \$47,889,555,193. Included in LAIF’s investment portfolio are certain derivative securities or similar products in the form of structured notes, totaling \$551,578,000 and asset-backed securities totaling \$921,063,000. LAIF’s (and the City’s) exposure to risk (credit, market or legal) is not currently available.

City of Brentwood

Notes to the Basic Financial Statements

NOTE # 4 – CAPITAL ASSETS

In accordance with GASB Statement No. 34, the City has reported all capital assets including infrastructure in the Government-Wide Statement of Net Assets. Capital assets of the primary government at June 30, 2002 are as follows:

	Balance July 1, 2001	Increases	Decreases	Inventory Adjustments	Balance June 30, 2002
Governmental Activities :					
Capital assets, not being depreciated:					
Land	\$ 16,993,176	\$ 11,461,265	\$ (351,796)	\$ -	\$ 28,102,645
Work in progress - CIP	-	17,285,350	-	1,341,970	18,627,320
Total capital assets, not being depreciated	16,993,176	28,746,615	(351,796)	1,341,970	46,729,965
Capital assets, being depreciated:					
Land Improvements	169,933	-	(140)	112,281	282,074
Buildings	3,493,677	2,374,600	(112,281)	-	5,755,996
Infrastructure	110,591,035	8,463,938	-	-	119,054,973
Equipment	2,267,500	613,122	(334,636)	(1,009,487)	1,536,499
Vehicles	-	104,014	(125,517)	1,737,750	1,716,247
Total capital assets being depreciated	116,522,145	11,555,674	(572,574)	840,544	128,345,789
Less accumulated depreciation for :					
Land Improvements	95,641	13,455	-	-	109,096
Infrastructure	23,890,039	1,385,223	-	-	25,275,262
Buildings and improvements	991,283	116,191	-	-	1,107,474
Equipment	666,893	(19,384)	-	-	647,509
Vehicles	581,966	284,027	-	-	865,993
Total accumulated depreciation	26,225,822	1,779,512	-	-	28,005,334
Total capital assets, being depreciated, net	90,296,323	9,776,162	(572,574)	840,544	100,340,455
Governmental activities capital assets, net	<u>\$ 107,289,499</u>	<u>\$ 38,522,777</u>	<u>\$ (924,370)</u>	<u>\$ 2,182,514</u>	<u>\$ 147,070,420</u>
Business-type activities :					
Capital assets, not being depreciated:					
Land	\$ -	\$ 351,796	\$ -	\$ 62,556	\$ 414,352
Work in Progress - CIP & Infrastructure	24,095,224	29,824,751	(25,878,956)	(229,566)	27,811,453
Total capital assets, not being depreciated	24,095,224	30,176,547	(25,878,956)	(167,010)	28,225,805
Capital assets, being depreciated:					
Land Improvements	1,829,069	-	(2,820)	(62,556)	1,763,693
Buildings	-	21,910,583	-	12,207,164	34,117,746
Infrastructure	-	7,957,072	(1,384,789)	54,149,750	60,722,034
Equipment	5,512,458	303,718	(396,108)	(1,638,902)	3,781,166
Vehicles	-	-	(80,000)	1,638,902	1,558,902
Intangible Assets	-	450,887	-	146,645	597,532
Capital Assets	68,284,864	-	-	(68,284,864)	-
Total capital assets being depreciated	75,626,391	30,622,260	(1,863,717)	(1,843,861)	102,541,073
Less accumulated depreciation for :					
Land Improvements	506,921	87,056	-	-	593,977
Buildings	2,691,884	134,921	-	24,997	2,851,802
Infrastructure	5,826,851	826,769	-	458,652	7,112,272
Equipment	1,779,810	274,276	-	(312,006)	1,742,080
Vehicles	795,242	169,359	-	-	964,601
Intangible Asset	9,958	9,194	-	-	19,152
Total accumulated depreciation	11,610,666 *	1,501,575	-	171,643	13,283,884
Total capital assets, being depreciated, net	64,015,725	29,120,685	(1,863,717)	(2,015,504)	89,257,189
Business-type activities capital assets, net	<u>\$ 88,110,949</u>	<u>\$ 59,297,232</u>	<u>\$ (27,742,673)</u>	<u>\$ (2,182,514)</u>	<u>\$ 117,482,994</u>

*Does not include amortization that was reported in prior year.

Notes to the Basic Financial Statements

NOTE # 4 – CAPITAL ASSETS (Continued)

For the year ended June 30, 2002, depreciation expense on capital assets was charged to the governmental function as follows:

GOVERNMENTAL ACTIVITIES:	
General Government	\$ 14,716
Public Safety	124,328
Community Development	15,221
Public Works	1,715,811
Internal Service	(90,564)
	<hr/>
Total Depreciation Expense - Governmental Activities	\$ 1,779,512
	<hr/> <hr/>
BUSINESS-TYPE ACTIVITIES:	
Wastewater	\$ 559,050
Solid Waste	297,998
Water	284,169
Parks and Recreation	270,358
City Rentals	90,000
	<hr/>
Total Depreciation Expense - Business-Type Activities	\$ 1,501,575
	<hr/> <hr/>

The purchase of assets through capital lease transactions have been included in the preceding categories.

Notes to the Basic Financial Statements

NOTE # 5 – LONG-TERM OBLIGATIONS

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

A. Governmental Activities:

	Balance June 30, 2001	Additions	Payment Adjustments	Balance June 30, 2002
Bonds:				
Certificates of Participation	\$ 865,000	\$ -	\$ (270,000)	\$ 595,000
Tax Allocation Bonds	3,240,000	-	(3,240,000)	-
Capital Improvement Program	5,320,000	-	(5,320,000)	-
2002 General Obligation Bonds	-	5,999,976	-	5,999,976
CIP 2001 Revenue Bonds	-	32,080,000	-	32,080,000
Total Bonds	<u>9,425,000</u>	<u>38,079,976</u>	<u>(8,830,000)</u>	<u>38,674,976</u>
Capital Leases:				
Various Equipment	202,951	-	(24,847)	178,104
Total Capital Leases	<u>202,951</u>	<u>-</u>	<u>(24,847)</u>	<u>178,104</u>
Other:				
Accumulated compensated absences (net)	454,209	69,269	(162,055)	361,423
Total Other	<u>454,209</u>	<u>69,269</u>	<u>(162,055)</u>	<u>361,423</u>
Total General Long-Term Debt	<u>\$ 10,082,160</u>	<u>\$ 38,149,245</u>	<u>\$ (9,016,902)</u>	<u>\$ 39,214,503</u>

Includes debt due within one year and non-current liabilities due in more than one year.

Notes to the Basic Financial Statements

NOTE # 5 – LONG-TERM OBLIGATIONS (Continued)

i. Bonds

- Certificates of Participation

On October 1, 1992, the City issued \$2,400,000 in Certificates of Participation (ABAG XXVI) to finance utility construction projects, total annual debt service payment, including interest at 4.5 percent to 6.4 percent, \$137,070 to \$328,520. The payment schedule is as follows:

Year Ending June 30,	Principal	Interest	Total
2003	\$ 290,000	\$ 28,655	\$ 318,655
2004	305,000	9,760	314,760
Total	<u>\$ 595,000</u>	<u>\$ 38,415</u>	<u>\$ 633,415</u>

- Tax Allocation Bonds

On February 1, 1990, the City issued \$5,330,000 in Brentwood Redevelopment Agency tax allocation bonds, Series A, to finance Redevelopment projects. Total annual debt service payment, including interest at 6.7 percent, ranges from \$405,411 to \$561,923, with a balloon payment, which is the final payment, due November 1, 2008. ***This Bond was refinanced into CIP 2001 Revenue Bonds.***

Notes to the Basic Financial Statements

NOTE # 5 – LONG-TERM OBLIGATIONS (Continued)

- **Capital Improvement Program Bonds**

On June 7, 1996, the City issued \$5,780,000 in Brentwood Infrastructure Financing Authority Capital Improvement Bonds, Series 1996, to finance certain improvements to certain roadways within the City. Total annual debt service payments, including interest at 5.25 percent, range from \$374,120 to \$403,532. *This bond was refinanced into CIP 2001 Revenue Bonds.*

- **2002 General Obligation Bonds**

On February 22, 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 located in the City of Brentwood. Total annual debt service payments, including interest at 3.625 percent to 5.68 percent, ranging from \$261,656 to \$925,000.

Year Ending June 30,	Principal	Interest	Total
2003	\$ -	\$ 208,666	\$ 208,666
2004	105,000	160,856	265,856
2005	105,000	156,656	261,656
2006	120,000	152,456	272,456
2007	140,000	148,256	288,256
2008-2012	1,035,000	631,618	1,666,618
2013-2017	1,820,000	306,139	2,126,139
2018-2022	1,007,807	1,702,193	2,710,000
2023-2027	941,076	2,513,924	3,455,000
2028-2031	726,093	2,718,907	3,445,000
Total	<u>\$ 5,999,976</u>	<u>\$ 8,699,671</u>	<u>\$ 14,699,647</u>

Notes to the Basic Financial Statements

NOTE # 5 – LONG-TERM OBLIGATIONS (Continued)

- **CIP 2001 Revenue Bonds**

On September 27, 2001, the Brentwood Infrastructure Financing Authority issued \$32,080,000 in Brentwood Capital Improvement Revenue Bonds, Series 2001, to finance the refund of the CIP Bonds, under a Facilities Lease; to refund a series of tax allocation bonds issued by the Redevelopment Agency of the City of Brentwood; and to finance Redevelopment projects. The economic gain from the CIP Bonds was \$514,989. The economic gain from the tax allocation bonds was \$365,602. Total annual debt service payments, including interest at 3.0 percent to 5.375 percent, \$1,684,500 to \$2,105,294.

Year Ending June 30,	Principal	Interest	Total
2003	\$ 445,000	\$ 1,587,050	\$ 2,032,050
2004	610,000	1,486,225	2,096,225
2005	635,000	1,467,925	2,102,925
2006	650,000	1,447,288	2,097,288
2007	675,000	1,424,538	2,099,538
2008-2012	3,770,000	6,727,152	10,497,152
2013-2017	4,625,000	5,873,020	10,498,020
2018-2022	5,850,000	4,652,882	10,502,882
2023-2027	7,520,000	2,989,750	10,509,750
2028-2032	7,300,000	1,130,496	8,430,496
Total	<u>\$32,080,000</u>	<u>\$28,786,326</u>	<u>\$ 60,866,326</u>

Notes to the Basic Financial Statements

NOTE # 5 – LONG-TERM OBLIGATIONS (Continued)

ii. Capital Leases

The combined Capital leases have future payments as follows:

Year Ending June 30,	Payments
2003	\$ 87,100
2004	37,243
2005	37,243
2006	37,243
Subtotal	198,829
Less amount representing interest	(20,725)
Total	<u>\$ 178,104</u>

Notes to the Basic Financial Statements

NOTE # 5 – LONG-TERM OBLIGATIONS (Continued)

- **Compensated Absences**

The long-term compensated absences balance at June 30, 2002, is:

Governmental	\$361,423
Business-Type	\$138,970

B. Business-Type Activities:

	Balance June 30, 2001	Additions	Payments Adjustments	Balance June 30, 2002
Capital Leases				
Wastewater Fund - Equipment	\$ 54,535	\$ -	\$ (54,535)	\$ -
Solid Waste - Equipment	239,343	-	(42,988)	196,355
Total Capital Leases	293,878	-	(97,523)	196,355
Notes Payable				
Solid Waste note payable	986,665	-	(140,036)	846,629
Solid Waste note payable to BDS Settlement	286,500	-	(57,300)	229,200
State Water Resources Loan	12,428,954	21,010,789	-	33,439,743
City Rental note payable to water fund	3,000,000	-	(3,000,000)	-
Total Notes Payable	16,702,119	21,010,789	(3,197,336)	34,515,572
Wastewater Revenue Bonds	2,358,908	-	(48,058)	2,310,850
Water Revenue Bonds	10,266,093	-	(246,943)	10,019,150
Other				
Accumulated compensated absences	-	17,342	121,628	138,970
Total All Business-Type Funds	\$ 29,620,998	\$ 21,028,131	\$ (3,468,232)	\$ 47,180,897

Includes debt due within one year and non-current liabilities due in more than one year.

Notes to the Basic Financial Statements

NOTE # 5 – LONG-TERM OBLIGATIONS (Continued)

i. Leases

- Solid Waste Capital Lease

The Solid Waste Funds Capital Lease has future payments as follows:

Year Ending June 30,	Payments
2003	\$ 55,865
2004	55,865
2005	55,865
2006	55,865
Subtotal	223,460
Less amount representing interest	(27,105)
Total	<u>\$ 196,355</u>

ii. Notes Payable

- Solid Waste Note Payable

The note payable to Koch Financial Corporation relates to the construction of the Solid Waste Transfer Station. Payments of \$100,012 are to be made semi-annually with interest at 6.3 percent. The estimated payment schedule is as follows:

Year Ending June 30,	Principal	Interest	Total
2003	\$ 148,997	\$ 51,027	\$ 200,024
2004	158,531	41,493	200,024
2005	168,676	31,348	200,024
2006	179,470	20,554	200,024
2007	190,955	9,068	200,023
Total	<u>\$ 846,629</u>	<u>\$ 153,490</u>	<u>\$ 1,000,119</u>

Notes to the Basic Financial Statements

NOTE # 5 – LONG-TERM OBLIGATIONS (Continued)

- **Solid Waste Note Payable - BDS Settlement**

The note payable to BDS is for the remainder of a settlement agreement. The agreement called for one half of the judgment to be payable during the 1995/96 fiscal year with the remainder to be financed over a ten year period. The remaining amount has a variable interest rate adjusted annually to coincide with the interest rate equal to that of a one year United States Treasury bill. The interest rate is estimated at approximately 6 percent for presentation purposes. The estimated payment schedule is as follows:

Year Ending June 30,	Principal	Interest	Total
2003	\$ 57,300	\$ 13,752	\$ 71,052
2004	57,300	10,314	67,614
2005	57,300	6,876	64,176
2006	57,300	3,438	60,738
Total	<u>\$ 229,200</u>	<u>\$ 34,380</u>	<u>\$ 263,580</u>

Notes to the Basic Financial Statements

NOTE # 5 – LONG-TERM OBLIGATIONS (Continued)

- **State Water Resources Loan**

The City entered into a loan contract with the State of California (State Water Resources Control Board) in December of 2000, for the purpose of financing the System Improvement Project. During FY 2001/02, the construction loan increased \$21,010,789 as a result of the completion of several projects. The loan amount totals \$33,439,743 with an interest rate of zero percent per annum. Principal payments are due annually beginning in 2004.

Year Ending June 30,	Principal Only
2003	\$ -
2004	2,279,044
2005	2,279,044
2006	2,279,044
2007	2,279,044
2008-2012	11,395,220
2013-2017	11,395,220
2018	1,533,127
Total	<u>\$33,439,743</u>

Notes to the Basic Financial Statements

NOTE # 5 – LONG-TERM OBLIGATIONS (Continued)

iii. Bonds

- Water Revenue Bonds

On October 25, 1994, the City issued \$6,570,000 in Water Revenue Bonds with interest rates ranging from 4.5 percent to 7.4 percent are due August 1, 2013. The balance at June 30, 2002, is \$1,030,000.

Future payments for the Water Revenue Bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003	\$ 65,000	\$ 74,242	139,242
2004	70,000	69,956	139,956
2005	75,000	65,268	140,268
2006	80,000	60,168	140,168
2007	85,000	54,644	139,644
2008-2012	525,000	172,632	697,632
2013	130,000	10,318	140,318
Total	(1) <u>\$ 1,030,000</u>	<u>\$ 507,228</u>	<u>\$ 1,537,228</u>

- Water/Wastewater Revenue Bonds

On December 11, 1996, the City issued \$12,195,000 in Water/Wastewater Revenue Bond with interest rates ranging from 4.0 percent to 5.5 percent due July 1, 2026. The balance at June 30, 2002, is \$11,300,000. Future payments for these bonds are as follows:

Notes to the Basic Financial Statements

NOTE # 5 – LONG-TERM OBLIGATIONS (Continued)

Year Ending June 30,	Principal	Interest	Total		
2003	\$ 245,000	\$ 614,431	\$ 859,431		
2004	260,000	603,406	863,406		
2005	270,000	591,446	861,446		
2006	285,000	578,621	863,621		
2007	295,000	564,656	859,656		
2008-2012	1,735,000	2,578,895	4,313,895		
2013-2017	2,255,000	2,059,350	4,314,350		
2018-2022	2,945,000	1,360,340	4,305,340		
2023-2026	3,010,000	435,095	3,445,095		
Total	<u>\$ 11,300,000</u>	<u>\$ 9,386,240</u>	<u>\$ 20,686,240</u>		
Water Fund Portion	(1) \$ 8,989,150	\$ 7,466,757	\$ 16,455,907	(1) Total Water	\$ 8,989,150
Wastewater Fund Portion	2,310,850	1,919,487	4,230,337		1,030,000
	<u>\$ 11,300,000</u>	<u>\$ 9,386,244</u>	<u>\$ 20,686,244</u>		<u>\$ 10,019,150</u>

NOTE # 6 – SPECIAL ASSESSMENT DISTRICTS (No City Liability)

The following issue of Special Assessment District Bonds issued pursuant to the Municipal Improvement Act of 1915 were not reflected in the Long-term Debt Account Group, because these are special obligations payable from and secured by specific revenue sources described in the bond resolutions and official statements of the respective issues. 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:

Notes to the Basic Financial Statements

NOTE # 6 – SPECIAL ASSESSMENT DISTRICTS (Continued)

Brentwood Infrastructure Financing Authority 1996 Reassessment Revenue Bonds, Series A and B, debt date December 20, 1996, annual debt service payments, including interest at 4.05 percent to 6.8 percent, range from \$707,720 to \$763,230. Final payment due September 2017.	\$ 15,575,000
Brentwood Refunding Reassessment District, Series 1993, special assessment debt dated July 1993, annual debt service payments, including interest at 4.5 percent to 7.0 percent, range from \$577,020 to \$767,445. Final payment due September 2007.	2,589,800
Brentwood Infrastructure Financing Authority, CIFP 94-1 issued Infrastructure Revenue Bonds Series 1999 dated January 18, 1999, annual debt service payments including interest at 3.7 percent to 6.625 percent, range from \$1,114,344 to \$3,114,799. Final payment due September 2029.	41,777,300
Brentwood Infrastructure Financing Authority, CIFP 2000-1 issued Infrastructure Revenue Bonds Series 2000 dated September 2, 2000, annual debt service payments including interest at 4.60 percent to 6.375 percent range from \$962,300 to \$967,200. Final payment due September 2030.	12,740,000
Brentwood Infrastructure Financing Authority, Infrastructure Revenue Refunding Bond Series 2002 A & B, dated June 20, 2002, annual debt service payments, including interest at 4.75 percent to 6.0 percent range from \$636,000 to \$1,332,718. Refinanced CIFP's 98-1 and 99-1. Final payment due September 2029.	16,585,000
Grand Total Assessment District Debt	<u>\$ 89,267,100</u>

Debt Service for the special assessment district bonds is reported in the agency funds.

Notes to the Basic Financial Statements

NOTE # 7 – CLASSIFICATION OF NET ASSETS

In the Government-Wide Financial Statements, net assets are classified in the following categories:

Investment In Capital Assets, Net of Related Debt – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduces this category.

Restricted Net Assets – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed.

Unrestricted Net Assets – This category represents the net assets of the City, which are not restricted for any project or other purpose.

NOTE # 8 - DEFINED BENEFIT PENSION PLAN

A. Plan Description

The City of Brentwood’s defined benefit pension plans, (Miscellaneous and Safety Plans), provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Plans are part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefits provisions as well as other requirements are established by the State statutes within the Public Employee’s Retirement Law. The City of Brentwood selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance or resolution. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS’s annual financial report may be obtained from the CalPERS Executive Office – 400 P Street – Sacramento, California 95814.

Notes to the Basic Financial Statements

NOTE # 8 - DEFINED BENEFIT PENSION PLAN (Continued)

B. Fund Policy

Active plan members in the Miscellaneous Plan are required to contribute seven percent of their annual covered salary, while active plan members in the Safety plan are required to contribute nine percent of their annual covered salary. The City of Brentwood is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for Fiscal Year 2001/02 was 3.876 percent for miscellaneous employees, and 11.837 percent for safety employees. The contribution requirements of the plan members are established by State Statute and the employer contribution rate is established and may be amended by CalPERS.

C. Annual Pension Cost

For Fiscal Year 2001/02, the City of Brentwood's annual pension cost was \$1,440,143 and was equal to the City's required and actual contributions. The required contribution for Fiscal Year 2001/02 was determined as part of the June 30, 2001, actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included (a) 8.25 percent investment rate of return (net of administrative expenses); (b) projected salary increases that vary by duration of service ranging from 3.75 percent to 14.20 percent for miscellaneous members; and (c) zero percent cost-of-living adjustment. Both (a) and (b) include an inflation component of 2.00 percent. The actuarial value of the Plan's assets were determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a two to five year period depending on the size of investment gains and/or losses. The Plan's unfunded actuarial accrued liability (or excess assets) is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period ends June 30, 2022, for current service and June 30, 2015, for prior service.

Notes to the Basic Financial Statements

NOTE # 8 - DEFINED BENEFIT PENSION PLAN (Continued)

D. Three-year Trend Information for the Plans

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/1999	\$ 1,246,674	100%	\$ -
6/30/2000	\$ 1,261,749	100%	\$ -
6/30/2001	\$ 1,440,143	100%	\$ -

NOTE # 9 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; natural disasters; errors and omissions; injuries to employees; and unemployment claims. The City along with other Contra Costa County cities belongs to Contra Costa County Municipal Risk Management Insurance Authority (Authority), 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 the Authority for its Liability (\$15 million coverage, \$10,000 deductible), Fire and Property (\$500 million coverage, \$5,000 deductible), Auto (\$250,000 coverage; police \$3,000 deductible; all others \$2,000) and Workers Compensation (statutory coverage; zero deductible). The Agreement provides that the Authority will be self-sustaining through member premiums and assessments. The Authority purchases commercial insurance in excess of those amounts covered by the Authority's self-insurance pool.

Contra Costa County Municipal Risk Management Insurance Authority was formed June 1977, under a “joint exercise of power agreement”. The Authority was established to provide general liability, workers' compensation, property, and employee benefits insurance coverage. The Authority is governed by a Board of Directors composed of one appointed official from each City. Members at June 30, 2002, were the Cities of Antioch, Brentwood, Clayton, Concord, El Cerrito, Hercules, Lafayette, Manteca, Martinez, Orinda, Pinole, Pittsburg, Pleasant Hill, San Pablo, San Ramon and Walnut Creek and the Towns of Danville and Moraga. Audited financial information can be obtained from the Authority at 1911 San Miguel Drive, Walnut Creek, CA 94596. A summary of the latest annual financial information as of and for the year ended June 30, 2002, is as follows:

Notes to the Basic Financial Statements

NOTE #9 - RISK MANAGEMENT (Continued)

	<u>CCCMRMIA</u>
Total Assets	\$ 36,567,484
Total Liabilities	26,479,988
Total Equity	10,087,496
Total Revenues	11,281,571
Total Expenditures/Expenses	153,903,595
Other Income (Expense)	2,331,206
Net Increase (Decrease) in Retained Earnings	\$ (1,777,582)

There have been no significant reductions in any of the City’s areas of insurance and settled claims have not exceeded coverage for these risks in any of the last three fiscal years. There were no outstanding claims payable at year end and the Incurred But Not Reported (IBNR) amount was calculated to be immaterial for presentation purposes.

Notes to the Basic Financial Statements

NOTE #10 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The City maintains Enterprise funds which provide wastewater, solid waste, water, parks and recreation, and city rental services. Segment information for the year ended June 30, 2002, is as follows:

	<u>Wastewater</u>	<u>Solid Waste</u>	<u>Water</u>	<u>Parks and Recreation</u>	<u>City Rentals</u>	<u>Total</u>
Operating Revenues	\$ 2,764,158	\$ 3,729,134	\$ 5,414,427	\$ 626,179	\$ 216,841	\$ 12,750,739
Depreciation and amortization	565,152	297,998	308,574	270,358	90,000	1,532,082
Operating income (loss)	(156,191)	712,304	(598,543)	(2,178,964)	(179,184)	(2,400,578)
Property Tax	-	-	-	532,571	-	532,571
Other nonoperating revenues (expenses) net	4,030,194	(74,435)	5,897,145	2,943,881	-	12,796,785
Transfers in	41,841,078	215,000	2,135,151	3,216,722	3,000,000	50,407,951
Transfers out	(42,369,031)	(715,000)	(2,611,160)	(3,841,984)	-	(49,537,175)
Net income (loss)	5,042,099	417,647	6,469,730	5,925,669	2,820,816	20,675,961
Capital asset additional (deletions)	24,907,861	544,139	3,616,616	1,960,732	15,915	31,045,263
Net Working Capital	9,796,763	635,774	11,018,899	3,455,481	(132,970)	24,773,947
Total assets	71,704,612	2,943,892	51,130,452	19,091,382	2,837,961	147,708,299
Long-term liabilities outstanding	35,776,247	1,301,484	10,053,987	47,554	1,625	47,180,897
Total Net Assets	34,541,123	1,371,367	39,624,707	18,658,177	2,766,320	96,961,694

Notes to the Basic Financial Statements

NOTE # 11 - POST-RETIREMENT HEALTH CARE BENEFITS

In addition to the pension benefits described on Note #8, the City provides post-retirement health care benefits, in accordance with City Resolution, to miscellaneous employees who retire from the City on or after attaining age 55 with at least five years of service. Coverage is also included for one employee dependent. Currently, 25 retirees are receiving these benefits. The City pays up to \$553.38 per month of the amount of medical insurance for retirees. Expenditures for post-retirement health care benefits are recognized on a pay as you go method. During the year, expenditures of \$127,568 were recognized for post-retirement health care.

NOTE # 12 – BRENTWOOD REDEVELOPMENT AGENCY TAX SHARING AGREEMENTS

The Brentwood Redevelopment Agency entered into tax sharing agreements with the East Diablo Fire District, The Brentwood Union School District, the Liberty Union High School District, the Oakley School District, the Knightsen School District, the Bryon Elementary School District, the Contra Costa Mosquito Abatement District, and the Contra Costa County Office of Education. The agreements call for a pass through of their proportionate share of the tax increment revenue. The pass through amounts from these agreements are not currently subordinated to other Agency debt.

The Brentwood Redevelopment Agency entered into tax-sharing agreements with the Contra Costa Community College District, the East Bay Regional Park District, and the BBK Union Cemetery District. The agreements call for a pass through of their share of the tax increment revenue. The pass through amounts from these agreements are currently subordinated to other Agency debt. All payments due to date have been paid annually.

The Brentwood Redevelopment Agency entered into tax sharing agreements with the Contra Costa County and the Contra Costa Flood Control District. The agreements call for a pass through of a portion of the general tax levy. Under these agreements, a portion of the pass through amounts owed are deferred for payment until fiscal year 2003/04. The deferred amounts accumulate interest at an annually adjusted interest rate.

NOTE # 13 - CONTINGENCIES

A. Litigation

The City is involved as a defendant in one legal proceeding. While it is not feasible to predict or determine the outcome in this case, it is the opinion of the City that the outcome will have no material adverse effect on the financial position of the City.

B. 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 that any required reimbursements will not be material.

C. Developer Fee Credits

The City entered into several agreements with various developers and merchant builders who are developing numerous residential and commercial projects throughout the City. The City agreed to grant the developers impact fee credits since the developers constructed certain improvements beyond what was needed to serve their specific projects. The value of credits do 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, 2002 was \$15,100,151 after a total of \$7,480,019 was used as credits through the fiscal year 2001/02. 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 that has not yet occurred.

Notes to the Basic Financial Statements

NOTE # 13 – CONTINGENCIES (Continued)

D. Pass through Agreement - East Bay Regional Park District

The Brentwood Redevelopment Agency has entered into a tax-sharing agreement with the East Bay Regional Park District. The agreement calls for a pass through of the Park District’s proportionate share of tax increment revenue, and the voter approved Measure AA tax levy. The Agency accurately and timely passes through both amounts each year based on increment allocation factors and annual Measure AA tax rate as provided by the Contra Costa County Auditor’s office.

E. Construction Commitments

As of June 30, 2002, the City had the following commitments with respect to unfinished capital projects:

Wastewater Treatment Plant 5MGD Expansion	\$ 6,487,857
Sand Creek Road	5,251,666

Notes to the Basic Financial Statements

NOTE # 14 – FUND BALANCE RESTATEMENTS

The City has determined that certain transactions were recorded incorrectly in the prior year, as relate to capital expenditures in the following funds:

	<u>Fund Equity at 6/30/2001</u>	<u>Adjustments (Restatements)</u>	<u>Beginning Fund Equity 7/1/2001</u>
<u>Special Revenue Funds</u>			
Redevelopment Low Income Housing	\$ 1,052,317	\$ 248,113	\$ 1,300,430
<u>Capital Projects Funds</u>			
North Brentwood Redevelopment Project	259,287	(248,113)	11,174
Capital Projects	3,691,976	(112,282)	3,579,694
Capital Improvement Financing Program 94-1	8,508,055	(2,062)	8,505,993
<u>Propriety Funds</u>			
Parks and Recreation	17,276,294	(4,543,786)	12,732,508
Water	33,607,928	(452,951)	33,154,977
<u>Internal Service Funds</u>			
Information Systems Replacement	\$ 668,542	\$ (235,235)	\$ 433,307

Notes to the Basic Financial Statements

NOTE # 15 – CHANGE IN ACCOUNTING PRINCIPLES

For the fiscal year ended June 30, 2002, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 34, “Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments, GASB Statement No. 36, “Receipt Reporting for Certain Shared Nonexchange Revenues”, GASB Statement No. 37, “Basic Financial Statement for State and Local Governments: Omnibus” and GASB Statement No. 38, “Certain Financial Statement Note Disclosures”. As a result, the financial statements for the first time include: 1) a Management Discussion and Analysis (MD & A) section providing an analysis of the City’s overall financial position and results of operations, 2) financial statements prepared using full accrual accounting for all of the City’s activities, and 3) a change in the fund financial statements to focus on the major funds. These and other changes are reflected in the accompanying financial statements, including notes to the basic financial statements.



Required
Supplementary
Information

BUDGETARY INFORMATION

Through the budget, the City Council sets the direction of the City, allocates its resources and establishes its priorities. The Annual Budget assures the efficient and effective uses of the City’s economic resources, as well as establishing that the highest priority objectives are accomplished.

The Annual Budget serves from July 1 to June 30, and is a vehicle that accurately and openly communicates these priorities to the community, businesses, vendors, employees and other public agencies. Additionally, it establishes the foundation of effective financial planning by providing resource planning, performance measures and controls that permit the evaluation and adjustment of the City’s performance.

The City’s budget is prepared and based on three expenditure categories: personnel, supplies and services, capital outlay. These are considered operational in nature or known as *recurring costs*. Capital improvement projects are asset acquisitions, facilities, systems, and infrastructure improvements typically over \$50,000, and/or those items “outside” of the normal operational budget. These are known as *one-time costs*.

The City collects and records revenue and expenditures within the following categories:

- Governmental Activities
- Business-Type Activities

The Governmental Funds include the General Fund, Special Revenue, Debt Service and Capital Projects funds. All funding sources are kept separate for both reporting and use of the money. The General Fund is where most City services are funded that are not required to be segregated. Brentwood follows the Budget and Fiscal Policies adopted by the City Council on April 24, 2001.

The two-year budget process begins as a team effort in January of the first year, starting with an annual strategic planning meeting. Then the individual departments use projected revenue assumptions to prioritize and recommend the next fiscal year’s objectives. The City Manager’s Office and the Finance Department review all budget proposals and revenue assumptions, as well as all current financial obligations before preparing the document that is proposed to the City Council. The City Council reviews the Proposed Budget through a series of committees and workshops and the final adoption of the two-year budget is scheduled for a City Council meeting in June.

Before the beginning of the second year of the two-year budget cycle, the Council will review progress during the first year and approve appropriations for the second year. For each of the two years, the City Council will adopt a resolution appropriating and approving the budget for the ensuing fiscal year.

Required Supplementary Information

<i>Budgetary Comparison Schedule, General Fund</i>					
<i>For Year Ended June 30, 2002</i>					
	Budget Amounts				
	Original Budget	Final Budget	Actual	Variance	
REVENUES					
Taxes	\$ 5,445,189	\$ 5,445,189	\$ 5,182,419	\$ (262,770)	
Licenses	69,000	69,000	66,810	(2,190)	
Permits and Fines	212,800	212,800	149,560	(63,240)	
Uses of Money and Property	821,780	821,780	703,354	(118,426)	
Intergovernmental	1,813,570	1,663,570	1,729,769	66,199	
Franchises	285,560	285,560	338,692	53,132	
Charges for Other Services	165,030	165,030	215,430	50,400	
Charges to Other Funds	3,507,914	3,607,914	4,203,653	595,739	
Fees and Other Revenues	184,500	184,500	92,194	(92,306)	
Total Revenues	12,505,343	12,455,343	12,681,881	226,538	
EXPENDITURES					
Current:					
General Government	2,987,265	3,096,715	2,878,194	218,521	
Public Safety	6,545,287	6,565,187	5,947,124	618,063	
Public Works	1,403,659	1,377,659	1,398,012	(20,353)	
Parks	757,875	762,875	773,284	(10,409)	
Community Services	125,678	145,678	152,988	(7,310)	
Other	616,713	755,713	576,399	179,314	
Total Expenditures	12,436,477	12,703,827	11,726,001	977,826	
REVENUES OVER (UNDER) EXPENDITURES	68,866	(248,484)	955,880	1,204,364	
OTHER FINANCING SOURCES (USES)					
Transfers In	731,250	6,731,250	6,691,760	(39,490)	
Transfers Out	(723,000)	(2,623,000)	(2,560,100)	62,900	
Total Other Financing Sources (Uses)	8,250	4,108,250	4,131,660	23,410	
NET CHANGE IN FUND BALANCE	\$ 77,116	\$ 3,859,766	5,087,540	\$ 1,227,774	
Fund Balance, Beginning of Year			3,873,006		
Fund Balance, End of Year			\$ 8,960,546		

Required Supplementary Information

<i>Budgetary Comparison Schedule, Thoroughfares</i>				
<i>For Year Ended June 30, 2002</i>				
	Budget Amounts		Actual	Variance
	Original Budget	Final Budget		
REVENUES				
Uses of Money and Property	\$ 150,000	\$ 150,000	\$ 328,361	\$ 178,361
Intergovernmental	-	-	300,000	300,000
Fees and Other Revenues	6,576,462	6,576,462	6,921,620	345,158
Total Revenues	6,726,462	6,726,462	7,549,981	823,519
EXPENDITURES				
Current:				
Other	220,802	220,805	393,238	(172,433)
Capital Outlay	1,371,145	1,371,145	3,414,140	(2,042,995)
Debt Service:				
Interest and Fiscal Charges	-	-	160,000	(160,000)
Total Expenditures	1,591,947	1,591,950	3,967,378	(2,375,428)
REVENUES OVER (UNDER) EXPENDITURES	5,134,515	5,134,512	3,582,603	1,551,909
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	152,961	152,961
Transfers Out	(10,016,495)	(10,016,495)	(13,773,589)	(3,757,094)
Total other Financing Sources (Uses)	(10,016,495)	(10,016,495)	(13,620,628)	(3,604,133)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ (4,881,983)	\$ (4,881,983)	(10,038,025)	\$ (5,156,042)
Fund Balance, Beginning of Year			10,332,601	
Fund Balance, End of Year			\$ 294,576	

Budgetary Comparison Schedule, Community Development
For Year Ended June 30, 2002

	Budget Amounts		Actual	Variance
	Original Budget	Final Budget		
REVENUES				
Permits and Fines	\$ 3,363,089	\$ 3,363,089	\$ 4,851,821	\$ 1,488,732
Uses of Money and Property	200,000	200,000	300,171	100,171
Charges for Other Services	-	-	3,347	3,347
Total Revenues	<u>3,563,089</u>	<u>3,563,089</u>	<u>5,155,339</u>	<u>1,592,250</u>
EXPENDITURES				
Current:				
Community development	3,210,097	3,284,597	2,793,184	491,413
Total Expenditures	<u>3,210,097</u>	<u>3,284,597</u>	<u>2,793,184</u>	<u>491,413</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>352,992</u>	<u>278,492</u>	<u>2,362,155</u>	<u>2,083,663</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	(1,000,000)	(1,000,000)	-
Total other Financing Sources (Uses)	<u>-</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>-</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES				
	<u>\$ 352,992</u>	<u>\$ (721,508)</u>	<u>1,362,155</u>	<u>\$ 2,083,663</u>
Fund Balance, Beginning of Year			<u>4,482,240</u>	
Fund Balance, End of Year			<u>\$ 5,844,395</u>	

Budgetary Comparison Schedule, Engineering
For Year Ended June 30, 2002

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Permits and Fines	\$ 1,452,000	\$ 1,452,000	\$ 2,040,244	\$ 588,244
Uses of Money and Property	450,000	450,000	428,750	(21,250)
Charges for Other Services	287,550	287,550	606,841	319,291
Fees and Other Revenues	-	-	1,610	1,610
Total Revenues	<u>2,189,550</u>	<u>2,189,550</u>	<u>3,077,445</u>	<u>887,895</u>
EXPENDITURES				
Current:				
Engineering	1,902,802	1,968,370	1,687,754	280,616
Total Expenditures	<u>1,902,802</u>	<u>1,968,370</u>	<u>1,687,754</u>	<u>280,616</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>286,748</u>	<u>221,180</u>	<u>1,389,691</u>	<u>1,168,511</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	(1,000,000)	(1,000,000)	-
Total other Financing Sources (Uses)	<u>-</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>-</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES				
	<u>\$ 286,748</u>	<u>\$ (778,820)</u>	389,691	<u>\$ 1,168,511</u>
Fund Balance, Beginning of Year			<u>6,894,613</u>	
Fund Balance, End of Year			<u>\$ 7,284,304</u>	

Required Supplementary Information

DEFINED BENEFIT PENSION PLAN

Funded Status of Plans:

Miscellaneous:

Valuation Date	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded Liability (Excess Assets)	Funded Status	Annual Covered Payroll	UAAL As a % of Payroll
6/30/1999	\$ 6,786,566	\$ 8,594,665	\$ (1,808,099)	126.60%	\$ 4,515,645	(40.041%)
6/30/2000	\$ 8,737,487	\$ 10,184,414	\$ (1,446,927)	116.60%	\$ 6,242,021	(23.180%)
6/30/2001	\$ 10,689,860	\$ 11,147,793	\$ (457,933)	104.30%	\$ 7,827,795	(5.900%)

Safety:

Valuation Date	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded (Overfunded) Liability	Fund Ratio	Annual Covered Payroll	UAAL As a % of Payroll
6/30/1999	\$ 5,407,070	\$ 6,006,143	\$ (599,073)	111.1%	\$ 1,546,682	(38.733%)
6/30/2000	\$ 6,780,199	\$ 7,230,999	\$ (450,800)	106.6%	\$ 2,013,833	(23.385%)
6/30/2001	\$ 7,997,071	\$ 7,743,850	\$ 253,221	96.8%	\$ 2,384,791	10.6%

Non-Major Governmental Funds



- Combining Balance Sheet
- Combining Statement of Revenues, Expenditures and Changes in Fund Balances

City of Brentwood
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2002

Special Revenues

	Gas Tax	Police Grants	Other Grants	Community Facilities	Vehicle Abatement	Economic Development	Youth Diversion	Storm Drainage	Redevelopment Low Income Housing
ASSETS									
Current Assets:									
Cash and Investments	\$ 69	\$ 259,723	\$ (15,563)	\$ 1,494,698	\$ 9,258	\$ -	\$ 11,124	\$ 342,958	\$ 1,404,314
Restricted Cash and Investments	-	-	-	-	-	-	-	-	-
Receivables	88	811	18,709	71,369	25	-	10,555	1,132	98,173
Prepays	-	-	5,923	-	-	-	212	-	-
Land Held for Resale	-	-	-	-	-	-	-	-	248,113
Total Assets	\$ 157	\$ 260,534	\$ 9,069	\$ 1,566,067	\$ 9,283	\$ -	\$ 21,891	\$ 344,090	\$ 1,750,600
LIABILITIES AND FUND BALANCES									
Current Liabilities:									
Accounts Payable	\$ -	\$ 14,999	\$ 3,146	\$ 15,121	\$ -	\$ -	\$ 371	\$ -	\$ 33,453
Other Liabilities	-	-	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	65,301	-	-	-	-	-
Deposits Held	-	-	-	-	-	-	-	-	1,000
Compensated Absences Payable	-	-	-	-	-	-	1,209	-	-
Total Liabilities	-	14,999	3,146	80,422	-	-	1,580	-	34,453
Fund Balances:									
Reserved for:									
Prepays	-	-	5,923	-	-	-	212	-	-
Land Held for Resale	-	-	-	-	-	-	-	-	248,113
Debt Service	-	-	-	-	-	-	-	-	-
Specific Projects and Programs	157	245,535	-	-	9,283	-	-	-	1,468,034
Unreserved, Reported In:									
Special Projects	-	-	-	-	-	-	20,099	-	-
Capital Projects	-	-	-	1,485,645	-	-	-	344,090	-
Total Fund Balances	157	245,535	5,923	1,485,645	9,283	-	20,311	344,090	1,716,147
Total Liabilities and Fund Balances	\$ 157	\$ 260,534	\$ 9,069	\$ 1,566,067	\$ 9,283	\$ -	\$ 21,891	\$ 344,090	\$ 1,750,600

Continued

City of Brentwood
Combining Balance Sheet
Non-Major Governmental Funds (Continued)
June 30, 2002

Special Revenues (Continued)

	North Brentwood Redevelopment		Asset Forfeiture		Open Space	Mark Roos Drainage Credit	Measure C	Facility Fee Administration	Agriculture Conservation
	Low Income Housing	Bypass Authority							
ASSETS									
Current Assets:									
Cash and Investments	\$ -	\$ 15,121	\$ 13,991	\$ 179,191	\$ 19,264	\$ 113,939	\$ 3,191,443	\$ 1,449,861	
Restricted Cash and Investments	-	-	-	-	-	-	-	-	
Receivables	-	-	44	561	-	421	56,412	4,045	
Prepays	-	-	-	-	-	-	-	-	
Land Held for Resale	-	-	-	-	-	-	-	-	
Notes Receivable	-	-	-	-	-	-	-	-	
Total Assets	\$ -	\$ 15,121	\$ 14,035	\$ 179,752	\$ 19,264	\$ 114,360	\$ 3,247,855	\$ 1,453,906	
LIABILITIES AND FUND BALANCES									
Current Liabilities:									
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 517	\$ -	
Other Liabilities	-	-	-	-	-	-	46,019	-	
Deferred Revenue	-	-	-	-	-	-	-	-	
Deposits Held	-	-	-	-	-	-	-	-	
Compensated Absences Payable	-	-	-	-	-	-	-	-	
Total Liabilities	-	-	-	-	-	-	46,536	-	
Fund Balances:									
Reserved for:									
Prepays	-	-	-	-	-	-	-	-	
Land Held for Resale	-	-	-	-	-	-	-	-	
Debt Service	-	-	-	-	-	-	-	-	
Specific Projects and Programs	-	15,121	14,035	179,752	19,264	114,360	-	-	
Unreserved, Reported in:									
Special Projects	-	-	-	-	-	-	-	-	
Capital Projects	-	-	-	-	-	-	3,201,319	1,453,906	
Total Fund Balances	-	15,121	14,035	179,752	19,264	114,360	3,201,319	1,453,906	
Total Liabilities and Fund Balances	\$ -	\$ 15,121	\$ 14,035	\$ 179,752	\$ 19,264	\$ 114,360	\$ 3,247,855	\$ 1,453,906	

Continued

City of Brentwood
Combining Balance Sheet
Non-Major Governmental Funds (Continued)
June 30, 2002

	Debt Service Funds						Capital Projects Funds	
	Downtown Redevelopment Debt	North Brentwood Redevelopment Debt	Capital Improvement Program 2001	2002 General Obligation Bond	ABAG XXVI COP'S	Capital Lease Purchases	Downtown Redevelopment Project	North Brentwood Redevelopment Project
ASSETS								
Current Assets:								
Cash and Investments	\$ 605,904	\$ 190,786	\$ 2,835	\$ 30,357	\$ 238,134	\$ -	\$ 117,830	\$ 645
Restricted Cash and Investments	-	-	2,172,102	-	9	-	14,863,382	-
Receivables	173,315	203,670	-	-	-	-	102,170	-
Prepays	-	-	-	-	-	-	3,417	-
Land Held for Resale	-	-	-	-	-	-	227,698	-
Total Assets	\$ 779,219	\$ 394,456	\$ 2,174,937	\$ 30,357	\$ 238,143	\$ -	\$ 15,314,497	\$ 645
LIABILITIES AND FUND BALANCES								
Current Liabilities:								
Accounts Payable	\$ -	\$ 226,352	\$ 164,378	\$ -	\$ 9,396	\$ -	\$ 18,157	\$ 4,527
Other Liabilities	-	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-	-	-
Deposits Held	-	-	-	-	-	-	-	-
Compensated Absences Payable	-	-	-	-	-	-	-	-
Total Liabilities	-	226,352	164,378	-	9,396	-	18,157	4,527
Fund Balances:								
Reserved for:								
Prepays	-	-	-	-	-	-	3,417	-
Land Held for Resale	-	-	-	-	-	-	227,698	-
Debt Service	779,219	168,104	2,010,559	30,357	228,747	-	-	-
Specific Projects and Programs	-	-	-	-	-	-	15,065,225	(3,882)
Unreserved, Reported in:								
Special Projects	-	-	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-	-	-
Total Fund Balances	779,219	168,104	2,010,559	30,357	228,747	-	15,296,340	(3,882)
Total Liabilities and Fund Balances	\$ 779,219	\$ 394,456	\$ 2,174,937	\$ 30,357	\$ 238,143	\$ -	\$ 15,314,497	\$ 645

Continued

City of Brentwood
Combining Balance Sheet
Non-Major Governmental Funds (Continued)
June 30, 2002

	Capital Projects Funds (Continued)				
	Capital	Capital	Capital	Street	Total
	Improvement	Improvement	Improvement	Improvement	Non-Major
	Financing	Financing	Improvement	Improvement	Governmental
	Program 98-1	Program 99-1	2001	Projects	Funds
ASSETS					
Current Assets:					
Cash and Investments	\$ -	\$ -	\$ 15	\$ 2,921,450	\$ 12,597,347
Restricted Cash and Investments	103,512	452,766	275,914	-	17,867,685
Receivables	-	-	-	9,083	750,583
Prepays	-	-	-	-	9,552
Land Held for Resale	-	-	-	-	475,811
Total Assets	<u>\$ 103,512</u>	<u>\$ 452,766</u>	<u>\$ 275,929</u>	<u>\$ 2,930,533</u>	<u>\$ 31,700,978</u>
LIABILITIES AND FUND BALANCES					
Current Liabilities:					
Accounts Payable	\$ -	\$ -	\$ -	\$ 516	\$ 490,933
Other Liabilities	-	-	-	-	46,019
Deferred Revenue	-	-	-	-	65,301
Deposits Held	-	-	-	-	1,000
Compensated Absences Payable	-	-	-	-	1,209
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>516</u>	<u>604,462</u>
Fund Balances:					
Reserved for:					
Prepays	-	-	-	-	9,552
Land Held for Resale	-	-	-	-	475,811
Debt Service	-	-	-	-	3,216,986
Specific Projects and Programs	103,512	452,766	275,929	2,930,017	20,889,108
Unreserved, Reported in:					
Special Projects	-	-	-	-	20,099
Capital Projects	-	-	-	-	6,484,960
Total Fund Balances	<u>103,512</u>	<u>452,766</u>	<u>275,929</u>	<u>2,930,017</u>	<u>31,096,516</u>
Total Liabilities and Fund Balances	<u>\$ 103,512</u>	<u>\$ 452,766</u>	<u>\$ 275,929</u>	<u>\$ 2,930,533</u>	<u>\$ 31,700,978</u>

City of Brentwood
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For Year Ended June 30, 2002

Special Revenues

	Gas Tax	Police Grants	Other Grants	Community Facilities	Vehicle Abatement	Economic Development	Youth Diversion	Storm Drainage	Redevelopment Low Income Housing
REVENUES									
Taxes	\$ 481,852	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 584,617
Uses of Money and Property	1,759	14,353	762	52,561	426	-	166	21,462	73,545
Intergovernmental	-	161,743	57,815	-	-	-	42,108	-	-
Fees and Other Revenues	-	-	-	1,979,301	12,658	-	4,264	-	-
Total Revenues	483,611	176,096	58,577	2,031,862	13,084	-	46,538	21,462	658,162
EXPENDITURES									
Current:									
General Government	-	-	-	-	-	-	-	-	319,837
Public Safety	-	87,330	-	-	5,347	-	70,436	-	-
Community Development	-	-	-	-	-	-	-	-	-
Community Service	-	-	52,654	362,460	-	-	-	-	-
Other	-	-	-	-	-	-	-	3,750	-
Capital Outlay	-	-	-	45,411	-	-	-	-	50,000
Debt Service:									
Principal Retirement	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Total Expenditures	-	87,330	52,654	407,871	5,347	-	70,436	3,750	369,837
REVENUES OVER (UNDER) EXPENDITURES	483,611	88,766	5,923	1,623,991	7,737	-	(23,898)	17,712	288,325
OTHER FINANCING SOURCES (USES)									
Loan and Bond Proceeds	-	-	-	-	-	-	-	-	-
Refunding Bonds Issued	-	-	-	-	-	-	-	-	-
Transfers In	-	-	-	2,001,706	-	-	25,000	84,389	207,200
Transfers Out	(483,676)	-	-	(2,907,834)	(10,000)	(7,438)	-	(55,100)	(79,808)
Total other Financing Sources (Uses)	(483,676)	-	-	(906,128)	(10,000)	(7,438)	25,000	29,289	127,392
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(65)	88,766	5,923	717,863	(2,263)	(7,438)	1,102	47,001	415,717
Fund Balance, Beginning of Year, Restated	222	156,769	-	767,782	11,546	7,438	19,209	297,089	1,300,430
Fund Balance, End of Year	\$ 157	\$ 245,535	\$ 5,923	\$ 1,485,645	\$ 9,283	\$ -	\$ 20,311	\$ 344,090	\$ 1,716,147

Continued

City of Brentwood
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
For Year Ended June 30, 2002

	Special Revenues (Continued)							
	North Brentwood							
	Redevelopment Low Income Housing	Bypass Authority	Asset Forfeiture	Open Space	Mark Roos Drainage Credit	Measure C	Facility Fee Administration	Agriculture Conservation
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	-	1,091	744	10,355	-	4,824	151,653	47,888
Intergovernmental	-	-	-	-	-	337,623	-	-
Fees and Other Revenues	-	14,030	992	-	-	-	814,324	993,220
Total Revenues	-	15,121	1,736	10,355	-	342,447	965,977	1,041,108
EXPENDITURES								
Current:								
General Government	-	-	-	-	-	-	3,232	-
Public Safety	-	-	-	-	-	439	-	-
Community Development	-	-	-	-	-	-	-	-
Community Services	-	-	-	13,050	-	-	-	-
Other	-	14,360	-	-	55,100	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal Retirement	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Total Expenditures	-	14,360	-	13,050	55,100	439	3,232	-
REVENUES OVER (UNDER) EXPENDITURES	-	761	1,736	(2,695)	(55,100)	342,008	962,745	1,041,108
OTHER FINANCING SOURCES (USES)								
Loan and Bond Proceeds	-	-	-	-	-	-	-	-
Refunding Bonds Issued	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	55,100	-	-	-
Transfers Out	(126,849)	-	-	-	-	(260,000)	-	-
Total other Financing Sources (Uses)	(126,849)	-	-	-	55,100	(260,000)	-	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(126,849)	761	1,736	(2,695)	-	82,008	962,745	1,041,108
Fund Balance, Beginning of Year, Restated	126,849	14,360	12,299	182,447	19,264	32,352	2,238,574	412,798
Fund Balance, End of Year	\$ -	\$ 15,121	\$ 14,035	\$ 179,752	\$ 19,264	\$ 114,360	\$ 3,201,319	\$ 1,453,906

Continued

City of Brentwood
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
For Year Ended June 30, 2002

	Debt Service Funds					Capital Projects Funds		
	North		2002			North		
	Downtown Redevelopment Debt	Brentwood Redevelopment Debt	Capital Improvement Program 2001	General Obligation Bond	ABAG XXVI COP'S	Capital Lease Purchases	Downtown Redevelopment Project	Brentwood Redevelopment Project
REVENUES								
Taxes	\$ 1,523,086	\$ 815,384	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	57,372	5,759	70,828	-	5,202	-	335,280	-
Intergovernmental	-	-	-	-	-	-	-	-
Other Revenues	-	7,050	-	8,932	-	-	-	-
Total Revenues	1,580,458	828,193	70,828	8,932	5,202	-	335,280	-
EXPENDITURES								
Current:								
General Government	-	-	-	-	-	-	278,815	299,603
Public Safety	-	-	-	-	-	-	-	-
Community Development	2,275	297,321	22,528	-	1,960	-	-	-
Community Services	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	1,746,625	-
Debt Service:								
Principal Retirement	-	-	-	-	270,000	24,847	-	-
Interest and Fiscal Charges	1,161,933	387,805	1,001,127	-	55,556	1,312	8,413	-
Total Expenditures	1,164,208	685,126	1,023,655	-	327,516	26,159	2,033,853	299,603
REVENUES OVER (UNDER) EXPENDITURES	416,250	143,067	(952,827)	8,932	(322,314)	(26,159)	(1,698,573)	(299,603)
OTHER FINANCING SOURCES (USES)								
Loan and Bond Proceeds	5,800	9,587	17,786,067	6,021,425	300,000	-	-	-
Refunding Bonds Issued	(3,240,000)	-	(5,320,000)	-	-	-	-	-
Transfers In	3,284,025	-	4,789,427	-	-	-	16,486,068	71,150
Transfers Out	(531,141)	(71,150)	(14,292,108)	(6,000,000)	-	(30,646)	(127,827)	(26,603)
Total other Financing Sources (Uses)	(481,316)	(61,563)	2,963,386	21,425	300,000	(30,646)	16,583,241	284,547
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(65,066)	81,504	2,010,559	30,357	(22,314)	(56,805)	14,884,668	(15,056)
Fund Balance, Beginning of Year, Restated	844,285	86,600	-	-	251,061	56,805	411,672	11,174
Fund Balance, End of Year	\$ 779,219	\$ 168,104	\$ 2,010,559	\$ 30,357	\$ 228,747	\$ -	\$ 15,296,340	\$ (3,882)

Continued

City of Brentwood
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
For Year Ended June 30, 2002

	Capital Projects Funds (Continued)				Total Non- Governmental Funds
	Capital Improvement Financing Program 98-1	Capital Improvement Financing Program 99-1	Capital Improvement 2001	Street Improvement Program	
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 3,404,939
Uses of Money and Property	2,161	31,404	25,668	162,792	1,078,055
Intergovernmental	-	-	-	-	599,289
Other Revenues	1,788	2,686	-	-	3,839,245
Total Revenues	<u>3,949</u>	<u>34,090</u>	<u>25,668</u>	<u>162,792</u>	<u>8,921,528</u>
EXPENDITURES					
Current:					
General Government	-	-	300,592	3,232	1,205,311
Public Safety	-	-	-	-	163,552
Community Development	-	-	-	-	324,084
Community Services	-	-	-	-	428,164
Other	-	-	-	-	73,210
Capital Outlay	-	1,495,460	872,076	-	4,209,572
Debt Service:					
Principal Retirement	-	-	-	-	294,847
Interest and Fiscal Charges	-	-	-	-	2,616,146
Total Expenditures	<u>-</u>	<u>1,495,460</u>	<u>1,172,668</u>	<u>3,232</u>	<u>9,314,886</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>3,949</u>	<u>(1,461,370)</u>	<u>(1,147,000)</u>	<u>159,560</u>	<u>(393,358)</u>
OTHER FINANCING SOURCES (USES)					
Loan and Bond Proceeds	-	-	13,957,097	-	38,079,976
Refunding Bonds Issued	-	-	-	-	(8,560,000)
Transfers In	-	-	-	-	27,004,065
Transfers Out	-	-	(13,592,140)	-	(38,602,320)
Total other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1,422,929</u>	<u>-</u>	<u>19,444,693</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>3,949</u>	<u>(1,461,370)</u>	<u>275,929</u>	<u>159,560</u>	<u>19,051,335</u>
Fund Balance, Beginning of Year, Restated	<u>99,563</u>	<u>1,914,136</u>	<u>-</u>	<u>2,770,457</u>	<u>12,045,181</u>
Fund Balance, End of Year	<u>\$ 103,512</u>	<u>\$ 452,766</u>	<u>\$ 275,929</u>	<u>\$ 2,930,017</u>	<u>\$ 31,096,516</u>

Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the City, on a cost reimbursement basis.

Information Services – To develop and coordinate the City’s Information Systems’ needs.

Information Systems Replacement – To provide for the on-going replacement of the information systems such as computers and the phone system.

Vehicle Replacement – To provide a source of funding for vehicle and equipment replacement.

Building Replacement – To provide a source of funding for maintenance/repairs to City facilities.

Emergency Preparedness – Disaster recovery plan.

Fleet Maintenance – To provide for the on-going maintenance for all City Vehicles, except Police.



City of Brentwood
Combining Statement of Net Assets
All Internal Service Funds
June 30, 2002

	Information Services	Information Systems Replacement	Vehicle Replacement	Building Replacement	Emergency Preparedness	Fleet Maintenance	TOTALS
ASSETS							
Current Assets:							
Cash and Investments	\$ 24,946	\$ 449,194	\$ 1,456,482	\$ 508,500	\$ 2,000,000	\$ 11,719	\$ 4,450,841
Receivables	108	27,734	4,175	1,879	-	-	33,896
Prepays	982	-	-	440	-	503	1,925
Non-Current Assets:							
Capital Assets, Net	-	294,169	119,819	71,686	-	-	485,674
Total Assets	<u>26,036</u>	<u>771,097</u>	<u>1,580,476</u>	<u>582,505</u>	<u>2,000,000</u>	<u>12,222</u>	<u>4,972,336</u>
LIABILITIES AND NET ASSETS							
Current Liabilities:							
Accounts Payable	4,792	3,599	-	1,820	-	15,541	25,752
Deferred Revenue	-	-	-	341	-	-	341
Compensated Absences Payable	504	-	-	170	-	146	820
Non-Current Liabilities:							
Capital Leases Payable	-	-	178,104	-	-	-	178,104
Compensated Absences Payable	16,301	-	-	5,505	-	4,720	26,526
Total Liabilities	<u>21,597</u>	<u>3,599</u>	<u>178,104</u>	<u>7,836</u>	<u>-</u>	<u>20,407</u>	<u>231,543</u>
Net Assets:							
Invested in Capital Assets, net of related debt							
Unrestricted	4,439	767,498	1,402,372	574,669	2,000,000	(8,185)	4,740,793
Total Net Assets	<u>\$ 4,439</u>	<u>\$ 767,498</u>	<u>\$ 1,402,372</u>	<u>\$ 574,669</u>	<u>\$ 2,000,000</u>	<u>\$ (8,185)</u>	<u>\$ 4,740,793</u>

City of Brentwood
Combining Statement of Activities and Changes in Net Assets
All Internal Service Funds
For Year Ended June 30, 2002

	Information Services	Information Systems Replacement	Vehicle Replacement	Building Replacement	Emergency Preparedness	Fleet Maintenance	TOTALS
Operating Revenues:							
Charge for Services	\$ 506,481	\$ 239,670	\$ 989,524	\$ 344,853	\$ -	\$ 443,839	\$ 2,524,367
Other Income	163	-	9,000	-	-	-	9,163
Total Operating Revenues	506,644	239,670	998,524	344,853	-	443,839	2,533,530
Operating Expenses:							
Personnel Services	388,931	-	-	137,260	-	182,892	709,083
Repairs and Maintenance	107,521	4,559	-	100,208	-	18,752	231,040
Materials, Supplies, and Services	55,790	13,793	179,439	38,516	-	250,038	537,576
Depreciation and Amortization	-	(90,564)	-	-	-	-	(90,564)
Total Operating Expense	552,242	(72,212)	179,439	275,984	-	451,682	1,387,135
Operating Income (Loss)	(45,598)	311,882	819,085	68,869	-	(7,843)	1,146,395
Non-Operating Revenue (Expense):							
Interest Income	2,179	22,309	58,430	26,472	-	270	109,660
Interest Expense	-	-	(13,757)	-	-	-	(13,757)
Total Non-Operating Revenues (Expenses)	2,179	22,309	44,673	26,472	-	270	95,903
Income (Loss) before Operating Transfers:	(43,419)	334,191	863,758	95,341	-	(7,573)	1,242,298
Transfers In	-	-	-	-	2,000,000	-	2,000,000
Transfers Out	-	-	-	(50,000)	-	-	(50,000)
Change in Net Assets	(43,419)	334,191	863,758	45,341	2,000,000	(7,573)	3,192,298
Net Assets, Beginning of Year, Restated	47,858	433,307	538,614	529,328	-	(612)	1,548,495
Net Assets, End of Year	\$ 4,439	\$ 767,498	\$ 1,402,372	\$ 574,669	\$ 2,000,000	\$ (8,185)	\$ 4,740,793

City of Brentwood
Combining Statement of Cash Flows
All Internal Service Funds
For Year Ended June 30, 2002

	Information Services	Information Systems Replacement	Vehicle Replacement	Building Replacement	Emergency Preparedness	Fleet Maintenance	TOTALS
Cash Flows from Operating Activities							
Cash Received from Customers/Other Funds	\$ 505,821	\$ 245,007	\$ 998,482	\$ 346,448	\$ -	\$ 443,336	\$ 2,539,094
Cash Payments to Suppliers of Goods and Services	(150,087)	(168,611)	(406,900)	(209,846)	-	(248,995)	(1,184,439)
Cash Payments to Employees for Services	(388,931)	-	-	(137,260)	-	(182,892)	(709,083)
Net Cash Provided by (Used for) Operating Activities	(33,197)	76,396	591,582	(658)	-	11,449	645,572
Cash Flows from Noncapital Financing Activities							
Transfers Received	-	-	-	-	2,000,000	-	2,000,000
Transfers Paid	-	-	-	(50,000)	-	-	(50,000)
Net Cash Provided by (Used for) Noncapital Financing Activities	-	-	-	(50,000)	2,000,000	-	1,950,000
Cash flows from Capital and Related Financing Activities							
Interest Paid on Capital Debt	-	-	(13,757)	-	-	-	(13,757)
Net Cash Provided by (Used for) Capital and Related Financing Activities	-	-	(13,757)	-	-	-	(13,757)
Cash flows from Investing Activities							
Interest on Investments	2,179	22,309	58,430	26,472	-	270	109,660
Net Cash Provided by Investing Activities	2,179	22,309	58,430	26,472	-	270	109,660
Net Increase (Decrease) in Cash and Cash Equivalents	(31,018)	98,705	636,255	(24,186)	2,000,000	11,719	2,691,475
Cash and Cash Equivalents - Beginning of Year	55,964	350,489	820,227	532,686	-	-	1,759,366
Cash and Cash Equivalents - End of Year	\$ 24,946	\$ 449,194	\$ 1,456,482	\$ 508,500	\$ 2,000,000	\$ 11,719	\$ 4,450,841
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:							
Operating Income (Loss)	\$ (45,598)	\$ 311,882	\$ 819,085	\$ 68,869	\$ -	\$ (7,843)	\$ 1,146,395
Adjustment to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities							
Depreciation	-	(90,564)	-	-	-	-	(90,564)
Change in Assets and Liabilities:							
Receivables, Net	159	5,340	(42)	2,034	-	(2)	7,489
Inventories	(982)	(135,832)	(119,819)	(72,126)	-	(501)	(329,260)
Accounts Payable and Other Payables	3,996	(14,430)	(107,642)	(1,853)	-	14,929	(105,000)
Accrued Liabilities	9,228	-	-	2,418	-	4,866	16,512
Net Cash Provided (Used) by Operating Activities	\$ (33,197)	\$ 76,396	\$ 591,582	\$ (658)	\$ -	\$ 11,449	\$ 645,572

General Fund

- Balance Sheet – General Fund
- Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund



City of Brentwood
Balance Sheet
General Fund
June 30, 2002

		<u>General Fund</u>
ASSETS		
Current Assets:		
Cash and Investments	\$	13,740,801
Restricted Cash and Investments		4,002,431
Receivables		678,031
Prepays		341,374
Total Assets	\$	<u>18,762,637</u>
LIABILITIES AND FUND BALANCES		
Current Liabilities		
Accounts Payable and Accrued Liabilities	\$	3,790,205
Deferred Revenue		18,328
Deposits Held		5,983,200
Compensated Absences Payable		10,358
Total Liabilities		<u>9,802,091</u>
Fund Balances:		
Reserved for:		
Prepays		341,374
Specific Projects and Programs		4,002,431
Unreserved, Reported in:		
General Fund		4,616,741
Total Fund Balances		<u>8,960,546</u>
Total Liabilities and Fund Balances	\$	<u>18,762,637</u>

City of Brentwood

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

General Fund

For Year Ended June 30, 2002

	Budget	Actual	Variance
REVENUES			
Taxes	\$ 5,445,189	\$ 5,182,419	\$ (262,770)
Licenses	69,000	66,810	(2,190)
Permits and Fines	212,800	149,560	(63,240)
Uses of Money and Property	821,780	703,354	(118,426)
Intergovernmental	1,663,570	1,729,769	66,199
Franchises	285,560	338,692	53,132
Charges for Other Services	165,030	215,430	50,400
Charges to Other Funds	3,607,914	4,203,653	595,739
Fees and Other Revenues	184,500	92,194	(92,306)
Total Revenues	12,455,343	12,681,881	226,538
EXPENDITURES			
Current:			
General Government	3,096,715	2,878,194	218,521
Public Safety	6,565,187	5,947,124	618,063
Public Works	1,377,659	1,398,012	(20,353)
Parks	762,875	773,284	(10,409)
Community Services	145,678	152,988	(7,310)
Other	755,713	576,399	179,314
Total Expenditures	12,703,827	11,726,001	977,826
REVENUES OVER (UNDER) EXPENDITURES	(248,484)	955,880	1,204,364
OTHER FINANCING SOURCES (USES)			
Transfers In	6,731,250	6,691,760	(39,490)
Transfers Out	(2,623,000)	(2,560,100)	62,900
Total Other Financing Sources (Uses)	4,108,250	4,131,660	23,410
NET CHANGE IN FUND BALANCE	\$ 3,859,766	5,087,540	\$ 1,227,774
Fund Balance, Beginning of Year		3,873,006	
Fund Balance, End of Year		\$ 8,960,546	

Special Revenue Funds

Thoroughfares – This fund accounts for revenues and expenditures from fees collected from developers for the design and construction of roadways within the City of Brentwood.

Community Development – This fund was established to account for revenues and expenditures from fees collected from developers for Planning and Building Divisions for compliance with all State of California and City of Brentwood codes.

Engineering – This fund was established to account for revenues and expenditures from fees collected from developers for Engineering to be in compliance with all State of California and City of Brentwood codes.

Gas Tax Funds – This fund is used to account for receipts and expenditures received from the State of California under Street and Highways Code Section 2105, 2106, 2107, and 2107.5.

Police Grants – This fund was established to account for all Police Federal, State and County grants requiring segregated fund accounting.

Other Grants – This fund was established to account for miscellaneous Federal, State and Country grants requiring segregated fund accounting.

Community Facilities – This fund accounts for revenues and expenditures from fees collected from developers for the design and construction of Public Facilities within the City of Brentwood.

Vehicle Abatement – These funds 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.

Youth Diversion – This fund was established from the State Realignment fund Juvenile Subvention Act. Assists families in resolving the legal conflicts in their juvenile's life.

Storm Drainage – This fund was established for revenues and expenditures from fees collected from developers for the design and construction of Storm Drainage Systems within the City of Brentwood. *This fee is no longer collected.*



O'Hara Avenue - TowneCentre Professional

Redevelopment Low Income Housing – To account for the Agency’s 20% tax increment set-aside. Monies to be used to increase and improve the community’s supply of low and moderate income housing in the Redevelopment Project areas.

Bypass Authority – This fund accounts for revenues and expenditures from fees collected from developers for the design and construction of the Bypass within the City of Brentwood. These funds are collected and distributed to the Bypass Authority.

Asset Forfeiture – Property or funds seized by the Police Department. After the case has been tried and a guilty verdict is returned, the funds are considered forfeited. This fund must be used specifically for drug prevention programs.

Open Space – This fund was established for revenues and expenditures from fees collected from developers for the preservation of Open Space within the City of Brentwood.

Mark Roos Drainage Credit – This fund was established to account for revenues and expenditures from fees collected from Capital Improvement Financing Program 92-1 developers for the design and construction of a drainage system in that District.



Measure C – This fund was established to account for the local jurisdictions portion of the Local Street Maintenance Fund allocation. These funds can only be spent on local streets and roads, transit operations, growth management planning and compliance, bicycle and pedestrian trails, and parking facilities.

Facility Fee Administration – This fee accounts for revenues and expenditures from fees collected from developers for administration of the Developer Facility Fee Program.

Agriculture Conservation – This fund was established to partially address the impact to the environment associated with the permanent conversion of productive farmland within Brentwood to urban uses.

City of Brentwood
Combining Balance Sheet
All Special Revenue Funds
June 30, 2002

	Thoroughfares	Community Development	Engineering	Gas Tax	Police Grants	Other Grants	Community Facilities	Vehicle Abatement	Economic Development	Youth Diversion
ASSETS										
Current Assets:										
Cash and Investments	\$ 30,375	\$ 5,952,965	\$ 7,286,012	\$ 69	\$ 259,723	\$ (15,563)	\$ 1,494,698	\$ 9,258	\$ -	\$ 11,124
Receivables	1,190,925	60,387	79,248	88	811	18,709	71,369	25	-	10,555
Prepays	-	4,923	3,018	-	-	5,923	-	-	-	212
Land Held for Resale	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ 1,221,300	\$ 6,018,275	\$ 7,368,278	\$ 157	\$ 260,534	\$ 9,069	\$ 1,566,067	\$ 9,283	\$ -	\$ 21,891
LIABILITIES AND FUND BALANCES										
Current Liabilities										
Accounts Payable and Accrued Liabilities	\$ 5,275	\$ 31,370	\$ 38,285	\$ -	\$ 14,999	\$ 3,146	\$ 15,121	\$ -	\$ -	\$ 371
Other Liabilities	-	-	-	-	-	-	-	-	-	-
Deferred Revenue	921,449	40,209	-	-	-	-	65,301	-	-	-
Deposits Held	-	-	-	-	-	-	-	-	-	-
Compensated Absences Payable	-	102,301	45,689	-	-	-	-	-	-	1,209
Total Liabilities	926,724	173,880	83,974	-	14,999	3,146	80,422	-	-	1,580
Fund Balances:										
Reserved for:										
Prepays	-	4,923	3,018	-	-	5,923	-	-	-	212
Land Held for Resale	-	-	-	-	-	-	-	-	-	-
Specific Projects and Programs	-	-	-	157	245,535	-	-	9,283	-	-
Unreserved, Reported in:										
Special Projects	-	5,839,472	7,281,286	-	-	-	-	-	-	20,099
Capital Projects	294,576	-	-	-	-	-	1,485,645	-	-	-
Total Fund Balances	294,576	5,844,395	7,284,304	157	245,535	5,923	1,485,645	9,283	-	20,311
Total Liabilities and Fund Balances	\$ 1,221,300	\$ 6,018,275	\$ 7,368,278	\$ 157	\$ 260,534	\$ 9,069	\$ 1,566,067	\$ 9,283	\$ -	\$ 21,891

Continued

City of Brentwood
Combining Balance Sheet
All Special Revenue Funds (Continued)
June 30, 2002

	Storm Drainage	Redevelopment Low Income Housing	North Brentwood Redevelopment Low Income Housing	Bypass Authority	Asset Forfeiture	Open Space	Mark Roos Drainage Credit	Measure C	Facility Fee Administration	Agriculture Conservation	Totals
ASSETS											
Current Assets:											
Cash and Investments	\$ 342,958	\$ 1,404,314	\$ -	\$ 15,121	\$ 13,991	\$ 179,191	\$ 19,264	\$ 113,939	\$ 3,191,443	\$ 1,449,861	\$ 21,758,743
Receivables	1,132	98,173	-	-	44	561	-	421	56,412	4,045	1,592,905
Prepays	-	-	-	-	-	-	-	-	-	-	14,076
Land Held for Resale	-	248,113	-	-	-	-	-	-	-	-	248,113
Total Assets	\$ 344,090	\$ 1,750,600	\$ -	\$ 15,121	\$ 14,035	\$ 179,752	\$ 19,264	\$ 114,360	\$ 3,247,855	\$ 1,453,906	\$ 23,613,837
LIABILITIES AND FUND BALANCES											
Current Liabilities											
Accounts Payable and Accrued Liabilities	\$ -	\$ 33,453	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 517	\$ -	\$ 142,537
Other Liabilities	-	-	-	-	-	-	-	-	46,019	-	46,019
Deferred Revenue	-	-	-	-	-	-	-	-	-	-	1,026,959
Deposits Held	-	1,000	-	-	-	-	-	-	-	-	1,000
Compensated Absences Payable	-	-	-	-	-	-	-	-	-	-	149,199
Total Liabilities	-	34,453	-	-	-	-	-	-	46,536	-	1,365,714
Fund Balances:											
Reserved for:											
Prepays	-	-	-	-	-	-	-	-	-	-	14,076
Land Held for Resale	-	248,113	-	-	-	-	-	-	-	-	248,113
Specific Projects and Programs	-	1,468,034	-	15,121	14,035	179,752	19,264	114,360	-	-	2,065,541
Unreserved, Reported in:											
Special Projects	-	-	-	-	-	-	-	-	-	-	13,140,857
Capital Projects	344,090	-	-	-	-	-	-	-	3,201,319	1,453,906	6,779,536
Total Fund Balances	344,090	1,716,147	-	15,121	14,035	179,752	19,264	114,360	3,201,319	1,453,906	22,248,123
Total Liabilities and Fund Balances	\$ 344,090	\$ 1,750,600	\$ -	\$ 15,121	\$ 14,035	\$ 179,752	\$ 19,264	\$ 114,360	\$ 3,247,855	\$ 1,453,906	\$ 23,613,837

City of Brentwood
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Special Revenue Funds
For Year Ended June 30, 2002

	Thoroughfares	Community Development	Engineering	Gas Tax	Police Grants	Other Grants	Community Facilities	Vehicle Abatement	Economic Development	Youth Diversion
REVENUES										
Taxes	\$ -	\$ -	\$ -	\$ 481,852	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Permits and Fines	-	4,851,821	2,040,244	-	-	-	-	-	-	-
Uses of Money and Property	328,361	300,171	428,750	1,759	14,353	762	52,561	426	-	166
Intergovernmental	300,000	-	-	-	161,743	57,815	-	-	-	42,108
Charges for Other Services	-	3,347	606,841	-	-	-	-	-	-	-
Fees and Other Revenues	6,921,620	-	1,610	-	-	-	1,979,301	12,658	-	4,264
Total Revenues	7,549,981	5,155,339	3,077,445	483,611	176,096	58,577	2,031,862	13,084	-	46,538
EXPENDITURES										
Current:										
General Government	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	87,330	-	-	5,347	-	70,436
Community Development	-	2,793,184	-	-	-	-	-	-	-	-
Engineering	-	-	1,687,754	-	-	-	-	-	-	-
Community Service	-	-	-	-	-	52,654	362,460	-	-	-
Other	393,238	-	-	-	-	-	-	-	-	-
Capital Outlay	3,414,140	-	-	-	-	-	45,411	-	-	-
Debt Service:										
Interest and Fiscal Charges	160,000	-	-	-	-	-	-	-	-	-
Total Expenditures	3,967,378	2,793,184	1,687,754	-	87,330	52,654	407,871	5,347	-	70,436
REVENUES OVER (UNDER) EXPENDITURES	3,582,603	2,362,155	1,389,691	483,611	88,766	5,923	1,623,991	7,737	-	(23,898)
OTHER FINANCING SOURCES (USES)										
Transfers In	152,961	-	-	-	-	-	2,001,706	-	-	25,000
Transfers Out	(13,773,589)	(1,000,000)	(1,000,000)	(483,676)	-	-	(2,907,834)	(10,000)	(7,438)	-
Total other Financing Sources (Uses)	(13,620,628)	(1,000,000)	(1,000,000)	(483,676)	-	-	(906,128)	(10,000)	(7,438)	25,000
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(10,038,025)	1,362,155	389,691	(65)	88,766	5,923	717,863	(2,263)	(7,438)	1,102
Fund Balance, Beginning of Year, Restated	10,332,601	4,482,240	6,894,613	222	156,769	-	767,782	11,546	7,438	19,209
Fund Balance, End of Year	\$ 294,576	\$ 5,844,395	\$ 7,284,304	\$ 157	\$ 245,535	\$ 5,923	\$ 1,485,645	\$ 9,283	\$ -	\$ 20,311

Continued

City of Brentwood
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Special Revenue Funds (Continued)
For Year Ended June 30, 2002

	Storm Drainage	Redevelopment Low Income Housing	North Brentwood Redevelopment Low Income Housing	Bypass Authority	Asset Forfeiture	Open Space	Mark Roos Drainage Credit	Measure C	Facility Fee Administration	Agriculture Conservation	Totals
REVENUES											
Taxes	\$ -	\$ 584,617	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,066,469
Permits and Fines	-	-	-	-	-	-	-	-	-	-	6,892,065
Uses of Money and Property	21,462	73,545	-	1,091	744	10,355	-	4,824	151,653	47,888	1,438,871
Intergovernmental	-	-	-	-	-	-	-	337,623	-	-	899,289
Charges for Other Services	-	-	-	-	-	-	-	-	-	-	610,188
Fees and Other Revenues	-	-	-	14,030	992	-	-	-	814,324	993,220	10,742,019
Total Revenues	21,462	658,162	-	15,121	1,736	10,355	-	342,447	965,977	1,041,108	21,648,901
EXPENDITURES											
Current:											
General Government	-	319,837	-	-	-	-	-	-	3,232	-	323,069
Public Safety	-	-	-	-	-	-	-	439	-	-	163,552
Community Development	-	-	-	-	-	-	-	-	-	-	2,793,184
Engineering	-	-	-	-	-	-	-	-	-	-	1,687,754
Community Service	-	-	-	-	-	13,050	-	-	-	-	428,164
Other	3,750	-	-	14,360	-	-	55,100	-	-	-	466,448
Capital Outlay	-	50,000	-	-	-	-	-	-	-	-	3,509,551
Debt Service:											
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-	160,000
Total Expenditures	3,750	369,837	-	14,360	-	13,050	55,100	439	3,232	-	9,531,722
REVENUES OVER (UNDER) EXPENDITURES	17,712	288,325	-	761	1,736	(2,695)	(55,100)	342,008	962,745	1,041,108	12,117,179
OTHER FINANCING SOURCES (USES)											
Transfers In	84,389	207,200	-	-	-	-	55,100	-	-	-	2,526,356
Transfers Out	(55,100)	(79,808)	(126,849)	-	-	-	-	(260,000)	-	-	(19,704,294)
Total Other Financing Sources (Uses)	29,289	127,392	(126,849)	-	-	-	55,100	(260,000)	-	-	(17,177,938)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	47,001	415,717	(126,849)	761	1,736	(2,695)	-	82,008	962,745	1,041,108	(5,060,759)
Fund Balance, Beginning of Year, Restated	297,089	1,300,430	126,849	14,360	12,299	182,447	19,264	32,352	2,238,574	412,798	27,308,882
Fund Balance, End of Year	\$ 344,090	\$ 1,716,147	\$ -	\$ 15,121	\$ 14,035	\$ 179,752	\$ 19,264	\$ 114,360	\$ 3,201,319	\$ 1,453,906	\$ 22,248,123

City of Brentwood
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Certain Special Revenue Funds
For Year Ended June 30, 2002

	Thoroughfares			Community Development			Engineering		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Permits and Fines	-	-	-	3,363,089	4,851,821	1,488,732	1,452,000	2,040,244	588,244
Uses of Money and Property	150,000	328,361	178,361	200,000	300,171	100,171	450,000	428,750	(21,250)
Intergovernmental	-	300,000	300,000	-	-	-	-	-	-
Charges for Other Services	-	-	-	-	3,347	3,347	287,550	606,841	319,291
Fees and Other Revenues	6,576,462	6,921,620	345,158	-	-	-	-	1,610	1,610
Total Revenues	<u>6,726,462</u>	<u>7,549,981</u>	<u>823,519</u>	<u>3,563,089</u>	<u>5,155,339</u>	<u>1,592,250</u>	<u>2,189,550</u>	<u>3,077,445</u>	<u>887,895</u>
EXPENDITURES									
Current:									
General Government	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	3,284,597	2,793,184	491,413	-	-	-
Engineering	-	-	-	-	-	-	1,968,370	1,687,754	280,616
Community Service	-	-	-	-	-	-	-	-	-
Other	220,805	393,238	(172,433)	-	-	-	-	-	-
Capital Outlay	1,371,145	3,414,140	(2,042,995)	-	-	-	-	-	-
Debt Service:									
Interest and Fiscal Charges	-	160,000	(160,000)	-	-	-	-	-	-
Total Expenditures	<u>1,591,950</u>	<u>3,967,378</u>	<u>(2,375,428)</u>	<u>3,284,597</u>	<u>2,793,184</u>	<u>491,413</u>	<u>1,968,370</u>	<u>1,687,754</u>	<u>280,616</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>5,134,512</u>	<u>3,582,603</u>	<u>(1,551,909)</u>	<u>278,492</u>	<u>2,362,155</u>	<u>2,083,663</u>	<u>221,180</u>	<u>1,389,691</u>	<u>1,168,511</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	-	152,961	152,961	-	-	-	-	-	-
Transfers Out	(10,016,495)	(13,773,589)	(3,757,094)	(1,000,000)	(1,000,000)	-	(1,000,000)	(1,000,000)	-
Total other Financing Sources (Uses)	<u>(10,016,495)</u>	<u>(13,620,628)</u>	<u>(3,604,133)</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>-</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>-</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ (4,881,983)</u>	<u>(10,038,025)</u>	<u>\$ (5,156,042)</u>	<u>\$ (721,508)</u>	<u>1,362,155</u>	<u>\$ 2,083,663</u>	<u>\$ (778,820)</u>	<u>389,691</u>	<u>\$ 1,168,511</u>
Fund Balance, Beginning of Year		<u>10,332,601</u>			<u>4,482,240</u>			<u>6,894,613</u>	
Fund Balance, End of Year		<u>\$ 294,576</u>			<u>\$ 5,844,395</u>			<u>\$ 7,284,304</u>	

Continued

City of Brentwood
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Certain Special Revenue Funds (Continued)
For Year Ended June 30, 2002

	Gas Tax			Police Grants			Other Grants		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ 551,250	\$ 481,852	\$ (69,398)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Permits and Fines	-	-	-	-	-	-	-	-	-
Uses of Money and Property	-	1,759	1,759	-	14,353	14,353	-	762	762
Intergovernmental	-	-	-	212,174	161,743	(50,431)	60,000	57,815	(2,185)
Charges for Other Services	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	-	-	-	-	-	-
Total Revenues	551,250	483,611	(67,639)	212,174	176,096	(36,078)	60,000	58,577	(1,423)
EXPENDITURES									
Current:									
General Government	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	74,361	87,330	(12,969)	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Engineering	-	-	-	-	-	-	-	-	-
Community Service	-	-	-	-	-	-	60,000	52,654	7,346
Other	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Debt Service:									
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	74,361	87,330	(12,969)	60,000	52,654	7,346
REVENUES OVER (UNDER) EXPENDITURES	551,250	483,611	(67,639)	137,813	88,766	(49,047)	-	5,923	5,923
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	(546,250)	(483,676)	62,574	-	-	-	-	-	-
Total other Financing Sources (Uses)	(546,250)	(483,676)	62,574	-	-	-	-	-	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ 5,000	(65)	\$ (5,065)	\$ 137,813	88,766	\$ (49,047)	\$ -	5,923	\$ 5,923
Fund Balance, Beginning of Year		222			156,769			-	
Fund Balance, End of Year		\$ 157			\$ 245,535			\$ 5,923	

Continued

City of Brentwood
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Certain Special Revenue Funds (Continued)
For Year Ended June 30, 2002

	Community Facilities			Vehicle Abatement			Youth Diversion		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Permits and Fines	-	-	-	-	-	-	-	-	-
Uses of Money and Property	15,000	52,561	37,561	500	426	(74)	-	166	166
Intergovernmental	-	-	-	-	-	-	42,108	42,108	-
Charges for Other Services	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	1,186,049	1,979,301	793,252	10,000	12,658	2,658	2,000	4,264	2,264
Total Revenues	1,201,049	2,031,862	830,813	10,500	13,084	2,584	44,108	46,538	2,430
EXPENDITURES									
Current:									
General Government	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	5,000	5,347	(347)	75,710	70,436	5,274
Community Development	-	-	-	-	-	-	-	-	-
Engineering	-	-	-	-	-	-	-	-	-
Community Service	350,904	362,460	(11,556)	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital Outlay	57,061	45,411	11,650	-	-	-	-	-	-
Debt Service:									
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Total Expenditures	407,965	407,871	94	5,000	5,347	(347)	75,710	70,436	5,274
REVENUES OVER (UNDER) EXPENDITURES	793,084	1,623,991	830,907	5,500	7,737	2,237	(31,602)	(23,898)	7,704
OTHER FINANCING SOURCES (USES)									
Transfers In	2,000,000	2,001,706	1,706	-	-	-	40,000	25,000	(15,000)
Transfers Out	(2,099,932)	(2,907,834)	(807,902)	(10,000)	(10,000)	-	-	-	-
Total other Financing Sources (Uses)	(99,932)	(906,128)	(806,196)	(10,000)	(10,000)	-	40,000	25,000	(15,000)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ 693,152	717,863	\$ 24,711	\$ (4,500)	(2,263)	\$ 2,237	\$ 8,398	1,102	\$ (7,296)
Fund Balance, Beginning of Year		767,782			11,546			19,209	
Fund Balance, End of Year		\$ 1,485,645			\$ 9,283			\$ 20,311	

Continued

City of Brentwood
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Certain Special Revenue Funds (Continued)
For Year Ended June 30, 2002

	Storm Drainage			Redevelopment Low Income Housing			Asset Forfeiture		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ 479,995	\$ 584,617	\$ 104,622	\$ -	\$ -	\$ -
Permits and Fines	-	-	-	-	-	-	-	-	-
Uses of Money and Property	5,000	21,462	16,462	22,600	73,545	50,945	500	744	244
Intergovernmental	-	-	-	-	-	-	-	-	-
Charges for Other Services	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	-	-	-	2,000	992	(1,008)
Total Revenues	5,000	21,462	16,462	502,595	658,162	155,567	2,500	1,736	(764)
EXPENDITURES									
Current:									
General Government	-	-	-	433,500	319,837	113,663	2,000	-	2,000
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Engineering	-	-	-	-	-	-	-	-	-
Community Service	-	-	-	-	-	-	-	-	-
Other	4,000	3,750	250	-	-	-	-	-	-
Capital Outlay	-	-	-	50,000	50,000	-	-	-	-
Debt Service:									
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Total Expenditures	4,000	3,750	250	483,500	369,837	113,663	2,000	-	2,000
REVENUES OVER (UNDER) EXPENDITURES	1,000	17,712	16,712	19,095	288,325	269,230	500	1,736	1,236
OTHER FINANCING SOURCES (USES)									
Transfers In	-	84,389	84,389	-	207,200	207,200	-	-	-
Transfers Out	(52,000)	(55,100)	(3,100)	(153,480)	(79,808)	73,672	-	-	-
Total other Financing Sources (Uses)	(52,000)	29,289	81,289	(153,480)	127,392	280,872	-	-	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ (51,000)	47,001	\$ 98,001	\$ (134,385)	415,717	\$ 550,102	\$ 500	1,736	\$ 1,236
Fund Balance, Beginning of Year		297,089			1,300,430			12,299	
Fund Balance, End of Year		\$ 344,090			\$ 1,716,147			\$ 14,035	

Continued

City of Brentwood
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Certain Special Revenue Funds (Continued)
For Year Ended June 30, 2002

	Open Space			Measure C		
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Permits and Fines	-	-	-	-	-	-
Uses of Money and Property	5,000	10,355	5,355	-	4,824	4,824
Intergovernmental	-	-	-	250,000	337,623	87,623
Charges for Other Services	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	-	-	-
Total Revenues	5,000	10,355	5,355	250,000	342,447	92,447
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	1,000	439	561
Community Development	-	-	-	-	-	-
Engineering	-	-	-	-	-	-
Community Service	12,000	13,050	(1,050)	-	-	-
Other	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	12,000	13,050	(1,050)	1,000	439	561
REVENUES OVER (UNDER) EXPENDITURES	(7,000)	(2,695)	4,305	249,000	342,008	93,008
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	(260,000)	(260,000)	-
Total other Financing Sources (Uses)	-	-	-	(260,000)	(260,000)	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES						
	\$ (7,000)	(2,695)	\$ 4,305	\$ (11,000)	82,008	\$ 93,008
Fund Balance, Beginning of Year		182,447			32,352	
Fund Balance, End of Year		\$ 179,752			\$ 114,360	

Continued

City of Brentwood
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Certain Special Revenue Funds (Continued)
For Year Ended June 30, 2002

	Facility Fee Administration			Agriculture Conservation			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,031,245	\$ 1,066,469	\$ 35,224
Permits and Fines	-	-	-	-	-	-	4,815,089	6,892,065	2,076,976
Uses of Money and Property	75,000	151,653	76,653	20,000	47,888	27,888	923,600	1,437,780	514,180
Intergovernmental	-	-	-	-	-	-	564,282	899,289	335,007
Charges for Other Services	-	-	-	-	-	-	287,550	610,188	322,638
Fees and Other Revenues	601,140	814,324	213,184	200,000	993,220	793,220	8,377,651	10,727,989	2,350,338
Total Revenues	676,140	965,977	289,837	220,000	1,041,108	821,108	15,999,417	21,633,780	5,634,363
EXPENDITURES									
Current:									
General Government	-	3,232	(3,232)	-	-	-	435,500	323,069	112,431
Public Safety	-	-	-	-	-	-	156,071	163,552	(7,481)
Community Development	-	-	-	-	-	-	3,284,597	2,793,184	491,413
Engineering	-	-	-	-	-	-	1,968,370	1,687,754	280,616
Community Service	-	-	-	-	-	-	422,904	428,164	(5,260)
Other	-	-	-	-	-	-	224,805	396,988	(172,183)
Capital Outlay	-	-	-	-	-	-	1,478,206	3,509,551	(2,031,345)
Debt Service:									
Interest and Fiscal Charges	-	-	-	-	-	-	-	160,000	(160,000)
Total Expenditures	-	3,232	(3,232)	-	-	-	7,970,453	9,462,262	(1,491,809)
REVENUES OVER (UNDER) EXPENDITURES	676,140	962,745	286,605	220,000	1,041,108	821,108	8,028,964	12,171,518	4,142,554
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	2,040,000	2,471,256	431,256
Transfers Out	-	-	-	-	-	-	(15,138,157)	(19,570,007)	(4,431,850)
Total other Financing Sources (Uses)	-	-	-	-	-	-	(13,098,157)	(17,098,751)	(4,000,594)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ 676,140	962,745	\$ 286,605	\$ 220,000	1,041,108	\$ 821,108	\$ (5,069,193)	(4,927,233)	\$ 141,960
Fund Balance, Beginning of Year		2,238,574			412,798			27,140,971	
Fund Balance, End of Year		\$ 3,201,319			\$ 1,453,906			\$ 22,213,738	

Debt Service Funds

The Debt Service funds are used to account for the accumulation of resources and the payment of general obligation bond principal and interest from governmental resources, and special assessment bond principal and interest from special assessment levies, when the government is obligated in some manner for the payment.

Downtown Redevelopment Debt – Tax allocation bonds and 66% of the COP bond debt.

North Brentwood Redevelopment Debt – 34% of the COP bonded debt.

Capital Improvement Program 2001 – This fund is used to account for debt service transactions including revenue collections and payments of principal and interest on long-term obligations. These bonds refinanced the Roadway Bonds and financed the Technology Center.

General Obligation Bond – This fund is used to account for tax levies from which general obligation principal and interest payments are made as they mature for the 2002 General Obligation Bonds.

ABAG XXVI COP's – Certificates of deposit to finance utility construction projects.

Capital Lease Program – This fund is used to account for principal and interest payments on purchased equipment.



Artist's Rendering of New Police Station

City of Brentwood
Combining Balance Sheet
All Debt Service Funds
June 30, 2002

	Downtown Redevelopment Debt	North Brentwood Redevelopment Debt	Capital Improvement Program 2001	2002 General Obligation Bond	ABAG XXVI COP'S	Capital Lease Program	TOTALS
ASSETS							
Current Assets:							
Cash and Investments	\$ 605,904	\$ 190,786	\$ 2,835	\$ 30,357	\$ 238,134	\$ -	\$ 1,068,016
Restricted Cash and Investments	-	-	2,172,102	-	9	-	2,172,111
Receivables	173,315	203,670	-	-	-	-	376,985
Total Assets	<u>\$ 779,219</u>	<u>\$ 394,456</u>	<u>\$ 2,174,937</u>	<u>\$ 30,357</u>	<u>\$ 238,143</u>	<u>\$ -</u>	<u>\$ 3,617,112</u>
LIABILITIES AND FUND BALANCES							
Current Liabilities:							
Accounts Payable and Accrued Liabilities	\$ -	\$ 226,352	\$ 164,378	\$ -	\$ 9,396	\$ -	\$ 400,126
Total Liabilities	<u>-</u>	<u>226,352</u>	<u>164,378</u>	<u>-</u>	<u>9,396</u>	<u>-</u>	<u>400,126</u>
Fund Balances:							
Reserved for:							
Debt Service	779,219	168,104	2,010,559	30,357	228,747	-	3,216,986
Total Fund Balance	<u>779,219</u>	<u>168,104</u>	<u>2,010,559</u>	<u>30,357</u>	<u>228,747</u>	<u>-</u>	<u>3,216,986</u>
Total Liabilities and Fund Balance	<u>\$ 779,219</u>	<u>\$ 394,456</u>	<u>\$ 2,174,937</u>	<u>\$ 30,357</u>	<u>\$ 238,143</u>	<u>\$ -</u>	<u>\$ 3,617,112</u>

City of Brentwood
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Debt Service Funds
For Year Ended June 30, 2002

	Downtown Redevelopment Debt	North Brentwood Redevelopment Debt	Capital Improvement Program 2001	2002 General Obligation Bond	ABAG XXVI COP'S	Capital Lease Program	TOTALS
REVENUES							
Taxes	\$ 1,523,086	\$ 815,384	\$ -	\$ -	\$ -	\$ -	\$ 2,338,470
Uses of Money and Property	57,372	5,759	70,828	-	5,202	-	139,161
Fees and Other Revenues	-	7,050	-	8,932	-	-	15,982
Total Revenues	1,580,458	828,193	70,828	8,932	5,202	-	2,493,613
EXPENDITURES							
Current:							
Community Development	2,275	297,321	22,528	-	1,960	-	324,084
Debt Service							
Principal Retirement	-	-	-	-	270,000	24,847	294,847
Interest and Fiscal Charges	1,161,933	387,805	1,001,127	-	55,556	1,312	2,607,733
Total Expenditures	1,164,208	685,126	1,023,655	-	327,516	26,159	3,226,664
REVENUES OVER (UNDER) EXPENDITURES	416,250	143,067	(952,827)	8,932	(322,314)	(26,159)	(733,051)
OTHER FINANCING SOURCES (USES)							
Loan and Bond Proceeds	5,800	9,587	17,786,067	6,021,425	300,000	-	24,122,879
Refunding Bonds Issued	(3,240,000)	-	(5,320,000)	-	-	-	(8,560,000)
Transfers In	3,284,025	-	4,789,427	-	-	-	8,073,452
Transfers Out	(531,141)	(71,150)	(14,292,108)	(6,000,000)	-	(30,646)	(20,925,045)
Total other Financing Sources (Uses)	(481,316)	(61,563)	2,963,386	21,425	300,000	(30,646)	2,711,286
NET CHANGE IN FUND BALANCE	(65,066)	81,504	2,010,559	30,357	(22,314)	(56,805)	1,978,235
Fund Balance, Beginning of Year	844,285	86,600	-	-	251,061	56,805	1,238,751
Fund Balance, End of Year	\$ 779,219	\$ 168,104	\$ 2,010,559	\$ 30,357	\$ 228,747	\$ -	\$ 3,216,986

City of Brentwood
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
All Debt Service Funds
For Year Ended June 30, 2002

	Downtown Redevelopment Debt			North Brentwood Redevelopment Debt		
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES						
Taxes	\$ 1,360,295	\$ 1,523,086	\$ 162,791	\$ 559,682	\$ 815,384	\$ 255,702
Uses of Money and Property	36,050	57,372	21,322	2,000	5,759	3,759
Fees and Other Revenues	-	-	-	-	7,050	7,050
Total Revenues	<u>1,396,345</u>	<u>1,580,458</u>	<u>184,113</u>	<u>561,682</u>	<u>828,193</u>	<u>266,511</u>
EXPENDITURES						
Current:						
Community Development	2,275	2,275	-	300,000	297,321	2,679
Debt Service:						
Principal Retirement	305,000	-	305,000	255,000	250,200	4,800
Interest and Fiscal Charges	932,798	1,161,933	(229,135)	709,063	137,605	571,458
Total Expenditures	<u>1,240,073</u>	<u>1,164,208</u>	<u>75,865</u>	<u>1,264,063</u>	<u>685,126</u>	<u>578,937</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>156,272</u>	<u>416,250</u>	<u>259,978</u>	<u>(702,381)</u>	<u>143,067</u>	<u>845,448</u>
OTHER FINANCING SOURCES (USES)						
Loan and Bond Proceeds	-	5,800	5,800	-	9,587	9,587
Refunding Bonds Issued	(3,240,000)	(3,240,000)	-	-	-	-
Transfers In	3,284,025	3,284,025	-	-	-	-
Transfers Out	-	(531,141)	(531,141)	-	(71,150)	(71,150)
Total other Financing Sources (Uses)	<u>44,025</u>	<u>(481,316)</u>	<u>(525,341)</u>	<u>-</u>	<u>(61,563)</u>	<u>(61,563)</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ 200,297</u>	<u>(65,066)</u>	<u>\$ (265,363)</u>	<u>\$ (702,381)</u>	<u>81,504</u>	<u>\$ 783,885</u>
Fund Balance, Beginning of Year		<u>844,285</u>			<u>86,600</u>	
Fund Balance, End of Year		<u>\$ 779,219</u>			<u>\$ 168,104</u>	

Continued

City of Brentwood
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
All Debt Service Funds (Continued)
For Year Ended June 30, 2002

	Capital Improvement Program 2001			2002 General Obligation Bond		
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uses of Money and Property	70,000	70,828	828	-	-	-
Fees and Other Revenues	-	-	-	8,500	8,932	432
Total Revenues	<u>70,000</u>	<u>70,828</u>	<u>828</u>	<u>8,500</u>	<u>8,932</u>	<u>432</u>
EXPENDITURES						
Current:						
Community Development	25,000	22,528	2,472	-	-	-
Debt Service:						
Principal Retirement	-	-	-	-	-	-
Interest and Fiscal Charges	1,000,000	1,001,127	(1,127)	-	-	-
Total Expenditures	<u>1,025,000</u>	<u>1,023,655</u>	<u>1,345</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(955,000)</u>	<u>(952,827)</u>	<u>2,173</u>	<u>8,500</u>	<u>8,932</u>	<u>432</u>
OTHER FINANCING SOURCES (USES)						
Loan and Bond Proceeds	-	17,786,067	17,786,067	-	6,021,425	6,021,425
Refunding Bonds Issued	-	(5,320,000)	(5,320,000)	-	-	-
Transfers In	-	4,789,427	4,789,427	-	-	-
Transfers Out	-	(14,292,108)	(14,292,108)	(6,000,000)	(6,000,000)	-
Total other Financing Sources (Uses)	<u>-</u>	<u>2,963,386</u>	<u>2,963,386</u>	<u>(6,000,000)</u>	<u>21,425</u>	<u>6,021,425</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ (955,000)</u>	<u>2,010,559</u>	<u>\$ 2,965,559</u>	<u>\$ (5,991,500)</u>	<u>30,357</u>	<u>\$ 6,021,857</u>
Fund Balance, Beginning of Year		<u>-</u>			<u>-</u>	
Fund Balance, End of Year		<u>\$ 2,010,559</u>			<u>\$ 30,357</u>	

Continued

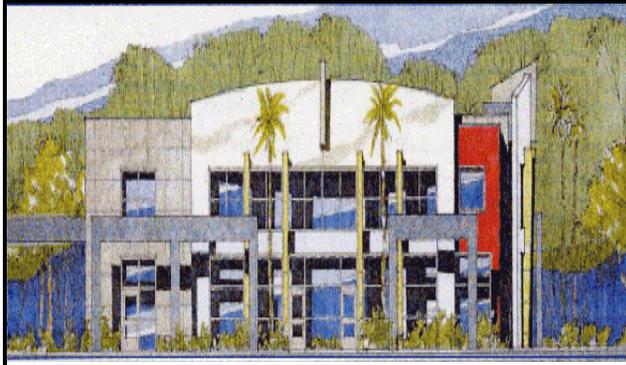
City of Brentwood
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
All Debt Service Funds (Continued)
For Year Ended June 30, 2002

	ABAG XVII COP'S			Capital Lease Programs			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,919,977	\$ 2,338,470	\$ 418,493
Uses of Money and Property	10,000	5,202	(4,798)	-	-	-	118,050	139,161	21,111
Fees and Other Revenues	-	-	-	-	-	-	8,500	15,982	7,482
Total Revenues	10,000	5,202	(4,798)	-	-	-	2,046,527	2,493,613	447,086
EXPENDITURES									
Current:									
Community Development	-	1,960	(1,960)	-	-	-	327,275	324,084	3,191
Debt Service:									
Principal Retirement	285,000	270,000	15,000	30,000	24,847	5,153	875,000	545,047	329,953
Interest and Fiscal Charges	46,160	55,556	(9,396)	-	1,312	(1,312)	2,688,021	2,357,533	330,488
Total Expenditures	331,160	327,516	3,644	30,000	26,159	3,841	3,890,296	3,226,664	663,632
REVENUES OVER (UNDER) EXPENDITURES	(321,160)	(322,314)	(1,154)	(30,000)	(26,159)	3,841	(1,843,769)	(733,051)	1,110,718
OTHER FINANCING SOURCES (USES)									
Loan and Bond Proceeds	306,000	300,000	(6,000)	-	-	-	306,000	24,122,879	23,816,879
Refunding Bonds Issued	306,000	-	(306,000)	-	-	-	(2,934,000)	(8,560,000)	(5,626,000)
Transfers In	-	-	-	26,158	-	(26,158)	3,310,183	8,073,452	4,763,269
Transfers Out	-	-	-	-	(30,646)	(30,646)	(6,000,000)	(20,925,045)	(14,925,045)
Total other Financing Sources (Uses)	612,000	300,000	(312,000)	26,158	(30,646)	(56,804)	(5,317,817)	2,711,286	8,029,103
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ 290,840	(22,314)	\$ (313,154)	\$ (3,842)	(56,805)	\$ (52,963)	\$ (7,161,586)	1,978,235	\$ 9,139,821
Fund Balance, Beginning of Year		251,061			56,805			1,238,751	
Fund Balance, End of Year		\$ 228,747			\$ -			\$ 3,216,986	

Capital Projects Funds

The Capital Project funds are used to account for the acquisition and construction of major capital facilities and infrastructure other than those financed by proprietary funds.

Downtown Redevelopment Projects – This fund is used to account for transactions related to proceeds from bonds and other resources and their use to perform Downtown Redevelopment activities within the project area.



Walnut and Contiente Office Complex

North Brentwood Redevelopment Projects – This fund is used to account for transactions related to proceeds from bonds and other resources and their use to perform North Brentwood Redevelopment activities within the project area.

Capital Improvement Financing Program 98-1 – This fund is used to account for transactions related to proceeds from assessment bonds and other resources and their use to acquire and construct certain capital facilities and infrastructure.

Capital Improvement Financing Program 99-1 – This fund is used to account for transactions related to proceeds from assessment bonds and other resources and their use to acquire and construct certain capital facilities and infrastructure.

Capital Improvement 2001 – This fund is used to account for transactions related to proceeds from assessment bonds and other resources and their use to acquire and construct certain capital facilities and infrastructure.

Street Improvement Project – This fund is used to account for transactions related to proceeds from assessment bonds and other resources and their use to acquire and construct certain street improvements.

Capital Improvement Financing Program 2000-1 – This fund is used to account for transactions related to proceeds from assessment bonds and other resources and their use to acquire and construct certain capital facilities and infrastructure.

Capital Improvements – This fund is used to account for transactions related to proceeds from assessment bonds and other resources and their use to acquire and construct certain capital facilities and infrastructure.

Capital Improvement Financing Program 94-1 – This fund is used to account for transactions related to proceeds from assessment bonds and other resources and their use to acquire and construct certain capital facilities and infrastructure.

City of Brentwood
Combining Balance Sheet
All Capital Projects Funds
June 30, 2002

	Downtown Redevelopment Project	North Brentwood Redevelopment Project	Capital Improvement Financing Program 98-1	Capital Improvement Financing Program 99-1	Capital Improvement 2001	Street Improvement Projects
ASSETS						
Current Assets:						
Cash and Investments	\$ 117,830	\$ 645	\$ -	\$ -	\$ 15	\$ 2,921,450
Restricted Cash and Investments	14,863,382	-	103,512	452,766	275,914	-
Receivables	102,170	-	-	-	-	9,083
Prepays	3,417	-	-	-	-	-
Land Held for Resale	227,698	-	-	-	-	-
Total Assets	\$ 15,314,497	\$ 645	\$ 103,512	\$ 452,766	\$ 275,929	\$ 2,930,533
LIABILITIES AND FUND BALANCES						
Current Liabilities:						
Accounts Payable and Accrued Liabilities	\$ 18,157	\$ 4,527	\$ -	\$ -	\$ -	\$ 516
Compensated Absences Payable	-	-	-	-	-	-
Total Liabilities	18,157	4,527	-	-	-	516
Fund Balances:						
Reserved for:						
Prepays	3,417	-	-	-	-	-
Land Held for Resale	227,698	-	-	-	-	-
Specific Projects and Programs	15,065,225	(3,882)	103,512	452,766	275,929	2,930,017
Total Fund Balances	15,296,340	(3,882)	103,512	452,766	275,929	2,930,017
Total Liabilities and Fund Balance	\$ 15,314,497	\$ 645	\$ 103,512	\$ 452,766	\$ 275,929	\$ 2,930,533

Continued

City of Brentwood
Combining Balance Sheet (Continued)
All Capital Projects Funds
June 30, 2002

	Capital Improvement Financing Program 2000-1	Capital Projects	Capital Improvement Financing Program 94-1	TOTALS
ASSETS				
Current Assets:				
Cash and Investments	\$ -	\$ 11,723,616	\$ -	\$ 14,763,556
Restricted Cash and Investments	2,912,194	-	6,008,502	24,616,270
Receivables	-	13,409	-	124,662
Prepays	-	4,228	-	7,645
Land Held for Resale	-	-	-	227,698
Total Assets	\$ 2,912,194	\$ 11,741,253	\$ 6,008,502	\$ 39,739,831
LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	\$ -	\$ 2,245,921	\$ -	\$ 2,269,121
Compensated Absences Payable	-	64,110	-	64,110
Total Liabilities	-	2,310,031	-	2,333,231
Fund Balances:				
Reserved for:				
Prepays	-	4,228	-	7,645
Land Held for Resale	-	-	-	227,698
Specific Projects and Programs	2,912,194	9,426,994	6,008,502	37,171,257
Total Fund Balances	2,912,194	9,431,222	6,008,502	37,406,600
Total Liabilities and Fund Balance	\$ 2,912,194	\$ 11,741,253	\$ 6,008,502	\$ 39,739,831

City of Brentwood
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Capital Projects Funds
For Year Ended June 30, 2002

	Downtown Redevelopment Project	North Brentwood Redevelopment Project	Capital Improvement Financing Program 98-1	Capital Improvement Financing Program 99-1	Capital Improvement 2001	Street Improvement Projects
REVENUES						
Uses of Money and Property	\$ 335,280	\$ -	\$ 2,161	\$ 31,404	\$ 25,668	\$ 162,792
Fees and Other Revenues	-	-	1,788	2,686	-	-
Total Revenues	335,280	-	3,949	34,090	25,668	162,792
EXPENDITURES						
Current:						
General Government	278,815	299,603	-	-	300,592	3,232
Community Development	-	-	-	-	-	-
Engineering	-	-	-	-	-	-
Other	-	-	-	-	-	-
Capital Outlay	1,746,625	-	-	1,495,460	872,076	-
Debt Service:						
Interest and Fiscal Charges	8,413	-	-	-	-	-
Total Expenditures	2,033,853	299,603	-	1,495,460	1,172,668	3,232
REVENUES OVER (UNDER) EXPENDITURES	(1,698,573)	(299,603)	3,949	(1,461,370)	(1,147,000)	159,560
OTHER FINANCING SOURCES (USES)						
Loan and Bond Proceeds	-	-	-	-	13,957,097	-
Capital Contributions	225,000	240,000	-	-	1,057,972	-
Transfers In	16,486,068	71,150	-	-	-	-
Transfers Out	(127,827)	(26,603)	-	-	(13,592,140)	-
Total other Financing Sources (Uses)	16,583,241	284,547	-	-	1,422,929	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	14,884,668	(15,056)	3,949	(1,461,370)	275,929	159,560
Fund Balance, Beginning of Year, Restated	411,672	11,174	99,563	1,914,136	-	2,770,457
Fund Balance, End of Year	\$ 15,296,340	\$ (3,882)	\$ 103,512	\$ 452,766	\$ 275,929	\$ 2,930,017

Continued

City of Brentwood
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Capital Projects Funds (Continued)
For Year Ended June 30, 2002

	Capital Improvement Funding Program 2000-1	Capital Projects	Capital Improvement Funding Program 94-1	TOTALS
REVENUES				
Uses of Money and Property	\$ 69,325	\$ -	\$ 183,093	\$ 809,723
Fees and Other Revenues	-	687,400	-	691,874
Total Revenues	69,325	687,400	183,093	1,501,597
EXPENDITURES				
Current:				
General Government	-	-	-	882,242
Community Development	14,349	-	-	14,349
Other	-	1,873,428	-	1,873,428
Capital Outlay	475,376	14,562,289	2,680,584	21,832,410
Debt Service:				
Interest and Fiscal Charges	-	-	-	8,413
Total Expenditures	489,725	16,435,717	2,680,584	24,610,842
REVENUES OVER (UNDER) EXPENDITURES	(420,400)	(15,748,317)	(2,497,491)	(23,109,245)
OTHER FINANCING SOURCES (USES)				
Loan and Bond Proceeds	-	-	-	13,957,097
Capital Contributions	-	1,333,397	-	2,856,369
Transfers In	-	20,544,091	-	37,101,309
Transfers Out	-	(277,643)	-	(14,024,213)
Total other Financing Sources (Uses)	-	21,599,845	-	39,890,562
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(420,400)	5,851,528	(2,497,491)	16,781,317
Fund Balance, Beginning of Year, Restated	3,332,594	3,579,694	8,505,993	20,625,283
Fund Balance, End of Year	\$ 2,912,194	\$ 9,431,222	\$ 6,008,502	\$ 37,406,600

City of Brentwood
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Certain Capital Projects Funds
For Year Ended June 30, 2002

	Downtown Redevelopment Project			North Brentwood Redevelopment Project			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Uses of Money and Property	\$ -	\$ 335,280	\$ 335,280	\$ -	\$ -	\$ -	\$ -	\$ 335,280	\$ 335,280
Total Revenues	<u>-</u>	<u>335,280</u>	<u>335,280</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>335,280</u>	<u>335,280</u>
EXPENDITURES									
Current:									
General Government	319,544	278,815	40,729	300,000	299,603	397	619,544	578,418	41,126
Capital Outlay	1,781,368	1,746,625	34,743	-	-	-	1,781,368	1,746,625	34,743
Debt Service:									
Interest and Fiscal Charges	8,413	8,413	-	-	-	-	8,413	8,413	-
Total Expenditures	<u>2,109,325</u>	<u>2,033,853</u>	<u>75,472</u>	<u>300,000</u>	<u>299,603</u>	<u>397</u>	<u>2,409,325</u>	<u>2,333,456</u>	<u>75,869</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(2,109,325)</u>	<u>(1,698,573)</u>	<u>410,752</u>	<u>(300,000)</u>	<u>(299,603)</u>	<u>397</u>	<u>(2,409,325)</u>	<u>(1,998,176)</u>	<u>411,149</u>
OTHER FINANCING SOURCES (USES)									
Loan and Bond Proceeds	299,000	-	(299,000)	240,000	-	(240,000)	539,000	-	(539,000)
Transfers In	16,874,937	16,486,068	(388,869)	-	71,150	71,150	16,874,937	16,557,218	(317,719)
Transfers Out	(140,000)	(127,827)	12,173	(26,603)	(26,603)	-	(166,603)	(154,430)	12,173
Total other Financing Sources (Uses)	<u>17,033,937</u>	<u>16,583,241</u>	<u>(450,696)</u>	<u>213,397</u>	<u>284,547</u>	<u>71,150</u>	<u>17,247,334</u>	<u>16,867,788</u>	<u>(379,546)</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ 14,924,612</u>	<u>14,884,668</u>	<u>\$ (39,944)</u>	<u>\$ (86,603)</u>	<u>(15,056)</u>	<u>\$ 71,547</u>	<u>\$ 14,838,009</u>	<u>14,869,612</u>	<u>\$ 31,603</u>
Fund Balance, Beginning of Year, Restated		<u>411,672</u>			<u>11,174</u>			<u>422,846</u>	
Fund Balance, End of Year		<u>\$ 15,296,340</u>			<u>\$ (3,882)</u>			<u>\$ 15,292,458</u>	



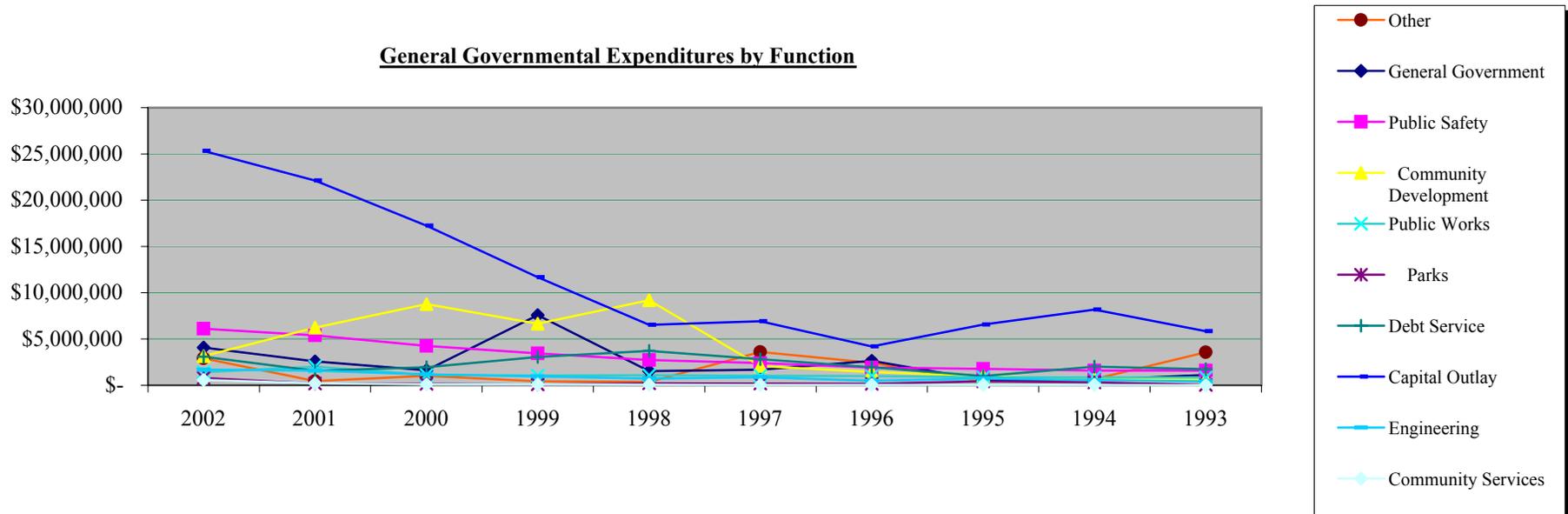
STATISTICAL SECTION

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION⁽¹⁾
LAST TEN FISCAL YEARS
 (Unaudited)

Fiscal Year	General Government	Public Safety	Community Development	Engineering	Public Works	Parks	Community Services	Other	Capital Outlay	Debt Service	Total
2002	\$ 4,083,505	\$ 6,110,676	\$ 3,131,617	\$ 1,687,754	\$ 1,398,012	\$ 773,284	\$ 581,152	\$ 2,916,275	\$ 25,341,961	\$ 3,070,993	\$ 49,095,229
2001	2,585,410	5,384,223	6,218,530	1,596,330	2,019,618	169,711	224,153	463,613	22,130,025	1,569,785	42,361,398
2000	1,625,934	4,250,440	8,768,571	1,174,471	1,110,390	153,090	89,414	1,019,390	17,238,684	1,957,767	37,388,151
1999	7,575,008	3,455,518	6,647,878	954,177	1,039,850	82,322	76,485	417,905	11,666,787	3,045,906	34,961,836
1998	1,540,523	2,710,923	9,199,496	722,107	1,086,997	210,008	51,644	350,792	6,538,801	3,713,434	26,124,725
1997	1,689,912	2,391,425	2,054,461	876,507	1,013,799	184,576	36,125	3,583,879	6,924,580	2,820,147	21,575,411
1996	2,637,477	1,904,121	1,429,697	485,214	988,637	163,853	27,768	2,434,621	4,187,735	1,932,268	16,191,391
1995	566,493	1,754,298	999,780	721,547	868,578	413,781	24,683	383,091	6,551,445	979,624	13,263,320
1994	613,111	1,574,685	695,249	567,264	838,012	301,869	19,538	646,677	8,159,652	2,011,603	15,427,660
1993	1,116,113	1,582,833	657,099	412,968	847,195	18,739	14,392	3,576,784	5,823,946	1,734,962	15,785,031

(1) Includes General, Special Revenue, Capital Projects and Debt Service funds.

Source: City of Brentwood Finance Department

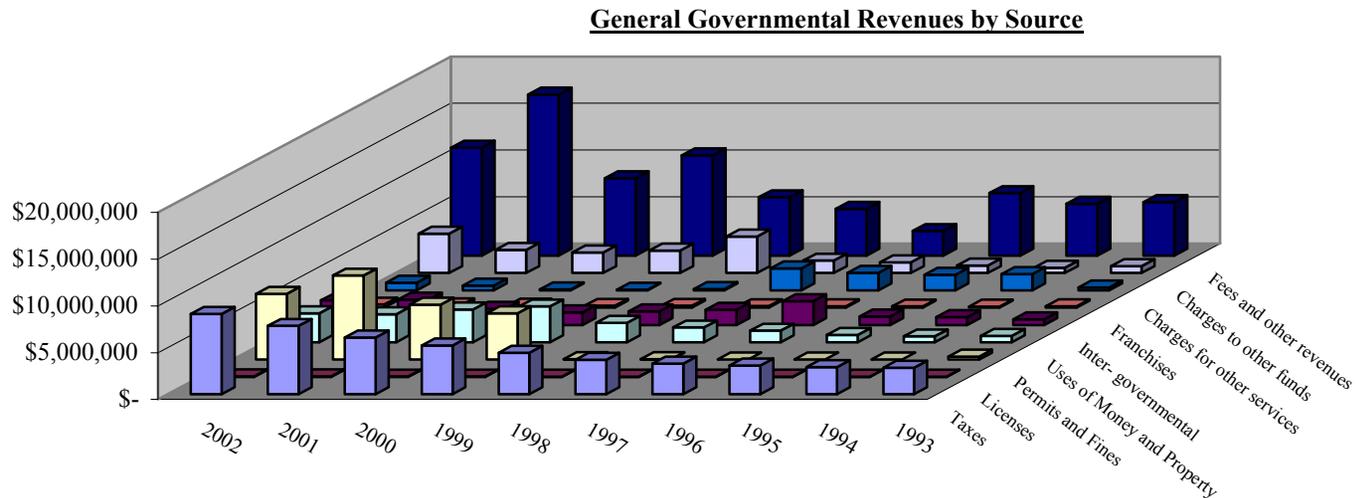


GENERAL GOVERNMENTAL REVENUES BY SOURCE ⁽¹⁾
LAST TEN FISCAL YEARS
 (Unaudited)

<u>Fiscal Year</u>	<u>Taxes</u>	<u>Licenses</u>	<u>Permits and Fines</u>	<u>Uses of Money and Property</u>	<u>Inter-governmental</u>	<u>Franchises</u>	<u>Charges for other services</u>	<u>Charges to other funds</u>	<u>Fees and other revenues</u>	<u>Total</u>
2002	\$ 8,587,358	\$ 66,810	\$ 7,041,625	\$ 3,091,109	\$ 2,629,058	\$ 338,692	\$ 825,618	\$ 4,203,653	\$ 11,542,069	\$ 38,325,992
2001	7,311,476	61,554	8,987,674	3,011,813	2,710,186	264,651	513,923	2,478,056	17,229,787	42,569,120
2000	6,072,785	52,690	5,876,423	3,509,121	1,738,177	225,795	95,239	2,186,433	8,267,534	28,024,197
1999	5,225,146	44,838	4,947,769	3,835,052	1,343,531	197,030	67,158	2,400,849	10,729,832	28,791,205
1998	4,427,103	39,555	46,286	2,079,074	1,446,225	203,500	138,200	3,890,184	6,256,575	18,526,702
1997	3,692,659	36,629	44,688	1,589,298	1,617,960	161,991	2,357,729	1,332,145	5,001,231	15,834,330
1996	3,284,481	27,457	27,260	1,246,655	2,540,237	140,159	1,873,585	1,152,484	2,641,251	12,933,569
1995	3,073,680	28,697	20,679	797,793	913,885	128,170	1,665,827	792,311	6,700,140	14,121,182
1994	2,893,319	24,858	18,613	635,588	837,685	111,331	1,739,337	574,026	5,567,678	12,402,435
1993	2,842,181	22,653	315,664	686,381	606,480	147,319	314,142	723,575	5,728,588	11,386,983

(1) Includes General, Special Revenue, Capital Projects and Debt Service funds.

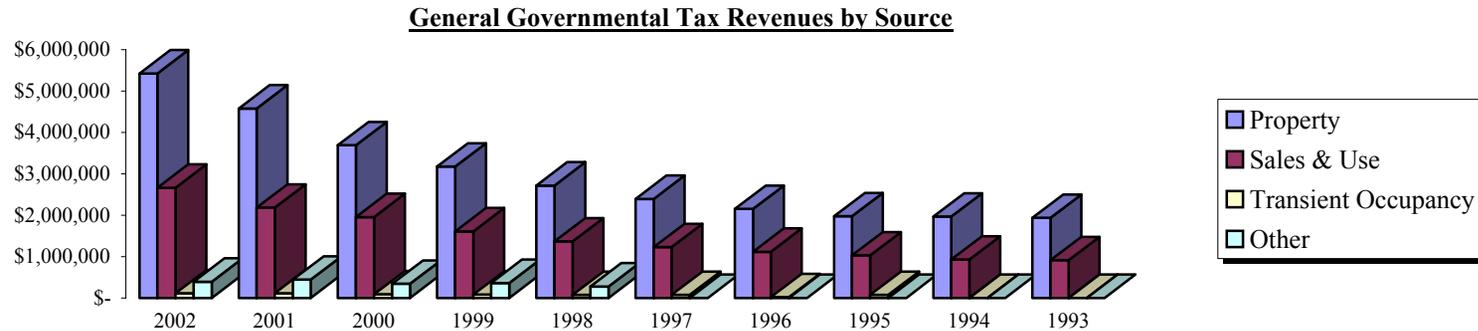
Source: City of Brentwood Finance Department



GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
 (Unaudited)

Fiscal Year	Property	Sales & Use	Transient Occupancy	Other	Total
2002	\$ 5,423,132	\$ 2,661,107	\$ 112,031	\$ 391,088	\$ 8,587,358
2001	4,576,990	2,178,366	115,367	440,753	7,311,476
2000	3,687,940	1,954,804	88,147	341,894	6,072,785
1999	3,174,930	1,607,208	81,662	361,346	5,225,146
1998	2,715,841	1,363,371	71,046	276,845	4,427,103
1997	2,392,738	1,227,802	72,119	-	3,692,659
1996	2,151,909	1,113,446	19,126	-	3,284,481
1995	1,974,313	1,027,138	72,229	-	3,073,680
1994	1,966,379	926,940	-	-	2,893,319
1993	1,933,780	908,401	-	-	2,842,181

Source: City of Brentwood Finance Department



GENERAL PROPERTY TAX LEVIES & COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Current Tax Levy (1)	Current Tax Collections (2)
2002	\$ 21,975,330	\$ 21,975,330
2001	16,953,226	16,953,226
2000	13,689,947	13,689,947
1999	10,848,576	10,848,576
1998	9,347,401	9,347,401
1997	8,233,970	8,233,970
1996	7,266,646	7,266,646
1995	6,311,856	6,311,856
1994	5,638,090	5,638,090
1993	4,936,430	4,936,430

(1) General taxes are calculated at 1 percent of total assessed value less local exemptions.

(2) Special 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 losses reserve fund insures losses resulting when a property is sold for taxes, and the proceeds are insufficient to pay the outstanding amounts due.

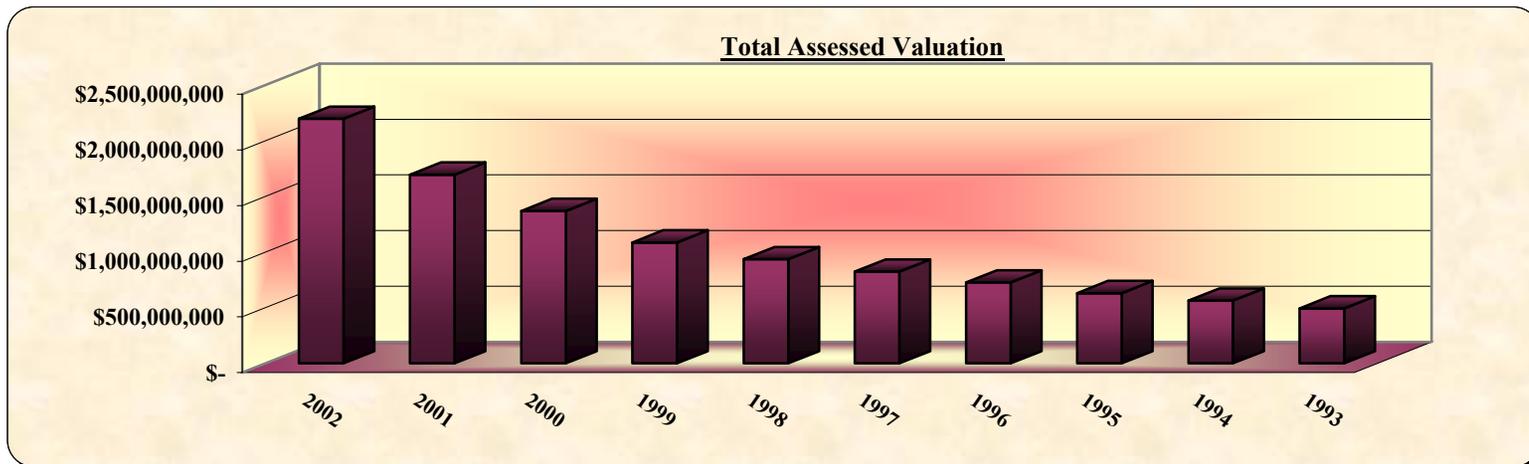
Source: Contra Costa County Auditor/Controller

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

Fiscal Year	Secured Property	Secured Utility (1)	Unsecured Property	Total Assessed Valuation	Percentage Increase
2002	\$ 2,158,826,555	\$ 289,943	\$ 38,416,499	\$ 2,197,532,997	29.62%
2001	1,661,627,361	27,185	33,668,004	1,695,322,550	23.84%
2000	1,343,423,659	29,407	25,541,617	1,368,994,683	26.19%
1999	1,061,957,024	229,085	22,671,455	1,084,857,564	16.06%
1998	910,287,285	57,618	24,395,197	934,740,100	13.52%
1997	801,247,248	47,486	22,102,286	823,397,020	13.31%
1996	708,447,455	465,557	17,751,558	726,664,570	15.13%
1995	614,528,519	444,008	16,213,092	631,185,619	11.95%
1994	539,121,307	204,350	24,483,307	563,808,964	14.21%
1993	469,914,138	63,989	23,664,896	493,643,023	14.99%

(1) Beginning with Fiscal Year 1989 and pursuant to AB 454, Unitary Utilities are excluded from regular tax rate areas.

Source: Contra Costa County Auditor/Controller



PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	General Tax Levy	BART	East Bay Regional Park	Liberty High	Brentwood Elementary	Total
2002	1.0000%	0.0000%	0.0072%	0.0478%	0.0577%	1.1127%
2001	1.0000%	0.0000%	0.0065%	0.0575%	0.0522%	1.1162%
2000	1.0000%	0.0000%	0.0088%	0.0621%	0.0415%	1.1124%
1999	1.0000%	0.0167%	0.0092%	0.0656%	0.0478%	1.1393%
1998	1.0000%	0.0220%	0.0081%	0.0726%	0.0500%	1.1527%
1997	1.0000%	0.0225%	0.0080%	0.0719%	0.0560%	1.1584%
1996	1.0000%	0.0230%	0.0094%	0.0789%	0.0663%	1.1776%
1995	1.0000%	0.0235%	0.0066%	0.0603%	0.0600%	1.1504%
1994	1.0000%	0.0240%	0.0069%	0.0296%	0.0611%	1.1216%
1993	1.0000%	0.0258%	0.0074%	0.0321%	0.0544%	1.1197%

Source: Contra Costa County Auditor/Controller

SPECIAL ASSESSMENT TAX REVENUE
LAST TEN FISCAL YEARS
 (Unaudited)

Fiscal Year	Brentwood Assessment District 93R	Brentwood Lights and Landscaping Districts	Brentwood Assessment District 94-1	Brentwood Assessment District 96R	Brentwood Assessment District 98-2	Brentwood Park Maintenance	Brentwood Assessment 99-1 Bond	Brentwood Assessment 2000-1 Bond	Total
2002	\$ 606,535	\$ 770,918	\$ 3,188,384	\$ 1,616,182	\$ 714,058	\$ 719,044	\$ 654,344	\$ 984,044	\$ 9,253,509
2001	609,519	773,452	3,233,166	1,623,802	717,139	420,455	660,384	378,111	8,416,028
2000	646,685	632,933	2,542,807	1,631,345	713,574	221,791	721,697	-	7,110,831
1999	659,063	341,328	2,099,465	1,635,060	778,486	507,340	-	-	6,020,742
1998	658,966	254,909	1,658,301	1,633,847	-	-	-	-	4,206,022
1997	781,866	206,366	996,565	8,449	-	-	-	-	1,993,246
1996	779,828	150,602	-	-	-	-	-	-	930,430
1995	783,225	72,240	-	-	-	-	-	-	855,465
1994	753,783	-	-	-	-	-	-	-	753,783
1993	-	-	-	-	-	-	-	-	-

SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
LAST TEN FISCAL YEARS
 (Unaudited)

Fiscal Year	Special Assessment Billings (1)	Special Assessment Collections (2)
2002	\$ 9,253,509	\$ 9,253,509
2001	8,416,028	8,416,028
2000	7,110,831	7,110,831
1999	6,020,742	6,020,742
1998	4,206,022	4,206,022
1997	1,993,246	1,993,246
1996	930,430	930,430
1995	855,465	855,465
1994	753,783	753,783
1993	-	-

(1) Special assessments are amounts levied to pay special assessment debt with government commitment.

(2) Special 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 losses reserve fund insures losses resulting when a property is sold for taxes, and the proceeds are insufficient to pay the outstanding amounts due.

Source: Muni Financial

COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2002
(Unaudited)

Total assessed value of all real and personal property (1)	\$ 2,197,532,997
Debt limit percentage (2)	<u>3.75%</u>
Total debt limit	82,407,487
Amount of debt applicable to debt limit (3)	<u>5,999,976</u>
Legal debt margin	<u><u>\$ 76,407,511</u></u>

Source: (1) Contra Costa County Auditor/Controller
(2) State of California Government Code 25 and 43605
(3) Sutro and Company

**RATIO OF NET GENERAL BONDED DEBT TO ASSESSED
VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS**
(Unaudited)

Fiscal Year	Population (1)	Total Assessed Value	Net General Bonded Debt	Ratio of Net Bonded Debt To Assessed Value	Net Bonded Debt per Capita
2002	29,630	\$ 2,197,532,997	\$ 38,674,976	0.0176	\$ 1,305
2001	25,325	1,695,322,550	9,425,000	0.0056	372
2000	23,090	1,368,994,683	10,065,000	0.0074	436
1999	20,235	1,084,857,564	10,665,000	0.0098	527
1998	17,108	934,740,100	11,235,000	0.0120	657
1997	14,623	823,397,020	11,775,000	0.0143	805
1996	13,218	726,664,570	12,280,000	0.0169	929
1995	11,563	631,185,619	6,905,000	0.0109	597
1994	10,468	563,808,964	7,285,000	0.0129	696
1993	9,669	493,643,023	7,465,000	0.0151	772

(1) Population as of January of each year

Source: City of Brentwood Finance Department

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES LAST TEN FISCAL YEARS

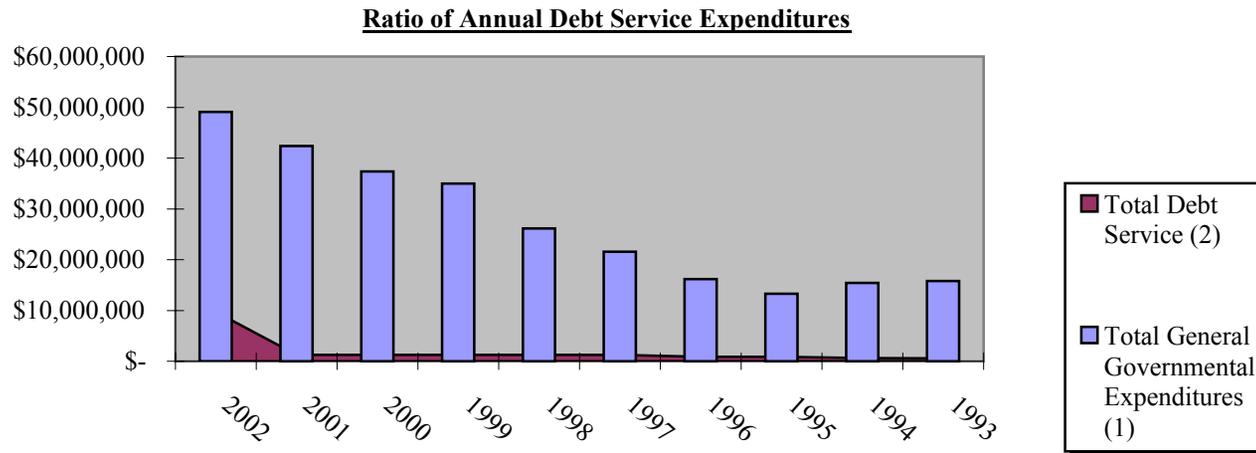
(Unaudited)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service (2)</u>	<u>Total General Governmental Expenditures (1)</u>	<u>Ratio of Debt Service to General Governmental Expenditures (1)</u>
2002	\$ 8,830,000	\$ 896,985	\$ 9,726,985	49,095,229	19.81%
2001	640,000	603,395	1,243,395	42,361,398	2.94%
2000	600,000	643,112	1,243,112	37,388,151	3.32%
1999	570,000	679,800	1,249,800	34,961,836	3.57%
1998	540,000	713,737	1,253,737	26,124,725	4.80%
1997	505,000	730,280	1,235,280	21,575,411	5.73%
1996	405,000	465,521	870,521	16,191,391	5.38%
1995	380,000	487,885	867,885	13,263,320	6.54%
1994	180,000	435,655	615,655	15,427,660	3.99%
1993	170,000	378,193	548,193	15,785,031	3.47%

(1) Includes General, Special Revenue, Capital Projects and Debt Service funds.

(2) Does not include any General Obligations for Enterprise funds.

Source: City of Brentwood Finance Department



COMPUTATION OF DIRECT AND OVERLAPPING DEBT

JUNE 30, 2002

(Unaudited)

	<u>Percentage Applicable</u>	<u>Net Bonded Debt 6/30/02</u>
OVERLAPPING TAX AND ASSESSMENT DEBT:		
Liberty Union High School District	38.403 %	\$ 20,663,755
Brentwood Union School District	92.519	25,377,889
Oakley Union School District	0.004	387
City of Brentwood	100.000	5,999,976
City of Brentwood 1915 Act Bonds	100.000	88,785,000
East Bay Regional Park District	1.047	1,753,149
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		\$ 142,580,156
DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:		
Contra Costa County General Fund Obligations	2.351 %	\$ 7,860,686
Contra Costa County Pension Obligations	2.351	6,616,302
Contra Costa County Board of Education Certificates of Participation	2.351	63,497
Contra Costa County Mosquito Abatement District Certificates of Participation	2.351	24,803
Contra Costa Community College District Certificates of Participation	2.353	32,824
Liberty Union High School District Certificates of Participation	38.403	1,202,014
Brentwood Union School District Certificates of Participation	92.519	6,527,215
City of Brentwood General Fund Obligations	100.000	11,260,000
TOTAL DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT		\$ 33,587,341
COMBINED TOTAL DEBT		\$ 176,167,497

(1) Excludes tax and revenue anticipation notes, revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2001/02 Assessed Valuation:

Direct Debt (\$5,999,976)	0.27%
Total Overlapping Tax and Assessment Debt	6.50%

Ratios to Adjusted Assessed Valuation:

Combined Direct Debt (\$17,259,977)	0.89%
Combined Total Debt	9.08%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/02: \$ 0

Source: California Municipal Statistics, Inc.

**REVENUE BOND COVERAGE
WATER AND WASTEWATER FUND
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service (3)	Revenue Bond Debt Service Requirements			Ratio of Debt Service Requirements to Net Revenue Available
				Principal	Interest	Total	
2002	\$ 18,055,924	\$ 8,059,593	\$ 9,996,331	\$ 295,000	\$ 703,786	\$ 998,786	10%
2001	16,481,774	7,928,562	8,553,212	290,000	715,306	1,005,306	12%
2000	11,359,259	5,775,804	5,583,455	275,000	727,681	1,002,681	18%
1999	8,024,591	3,449,889	4,574,702	260,000	738,236	998,236	22%
1998	6,315,493	2,736,368	3,579,125	50,000	741,100	791,100	22%
1997	4,621,484	2,431,478	2,190,006	45,000	472,186	517,186	24%
1996	3,316,558	1,969,127	1,347,431	45,000	94,394	139,394	10%
1995	3,187,883	2,907,276	280,607	30,000	128,459	158,459	56%
1994	1,963,995	1,264,907	699,088	-	-	-	100%
1993	3,280,945	1,296,816	1,984,129	-	-	-	100%

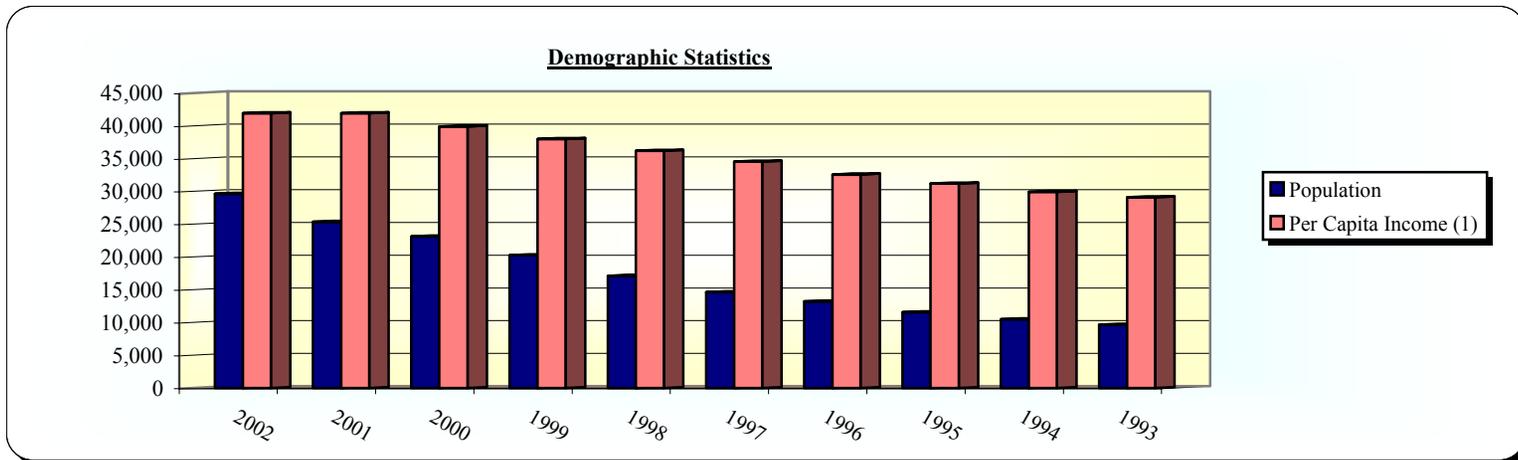
- (1) Total revenues (including interest)
- (2) Total operating expenses exclusive of depreciation
- (3) Required by Bond Covenances

Source: City of Brentwood Finance Department

DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS
 (Unaudited)

Fiscal Year	Population January 1st	Per Capita Income (1)	Median Age (2)	School Enrollment (3)	Unemployment Rate (4)
2002	29,630	\$ 41,889	36.8	8,984	5.5%
2001	25,325	41,889	36.4	4,390	5.5%
2000	23,090	39,894	36.8	3,886	2.7%
1999	20,235	37,994	36.4	3,549	3.0%
1998	17,108	36,178	36.0	3,211	3.6%
1997	14,623	34,507	35.3	2,954	4.1%
1996	13,218	32,558	35.3	2,745	4.9%
1995	11,563	31,159	35.0	2,442	5.7%
1994	10,468	29,924	35.3	2,144	6.1%
1993	9,669	29,090	35.3	1,988	6.4%

Source: (1) Department of Finance Economic Research Unit
 (2) US Census Bureau
 (3) Brentwood Union School District (1992 - 2001) Liberty Union and Brentwood School Districts 2002
 (4) Employment Development Department



PROPERTY VALUE AND CONSTRUCTION ACTIVITY
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Commercial Industrial Construction		Residential Construction		Total Construction	
	Number of Units	Valuation	Number of Units	Valuation	Number of Units	Valuation
2002	33	\$ 17,815,452	1,160	\$ 219,497,422	1,193	\$ 237,312,874
2001	9	4,394,473	1,485	272,104,867	1,494	276,499,340
2000	6	5,966,094	883	152,583,109	889	158,549,203
1999	8	9,216,760	980	158,089,138	988	167,305,898
1998	11	4,468,999	685	103,799,600	696	108,268,599
1997	21	8,374,236	843	95,625,800	864	104,000,036
1996	4	2,185,237	497	75,231,900	501	77,417,137
1995	6	7,530,189	557	79,898,500	563	87,428,689
1994	4	2,167,428	386	54,776,900	390	56,944,328
1993	3	948,808	351	48,503,100	354	49,451,908

Source: City of Brentwood Community Development Department

**LARGEST PROPERTY TAXPAYERS
WITHIN THE CITY LIMITS
JUNE 30, 2002
(Unaudited)**

Property Owners Name	Primary Use	Total Assessed Value	Percentage of Secured Assessed Value
HPH Brentwood Towne Centre Shops	Commercial	\$ 22,972,031	1.0454%
US Print Inc.	Commercial	17,025,596	0.7748%
Safeway Stores	Commercial	7,687,424	0.3498%
Paul and Lisa Taylor	Commercial	4,578,502	0.2083%
Wec 97 34 Investment Trust	Commercial	4,182,000	0.1903%
Brookfield Brentwood Lakes LLC	Residential	28,020,572	1.2751%
Daniel & Teresa Montanelli Trist	Residential	3,027,101	0.1377%
Rpgestad Thorpe LLC	Residential	3,011,578	0.1370%
Manuel S. Vierra	Residential	3,117,530	0.1419%
Maggiore Family Company	Residential	4,020,914	0.1830%
		\$ 97,643,248	4.44%

Source: HdL, Coren & Cone

MISCELLANEOUS STATISTICAL INFORMATION
June 30, 2002
 (Unaudited)

Date of Incorporation:	January 19, 1948
Forms of Government:	General Law Council-Manager
Fiscal Year Begins:	July 1
Area of City:	13.73 Sq Miles
Population as of January 2002:	29,630

<u>Number of Full-time Equivalent Positions</u>	<u>Year End</u>
198.00	2002
188.45	2001
154.50	2000
130.20	1999
106.85	1998
95.95	1997
87.75	1996
77.88	1995
61.20	1994
58.75	1993

<u>Public Schools</u>	
Elementary	5
Intermediate	2
High School	1

<u>Miles of Streets</u>	
Arterial Miles	27.55
Local Miles	91.03
Miles of Sanitary Sewers	67
Miles of Watermains	100
Number of Street Lights	2,858

<u>Municipal Wastewater System</u>	
Number of lift stations	4
Sanitary	3
Storm	0
Number of connections	9,400
Average daily flow	2.3 million gallons

<u>Municipal Water System</u>	
Number of wells	7
Number of reservoirs	4
Storage capacity (gallons)	10.8 million gallons
Average daily consumption	14.7 ac.ft
Peak daily consumption	10 MGD
Number of fire hydrants	1,323
Number of connections	9,421

<u>Municipal Solid Waste</u>	
Number of Residential Services	9,310
Number of Commercial Services	425

<u>Parks and Recreation</u>	
Playlots	1.65 Acres
Neighborhood Parks	75.89 Acres
Aquatic Complex	7.5 Acres
Community Playfields	10 Acres

<u>Parks Facilities</u>	
Tennis Courts	2
Multi-use ballfields	12
Baseball fields	5
Football/soccer fields	9
Basketball/surfaced courts	10
Permanent park buildings	6
Playgrounds	20
Picnic grounds	23

<u>Police Protection</u>	
Sworn Officers	43
Non-Sworn	13
Reserves	3
Vehicles	30
Motorcycles	7

<u>East Diablo Fire District</u>	
Stations located in Brentwood	2
Firefighters	10