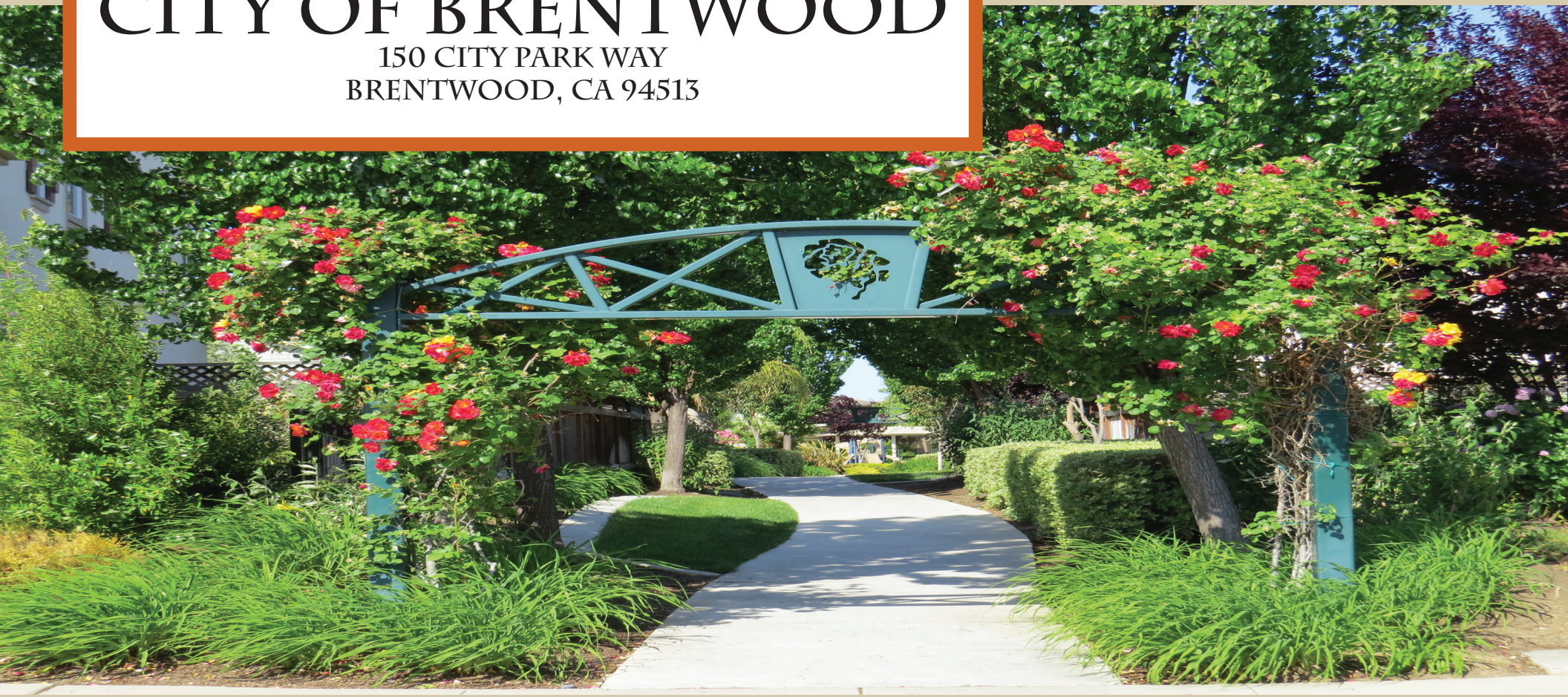
CITY OF BRENTWOOD

150 CITY PARK WAY
BRENTWOOD, CA 94513



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2013

THE CITY OF BRENTWOOD

HERITAGE ▪ VISION ▪ OPPORTUNITY

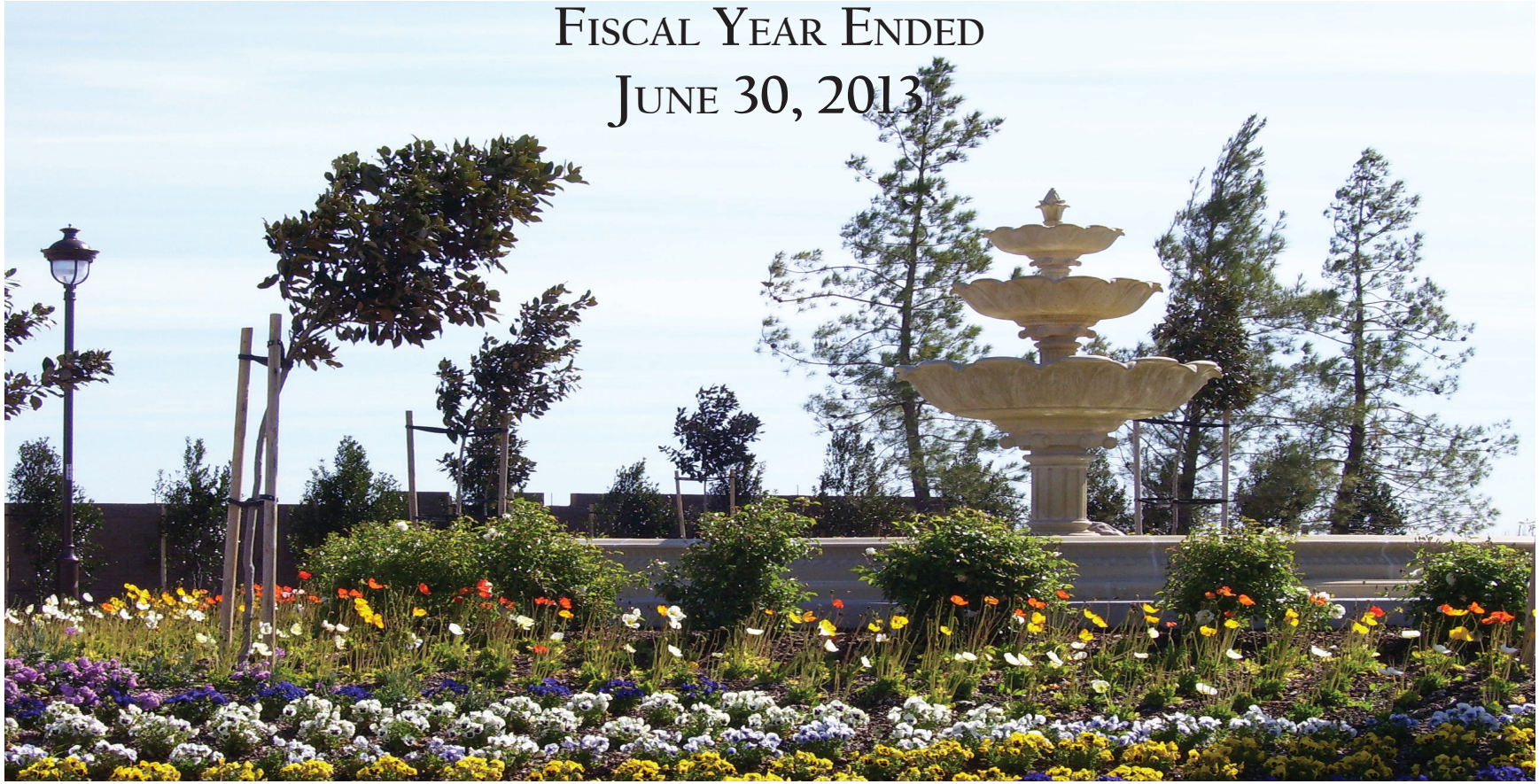
THE CITY OF
BRENTWOOD
HERITAGE ▪ VISION ▪ OPPORTUNITY

Every year the City selects a theme for the covers of its major financial documents - the Capital Improvement Program (CIP), the Fiscal Model, the Operating Budget, the Cost Allocation Plan, the Comprehensive Annual Financial Report (CAFR) and the Public Facilities Fee Report. ***This year each of the covers showcases an aspect of the many Brentwood "Parks and Trails."***

COVER: Shown on the cover is one of the recently completed CIP projects, the Veterans Park Universal Abilities Playground. This playground includes several features which challenge motion, sensory and physical abilities.

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2013



Prepared by:
Finance Department
City of Brentwood
150 City Park Way
Brentwood, California 94513

For Fiscal Year Ended June 30, 2013

TABLE OF CONTENTS

INTRODUCTORY SECTION

Page

Table of Contents ..... **i**
Letter of Transmittal ..... **v**
Certificate of Achievement – GFOA ..... **xvii**
List of Principal Officials ..... **xviii**
City Organizational Chart ..... **xix**
City Community Services Location Map ..... **xx**
City of Brentwood Mission Statement / Vision and Culture / Core Values ..... **xxi**
Awards ..... **xxii**

FINANCIAL SECTION

INDEPENDENT AUDITORS REPORT **1**

MANAGEMENT'S DISCUSSION AND ANALYSIS **5**

BASIC FINANCIAL STATEMENTS
Government-Wide Financial Statements
Statement of Net Position 17
Statement of Activities and Changes in Net Position 18
Fund Financial Statements
Governmental Fund Financial Statements
Balance Sheet – Governmental Funds 19
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position 20
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds 21
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 Position 22

For Fiscal Year Ended June 30, 2013

TABLE OF CONTENTS *(Continued)*

Page

Proprietary Fund Financial Statements
Statement of Net Position 23
Statement of Revenues, Expenses and Changes in Fund Net Position 24
Statement of Cash Flows 25
Fiduciary Fund Financial Statements
Statement of Fiduciary Net Position 27
Statement of Changes in Fiduciary Net Position – Private-Purpose Trust Funds 28
Notes to the Basic Financial Statements
Index of Notes to the Basic Financial Statements 29

REQUIRED SUPPLEMENTARY INFORMATION
Budgetary Comparison Schedule, General Fund 93
Note to the Required Supplementary Information 94

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES
Non-Major Governmental Funds
Combining Balance Sheet 95
Combining Statement of Revenues, Expenditures and Changes in Fund Balances 101
Internal Service Funds
Combining Statement of Net Position 107
Combining Statement of Revenues, Expenses and Changes in Fund Net Position 109
Combining Statement of Cash Flows 111
Fiduciary Funds
Combining Statement of Fiduciary Assets and Liabilities 113
Combining Statement of Changes in Fiduciary Assets and Liabilities 114
General Fund - Combining Financial Statements Governmental Activities by Fund Type
Balance Sheet 115
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual 116

For Fiscal Year Ended June 30, 2013

TABLE OF CONTENTS *(Continued)*

Page

Special Revenue Funds
Combining Balance Sheet 117
Combining Statement of Revenues, Expenditures and Changes in Fund Balances 121
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual 125
Debt Service Funds
Combining Balance Sheet 133
Combining Statement of Revenues, Expenditures and Changes in Fund Balances 134
Capital Project Funds
Combining Balance Sheet 135
Combining Statement of Revenues, Expenditures and Changes in Fund Balances 137
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual 139

STATISTICAL SECTION *(Unaudited)*

	Reference	Page
Statistical Section Contents		S-i
Net Position by Component	Schedule 1	S-1
Changes in Net Position – Governmental Activities	Schedule 2a	S-2a
Changes in Net Position – Business-Type Activities	Schedule 2b	S-2b
Fund Balances – Governmental Funds	Schedule 3	S-3
Changes in Fund Balances – Governmental Funds	Schedule 4	S-4
Assessed Value and Estimated Actual Value of Taxable Property	Schedule 5	S-5
Direct and Overlapping Property Taxes	Schedule 6	S-6
Principal Property Taxpayers	Schedule 7	S-7
Property Tax Levies and Collections	Schedule 8	S-8
Taxable Sales by Category	Schedule 9	S-9
Direct and Overlapping Sales Tax Rates	Schedule 10	S-10
Top 25 Sales Tax Producers	Schedule 11	S-11
Water Use Revenue by Customer Type	Schedule 12	S-12
Water Rates	Schedule 13	S-13

For Fiscal Year Ended June 30, 2013

TABLE OF CONTENTS *(Continued)*

STATISTICAL SECTION *(Unaudited) (Continued)*

	Reference	Page
Ratios of Outstanding Debt by Type	Schedule 14	S-14
Ratios of General Bonded Debt Outstanding	Schedule 15	S-15
Direct and Overlapping Governmental Activities Debt	Schedule 16	S-16
Legal Debt Margin Information	Schedule 17	S-17
Pledged Revenue Coverage	Schedule 18	S-18
Demographic and Economic Statistics	Schedule 19	S-19
Principal Employers	Schedule 20	S-20
Authorized Full-Time Equivalent City Government Employees	Schedule 21	S-21
Operating Indicators by Function / Program	Schedule 22	S-22
Capital Asset Statistics by Function / Program	Schedule 23	S-23
General Information	Schedule 24	S-24

December 10, 2013

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

Dear Mayor, Members of the City Council and Citizens of the City of Brentwood:

We are pleased to submit the Comprehensive Annual Financial Report for the City of Brentwood, California for the fiscal year ended June 30, 2013. The City of Brentwood annually publishes a complete set of financial statements, presented in conformity with Generally Accepted Accounting Principles and audited by an independent, certified public accounting firm.

This is the thirteenth year the City's Finance Department has prepared this report. Responsibility for both the accuracy of the data and the completeness and fairness of the information, including all disclosures, rests with the City. To the best of the City staff's knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of the operations of the various entities of the City of Brentwood. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included. Generally Accepted Accounting Principles require that management provide a narrative introduction overview and analysis to accompany the basic financial statements in the form of a Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

INTERNAL CONTROLS

Accounting for all of the City's activities is centralized under the Finance Department. The department has been delegated the responsibility for maintaining the integrity of the City's recorded financial data. The Finance Department, in conjunction with the City's management, is also responsible for establishing and maintaining an internal control structure designed to ensure that the City's assets are protected from loss, theft or misuse. The internal control structure is designed to provide reasonable assurance these objectives are met, while recognizing that this assurance is not absolute. The concept of reasonable assurance recognizes: 1) the cost of a control should not exceed the benefits likely to be derived and 2)

City Hall: 150 City Park Way, Brentwood, California 94513
Phone: (925) 516-5400 ~ Fax: (925) 516-5401

the valuation of costs and benefits requires estimates and judgments by management. City management believes the existing internal control systems are adequate to provide reasonable assurance the City's assets are safeguarded against loss and that the financial records are reliable for preparing financial statements and maintaining accountability for assets. This belief is supported by the City's fourteenth consecutive "Unqualified" Audit issued for the fiscal year ended June 30, 2013.

INDEPENDENT AUDIT

The City Council is responsible for: 1) assuring the City administration fulfills its responsibilities in the preparation of the financial statements and 2) engaging certified public accountants with whom the City Council reviews the scope of the audits and the accounting principles to be applied in financial reporting.

The Government Code of the State of California requires general law cities, such as the City of Brentwood, to have its financial statements audited by an independent certified public accountant. Accordingly, this year's audit was completed by the accounting firm of Maze & Associates. The firm was engaged by the City Council to render an opinion on the City's financial statements in accordance with auditing standards generally accepted in the United States of America. To ensure complete independence, Maze & Associates presents the results of their assessment of the adequacy of internal accounting controls and the quality of financial reporting directly to the City Council. The auditor's report on the basic financial statements is the first item in the accompanying Financial Section.

In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Federal Single Audit Act Amendments of 1996 and related Office of Management and Budget Circular A-133. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements but also on the audited government's internal controls and compliance with legal requirements.

PROFILE OF BRENTWOOD

The City of Brentwood was incorporated in 1948 as a general law city under the laws of the State of California. Brentwood is located in eastern Contra Costa County, halfway between the cities of San Francisco and Sacramento. The City is governed by a five member City Council, under the Council–Manager form of government. As of January 1, 2013, the City had a population of approximately 53,278 and encompassed approximately 14.83 square miles.

The City provides a full range of services including: Police, Public Works, Economic Development, Planning, Building, Engineering and Inspection, Parks and Recreation, Housing and General Administrative services. The City also operates public water and wastewater utilities, as well as providing a recycling program and refuse collection and disposal. All of these services are accounted for in the City's financial statements.

The City had been financially accountable for the Brentwood Redevelopment Agency ("Agency") prior to the dissolution of the Agency, which became effective February 1, 2012 as a matter of State law. At that time, the City opted to become the Successor Agency to the Agency. Financial data of the Successor Agency has been segregated in a private-purpose trust fund. In addition, the City is financially accountable for the

Brentwood Infrastructure Financing Authority (BIFA), a component unit of the City. Although a legally separate entity, this blended component unit is also substantively part of the government's operations. Financial data for BIFA is combined with the data of the primary government. For accounting purposes, BIFA, the Successor Agency and the City all have a June 30 year-end date. See Note #1 – A, found on page 32 for a more detailed discussion of the reporting entity.

The City's annual budget serves as the foundation for planning and controlling the City's finances. As such, the City maintains extensive budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. The level of budgetary control is established at the fund level. Budgets are prepared and expenditures recorded at the object of expenditure level. The accounting records are maintained using either the accrual basis or modified accrual basis of accounting, as appropriate. The City also maintains an encumbrance accounting system as one technique for accomplishing budgetary control.

The City operates on a two-year budget cycle. The budget cycle begins in January with a strategic planning meeting. The individual departments then prioritize and recommend the budgetary funding requirements necessary to perform both their objectives and the City Council's strategic goals and initiatives. These funding requests are then balanced and prioritized to fit within the constraints of projected revenue assumptions. 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 at a Budget Workshop during the spring, with the final adoption of the two-year budget scheduled for City Council consideration in June. The newly adopted two-year budget is then formally reviewed by the City Council at a public meeting every six months. Activities of the General Fund, Special Revenue Funds, Debt Service Funds, Proprietary Funds, Internal Service Funds and Capital Project Funds are included in the annual appropriated budget.

The following funds are not legally required to adopt annual operating budgets as their appropriations are either: 1) established by the related bond documentation, 2) other legal agreements or 3) are multi-year projects covered through the Capital Improvement Program Budget whose budget cycle exceeds one fiscal year. Funds which meet these requirements are the: Capital Improvement Financing Program Funds; 2002 Series A&B Fund; Randy Way Assessment District Improvements Fund; Community Facilities Improvement Projects Fund; Park Improvement Projects Fund; Drainage Improvement Projects Fund; Street Improvement Projects Fund; Capital Improvement Revenue Refunding Bonds Series 2012 Fund; 2002 General Obligation Bond Fund and Civic Center Project Lease Revenue Bonds Fund. See Note #2 – A, on page 46, for additional information.

ECONOMIC OUTLOOK

The City experienced a period of growth from the mid 1990's to the mid 2000's. During this time period, the population of the City more than tripled. With the onset of the recession in the latter part of the 2000's, the City experienced a dramatic decline in residential development activity and property valuations fell substantially from their peak. New single family residential building permits fell from an average of over 1,400 per year to less than 50 at the depths of the recession. In general, the recession has had far greater impacts in communities, such as Brentwood's, which experienced high growth rates and property appreciation during the previous decade. Over the past year, however, the convergence of low interest rates and affordable housing prices has resulted in increased development activity and a general upturn in the housing market, with the City issuing 355 single family residential permits in the 2012/13 fiscal year. Along with the recent increases in development activity and general

improvement in the economy as a whole, the City is starting to see increasing revenues relating to the improving housing market. Property taxes, which had historically been the General Fund's top revenue source, are projected to increase by 8.45% in the 2013/14 fiscal year. This increase follows five consecutive annual declines, during which time property tax revenues fell by 35% from their peak. The significant loss of annual revenues related to these declines continues to present fiscal challenges for the City.

In contrast to the City's property tax revenues, which suffered significant declines during the economic downturn, the City's sales tax revenues have continued to post modest annual increases. While most agencies suffered double digit percentage declines at the depths of the recession, the City was able to avoid these declines, largely due to the 2008 opening of the Streets of Brentwood Lifestyle Center. With consumer activity showing signs of a modest recovery, the City's sales tax revenues are expected to continue to show moderate increases as businesses continue to view Brentwood as an attractive location.

Investment income has been another revenue source which has been impacted by the recession. Record low interest rates have served to reduce the City's expected investment income in the coming years. Low interest rates have a more significant negative impact on agencies, such as Brentwood, which have larger cash reserves due to large reserve policy requirements.

The City is also facing significant challenges on the expenditure side of the budget. While revenues have fallen, operational costs continue to escalate. These budgetary challenges will be much more difficult in the coming years, as increases in the City's pension contribution requirements are phased in and funding requirements for Other Post-Employment Benefits (OPEB) continue to increase. In addition to adopting an OPEB pre-funding plan, the City Council has also taken steps to address long-term cost concerns through labor contract negotiations. As discussed below, a second tier package addressing health insurance, pension and OPEB costs was approved by each one of the City's bargaining units. The cost savings generated from these contracts will go a long way towards ensuring a strong fiscal future for the City.

FINANCIAL OUTLOOK

Long-Range Financial Planning – Key to planning for the City's build-out was the development of a highly sophisticated fiscal model which helps ensure the City continues to budget conservatively, with revenues exceeding expenditures, and with adequate reserves to cover future liabilities and unexpected emergencies. The City's 2012/13 – 2021/22 General Fund Fiscal Model, adopted by the City Council in April 2013, combines a 10-year financial forecast of expenditures, revenues and fund balance, with recommendations on how to manage any possible gaps between revenues and expenditures. In prior years, this Fiscal Model helped highlight the unsustainability of the existing cost structure associated with employee benefits, especially pensions, health care and retiree medical expenses which ultimately led to the implementation of a second tier benefit level. The fiscal model is updated regularly and will continue to be a valuable tool as the City positions itself for a successful emergence from the current economic downturn.

The City also opened a Budget Stabilization Fund during the 2008/09 fiscal year. This fund was used to accumulate savings during good years in order to provide a source of funding for economically challenging years. As of 6/30/2013 this fund was closed with the remaining funds being transferred to a new Pension/Other Post-Employment Benefits Obligation Fund. Each year, General Fund savings over and above the minimum fund balance requirement is transferred to the Pension/OPEB Obligation Fund to be used to help offset the rising cost of other post-employment

benefits (OPEB) as a part of a long-term, pre-funding strategy of retiree medical benefits. In addition, this fund will be used to help offset the rising costs of pension expenses and paying the unfunded liability on a cost reimbursement basis. This is an intermediate term funding source that will help mitigate the effects of rising pension and OPEB costs and will provide the General Fund necessary time to allow for the financial savings associated with the newly negotiated labor contracts, and other proposed long-term cost savings, to accumulate and ultimately allow for the General Fund to operate in balance without this subsidy. In fiscal year 2013/14, the General Fund is budgeted to receive a transfer from the Pension/OPEB Obligation Fund of $2.1 million. All the while, the General Fund is budgeted to maintain a 30% reserve, as directed by City Council policy. Despite the availability of the Pension/OPEB Obligation Fund, the City is continuing to actively look for ways to reduce costs and minimize the use of the fund.

Labor Contracts – All of the City's labor contracts were set to expire on June 30, 2012. Negotiations for new labor contracts were conducted with the knowledge that a balance must be struck between achieving the cost savings necessary to ensure a fiscally sustainable future, while at the same time maintaining a competitive compensation plan to protect the City's ability to recruit and retain qualified employees. Through the labor negotiation process, the City succeeded in this objective with the new contracts including: 1) second tier retirement benefits for new sworn employees (non-sworn agreed to a second tier retirement in 2010); 2) reduced health insurance coverage limits; 3) reduced OPEB coverage commitments and 4) increased pension contributions for employees. All of the City's labor groups agreed to these necessary cost reductions. A provision in the newly signed five-year agreements allowed for a re-opener if certain assessed valuation thresholds were met. The threshold for a re-opener has been met, although the resulting fiscal impacts, if any, are not known at this time.

Retirement – The City is a member of the Public Employee Retirement System (PERS). PERS rates fall into two categories: Police Safety and Miscellaneous Members. Employees in the PERS system are not covered by Social Security. One component required to help restore long-term fiscal stability was the implementation of lower cost-pension benefits for newly hired employees along with increased pension cost sharing requirements for both the Safety and Miscellaneous groups.

The City's Safety members have three tiers. The first tier, for employees hired prior to September 1, 2012, participate in the 3% at 50 retirement plan, have their "final compensation" based on their highest one-year salary and are provided with annual cost of living adjustments of up to 5%. The City paid 6% of the required 9% PERS employee contribution in fiscal year 2012/13. The City's payment amount will decline to 3% in fiscal year 2013/14 and will cease paying any portion of the employees share in fiscal year 2014/15. The second tier, for employees hired on or after September 1, 2012, will participate in the 3% at 55 retirement plan, have their "final compensation" based on their highest average three-year salary and are provided with annual cost of living adjustments of up to 2%. The employee is responsible for the entire 9% required PERS employee contribution. The third tier was created through the signing of the State Pension Reform Act of 2013 (PEPRA). PEPRA applies to employees hired on or after January 1, 2013 who either have never been members of the California Public Employees Retirement System (CalPERS) or a reciprocal agency; or who have had a break in service from a CalPERS agency of at least six months. Sworn employees who meet these criteria participate in the 2.7% at 57 retirement plan, have their "final compensation" based on their highest average three-year salary and are provided with annual cost of living adjustments of up to 2%. The employee is responsible for one half of the pension normal cost (up to a cap of 12%) which equates to a current employee contribution of 11.5%.

The City's Miscellaneous members also have three tiers. The first tier, for those employees hired prior to October 1, 2010, participate in the 2.7% at 55 retirement plan, have their "final compensation" based on their highest one-year salary and are provided with annual cost of living adjustments of up to 5%. The City paid 4% of the required 8% PERS employee contribution in fiscal year 2012/13; and will pay 2% in fiscal year 2013/14 and will cease paying any portion of the employee share in fiscal year 2014/15. The second tier, for those employees hired on or after October 1, 2010, will participate in the 2.0% at 60 retirement plan, have their "final compensation" based on their highest average three-year salary and are provided with annual cost of living adjustments of up to 2%. The employee is responsible for the entire 7% required PERS employee contribution. The third tier was created by PEPRA, with qualifying employees hired on or after January 1, 2013 participating in the 2% at 62 retirement plan, with their "final compensation" based on their highest average three-year salary with annual cost of living adjustments of up to 2%. The employee is responsible for one half of the pension normal cost (up to a cap of 11%) which equates to a current employee contribution of 6.25%.

The City also provides retiree medical coverage to employees who retire from the City and who have met the following criteria: 1) they retire on or after reaching age 50 and 2) they have at least five years of cumulative service credits with organizations participating in a CalPERS Defined Benefit Pension Plan. As a part of the new labor contracts, the City's maximum coverage amount for retiree medical coverage is divided into three tiers:

- The first tier, which includes retirees who separated from service prior to July 1, 2012, have a current maximum monthly City paid coverage amount of $1,226.63 for Miscellaneous and $1,250.66 for Safety. This amount will increase based on increases in medical coverage rates, and over the long-term will equal the "Kaiser plus one dependent" rate.
- The second tier, which includes active employees hired prior to July 1, 2012, will provide monthly coverage of the greater of: 1) $1,226.63 for Miscellaneous employees, $1,500 for Safety employees or 2) the "Kaiser employee only" rate, which is currently $610.44. It is anticipated it will be several years before the Kaiser employee only rate will exceed the current medical caps, resulting in a long period without City cost increases for retiree medical coverage.
- The third tier, which includes employees hired on or after July 1, 2012, will provide monthly coverage of the Public Employees Medical and Hospital Care Act (PEMHCA) minimum, as set annually by the State of California. The current PEMHCA monthly minimum is $115.

Other Post-Employment Benefits (OPEB) – Governmental Accounting Standards Board (GASB) Statement No. 45 was established in 2004 and requires the City to report the costs of OPEB as the employee earns the benefit, rather than as the benefit is paid. While there is no requirement that the City pre-fund, or set aside the full Annual Required Contribution (ARC) on an annual basis, the City Council established a funding strategy which includes achieving 85% funding of the ARC, on an annual basis, by fiscal year 2017/18. Pre-funding OPEB obligations is projected to provide the City with savings over the long-term, as pre-funding contributions will be invested on a long-term basis until they are needed to pay for OPEB obligations. Pre-funding will ultimately allow for investment income, rather than City contributions, to provide the majority of funds needed to cover OPEB obligations in the future. In addition, the recently signed contracts with the City's labor bargaining units included a reduced OPEB commitment for future retirees. The impacts from the pre-funding strategy and the new labor agreements have been incorporated into the City's Operating Budget.

Development Fees – The City of Brentwood established a Development Fee Program in 1989. The program sets forth the nexus between future development, facilities needed to serve future development and the estimated costs of those improvements based on the current General Plan and Capital Improvement Program. The purpose of the fees, referred to as AB 1600 fees, is to finance municipal public facilities to mitigate the impacts caused by future development. These capital improvement facility fees are adopted pursuant to Government Code §66000, et seq. The Development Fee Program implements policies of the City's General Plan including the policy that "…new development shall contribute its fair share of the cost of on-site and off-site public infrastructure and services. This shall include installation of public facilities, payment of impact fees and participation in a Capital Improvement Financing Program (CIFP)." Capital Improvement Financing Programs provide a mechanism through which the City and the development community cooperate to fund and construct both major Master Planned and Sub-Master Planned infrastructure (roads, water and wastewater lines, regional drainage facilities, etc.). Bonds are sold using the participating Developer's property as collateral. There is minimal 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. Additionally, the City is able to obtain very low interest rates through its outstanding financial reputation. As the properties develop, the bonds are repaid by the new property owner over a 30-year period.

In January 2009, the City adopted a temporary deferral program for certain residential development impact fees. The goal of the program was to assist developers with cash flow, allowing permits to be pulled and homes to be built that otherwise may not have been constructed due to economic factors. Several municipalities in California have adopted similar programs to help manage the challenges of the current economy. Development fees for water, wastewater, roadway, community facilities, parks and trails and administration are deferred until final inspection, or for twelve months, whichever occurs first. This program was developed within the guidelines of AB 2604, approved by the State Legislature in July 2008. The City's fee deferral program ended as of June 30, 2013 and through that date the City issued 305 permits under the program. Since incorporation of the program, the City has deferred a total of $4,101,697, of which $3,614,252 has been subsequently paid.

MAJOR INITIATIVES – BRINGING BRENTWOOD'S VISION TO REALITY

(Listed Alphabetically)

Deliver Excellent Public Services:

- **City Website Redesign:** As a way to help strengthen the City's web presence, the City Website Redesign project will reorganize and enhance website content to allow for ease of use along with bringing completely new features for use by the general public. The updated website will have a fresh, new look and will be a positive reflection of the City to the public, businesses and other agencies. The launch of the new website is projected for the beginning part of 2014. Along with the website redesign, the City will be developing a Financial Dashboard, a web-based reporting tool which will provide the public with the ability to obtain current and customizable financial information such as monthly and year-to-date data on certain City budgets, revenues and expenditures.

- **Development of a Citywide Network Connectivity Master Plan:** The long-term plan is to create a Fiber Optic ring around the City. The Fiber Optic network is very reliable and has enough bandwidth to push video, phone, data and any future technology that requires high bandwidth. The fiber optic ring will be used to connect City facilities and position the City for future technology. Due to the cost of

the project, there are multiple phases. The first phase, connecting the City Data Center to City Hall and connecting Public Works Operations to the Data Center, has been completed. The second phase, connecting the Aquatic Park/Senior Activity Center to the Data Center, is scheduled to be completed in fiscal year 2013/14. The third phase, which is planned for future years, will include an update to the Fiber Optic Master Plan Study and will identify future connection needs. Additionally, the City plans to implement additional Wi-Fi internet access points at the City's Senior Center, Veterans Park, Aquatic Park and the Police Station in fiscal year 2013/14.

- **Other Technological Improvements**: The City has implemented Electronic Plan Checking which gives development customers the ability to submit plans electronically, saving resources and enhancing communication between designers and the City.

  Also, an updated GIS based interactive map room ("GeoVault") was rolled out in the summer of 2013 to City staff. GeoVault allows users to access databases containing a variety of information about areas within the City limits, such as utility networks, parcel and property information, police beats, etc., giving them the ability to access data to perform essential job duties quickly and efficiently. A public version is projected to be available through the City's website by fall of 2014.

Enhance Community and Neighborhood Improvement:

- **Recreation Program**: The City of Brentwood Parks and Recreation Department offers a variety of sponsored and co-sponsored programs for the benefit of the community. Through the Business License Tax Grant, the Parks and Recreation Department was able to offer several special event programs in fiscal year 2012/13, including Scarecrows in the Park, Christmas Tree Lighting, Letters from Santa, Shop 'til You Drop Daycare, Lunch with Bunny, Rodeo Roundup and two Movies in the Park. In addition, the community was once again brought together with the popular Starry Nights in Brentwood Summer Concert Series in City Park, which included eight concert events. The Annual "Playful City" Play Day was hosted in August 2013 in City Park. Included in the event was the eighth concert especially geared towards children, as well as many fun games and activities.

- **Joint Use Sport Fields:** The City and the Liberty Union High School District (LUHSD) have a long history of developing joint use facilities. With the growth of year round sport seasons of competitive level play, traditional turf fields are not able to handle the year-round play due to inclement weather and the need to annually renovate turf. Therefore, the City and LUHSD currently have a joint use project to investigate the feasibility of replacing existing turf fields at the Liberty High School campus with lighted, all-weather sport fields.

- **Park Improvements:** Using East Bay Regional Park District Measure WW funds, four major projects were completed in fiscal year 2012/13: King Park Dog Area Expansion, Veterans Park Universal Abilities Playground, Veterans Park Bocce Court Expansion and the Summerset Commons Park. All four of these projects meet the objectives of the Parks, Trails and Recreation Master Plan. This year an application was made for a City Wide Park Shade Improvement Project, again using Measure WW Funds. This project has been approved and construction of new shade structures in five City parks will commence in late 2013. As the City moves forward with an update of the City's General Plan, Parks and Recreation staff is participating in the General Plan Working Group to assist in having the Parks, Trails, and Recreation Master Plan be incorporated as a part of the General Plan update.

- **Community Beautification**: The Los Nogales and John Muir Parkway projects are both beautification projects that installed landscaping along formerly vacant strips of land within the road right-of-way. The Los Nogales project is located along the westerly shoulder of Walnut Boulevard, between the Food Maxx store and McClarren Road, adjacent to the CCC Housing Authority housing project. The John Muir Parkway project is located along the westerly shoulder and median along John Muir Parkway, between Thomas Road and Ventura Drive. Both sites have been landscaped with trees, shrubs, vines and flowering plants along with a decorative iron fence, included on the Los Nogales site, between the public sidewalk and the housing area.

  Planning and design has also begun on the Brentwood Boulevard Median Landscaping Improvement project, which will include widening of certain medians between Homecoming Way to Lone Tree Way and enhancement with trees, shrubs, vines and flowering plants.

- **Public Art**: Through a Memorandum of Understanding with the Liberty High School Arts & Humanities Academy, a Public Art Utility Boxes project was completed in which five utility boxes in the downtown area were painted with agricultural themes representing the fruits and vegetables farmed in Brentwood. Also, the Community Center Public Art Walls began exhibiting art from local artists in January 2013. Displays are updated quarterly.

Ensure Long-term Financial Stability and Sustainability:

- **Utility Rate Studies:** A goal of the City, in consensus with the City Council, is to provide the best possible utility services to the public at the lowest possible price, while still maintaining the financial sustainability of the City's utility Enterprises – Water, Wastewater (sewer), and Solid Waste (garbage). To do so, the City conducts a Utility Rate Study every 5 years. A rate study is nearing completion for all three Utility Enterprises. City staff is ardently working in conjunction with outside consultants to provide the most forward-looking, accurate revenue and expenditure data in order for the rate study to be completed. Even though costs of operations continue to increase, because of the thorough rate study and diligence of City staff, the results of the study show how the Enterprises can continue to maintain financial stability over the coming years with minimal impact to the utility usage rates. The proposed utility rate adjustments are projected to take effect around the mid-point of the 2013/14 fiscal year.

- **Cost Allocation Plan**: On an annual basis the City prepares a Cost Allocation Plan which is designed to help ensure the City is recovering costs in accordance with City Council policy. In preparing the Cost Allocation Plan, and determining fee and cost recovery for City programs, the appropriate balance between fee generation and customer service are carefully considered.

- **General Fund Fiscal Model**: The 2012/13 – 2021/22 General Fund Fiscal Model was presented to the City Council in April 2013 and continues to serve as a critical planning tool to help ensure fiscal sustainability. The Fiscal Model presents the next ten years of revenues, expenses and fund balance for the General Fund and provides City management with the ability to identify potential future economic challenges with sufficient time to develop solutions which minimize the impacts to the residents of the City.

Promote Economic and Community Development:

- **The Grove at Sunset Court:** The Grove at Sunset Court is a Meta Housing apartment complex project, located at the former Perez Nursery site, consisting of 54 affordable apartment units. Meta Housing, is an award-winning, for-profit affordable housing developer. In August of 2012, Meta Housing broke ground at The Grove at Sunset Court and the project was completed in September 2013. The project consists of one-, two- and three-bedroom units, two-story buildings, a community building, common open space, community pool, on-site covered parking, gated entry and related improvements. The project site area is 3.26 acres, which includes a portion of the abandoned Sunset Court roadway. Total development costs are $16,100,000, including $3,950,000 from City of Brentwood Affordable Housing funds.

- **Website, Business Incentives, Employment Centers:** The City provided support to several office/industrial deals, such as the expansion of Rodda Electric & Solar, Halt Medical, and other local companies. The City continues to work with the new owners of The Streets of Brentwood on a potential expansion and releasing of the shopping center. The City continued to implement a highly successful marketing & outreach strategy to potential new businesses, with the following highlights including: participating in i-GATE and other regional industry partnerships; winning the "Grand Prize" for best marketing program by the California Association of Local Economic Development (CALED); winning a "Deal of the Year Award" from the San Francisco Business Times and being featured in a special 12-page insert in the San Francisco Business Times; and launching a successful "Shop Brentwood" campaign.

- **Agricultural Enterprise Implementation:** The City continued its Agricultural Enterprise program, which included conservation easements that, during the past 10 years, have preserved a total of 988 acres of environmentally sensitive farmland. The program also includes marketing for agritourism and several other efforts to support the local agriculture industry.

- **General Plan Update:** In October of 2011, the City Council approved a new initiative, committing the City to undertake and complete a comprehensive update of the General Plan, including an accompanying Environmental Impact Report (EIR). On September 11, 2012, the City Council approved a contract with the DeNovo Planning Group to complete this two-year project. A General Plan Update Working Group was appointed by the City Council in February 2013. This group is responsible for overseeing the work of the consultants and staff and serves as a liaison to the City Council for completion of the project. The draft General Plan and draft EIR are scheduled to be reviewed for adoption in the spring of 2014. The General Plan Update will also contain a Fiscal Sustainability component in accordance with the City Council's goal of ensuring long-term fiscal stability and sustainability.

- **Downtown Specific Plan Update**: The goal of this update is to make the document more user-friendly, primarily by addressing a series of technical deficiencies and development standards. In mid-2012, the City Council's Downtown Specific Plan/Business Promotion Ad Hoc Committee reviewed an outline of the proposed update. Additional meetings have been held with the Ad Hoc Committee since that time to continue refining changes to the text of the document. Ultimately, the updated document will be forwarded to the Planning Commission for review, followed by the City Council for formal adoption.

Provide for Effective Transportation and Infrastructure:

- **Regional Transportation**: The State Route 4 (SR4) Bypass Authority, in coordination with the Contra Costa Transportation Authority, successfully received funding for the Sand Creek Road Interchange project. The Sand Creek Road interchange project, which began construction in June of 2012, widens the SR4 Bypass to four lanes from Lone Tree Way to Sand Creek Road, with an interchange at Sand Creek Road to eliminate the signalized, at-grade intersection. This interchange eliminates the backup that existed at SR4 and Sand Creek Road. This interchange partially opened in late August 2013 and the second bridge over the interchange is anticipated for full intersection improvements by late 2014. Longer-term phases include the Balfour Road interchange, currently under design, and four-lane widening from Sand Creek Road to Balfour Road, which is estimated to begin in 2015. The City continues to work with the transportation agencies to seek available funding for the additional phases.

  State Route 239 (SR 239), is a legislatively approved, but unconstructed route in the California state highway system, which is a potential multimodal link between SR 4, near Brentwood, and I-205, west of Tracy in San Joaquin County. The route has not been adopted by the California Transportation Commission (CTC); however, Contra Costa County was awarded $14 million for initial study and planning under SAFETEA-LU in 2005. Administration of the study, now called TriLink, was transferred to the Contra Costa Transportation Authority (CCTA) in January 2012.

- **Solid Waste Transfer Station:** A new solid waste transfer station including, but not limited to: an expanded covered transfer floor area; transfer truck loading areas; cart, bin and roll off storage; equipment parking; administrative offices and related facilities. The City Council awarded construction contracts for the new Solid Waste Transfer Station facility on March 3, 2012 and has a projected completion date of late fall 2013. This facility will provide the City with the ability to service the residential, commercial and industrial demands of the City through build-out, while remaining in compliance with the facility's California Integrated Waste Management Board permit requirements and meeting or exceeding mandated solid waste diversion requirements.

Provide for the Public's Safety:

- **Police Officer Reserve Program:** The police department is working to re-establish a police officer reserve program. This will provide volunteer police officers to assist our patrol officers in the field.

- **Enhance the Neighborhood Watch Program**: The City of Brentwood currently has 65 neighborhoods participating in the Neighborhood Watch Program. This program has been a vital tool to deter and prevent crime in our community. The department is striving to increase the number of participating neighborhoods throughout the City.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (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, 2012. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ACKNOWLEDGEMENTS

We wish to thank the City Council for providing the clear policy direction and goals which have been used to prepare this Comprehensive Annual Financial Report. A great deal of effort and attention to detail, representing many hours of work by staff members throughout the organization, is required to produce a report of this quality. We would like to express our appreciation to all City of Brentwood staff members who have taken the time to participate in the development of this year's Comprehensive Annual Financial Report. Special recognition is given to the Finance Department and specifically the Business Services and Financial Services staff. Appreciation is also expressed to the Mayor and the City Council 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 due to its committed elected leadership and the talents and ingenuity of its City employees. One of the key components in securing this future is through a well-planned, long-term fiscal strategy based upon economic development which will generate high paying, long-term employment opportunities, new and stable sales tax revenue sources and improved inter-governmental 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, the City of Brentwood will deliver the highest level of service permitted by the available resources.

Respectfully submitted,

Paul R. Eldredge, P.E
City Manager

Pamela Ehler
City Treasurer
Director of Finance and Information Systems

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Brentwood

California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

LIST OF PRINCIPAL OFFICIALS

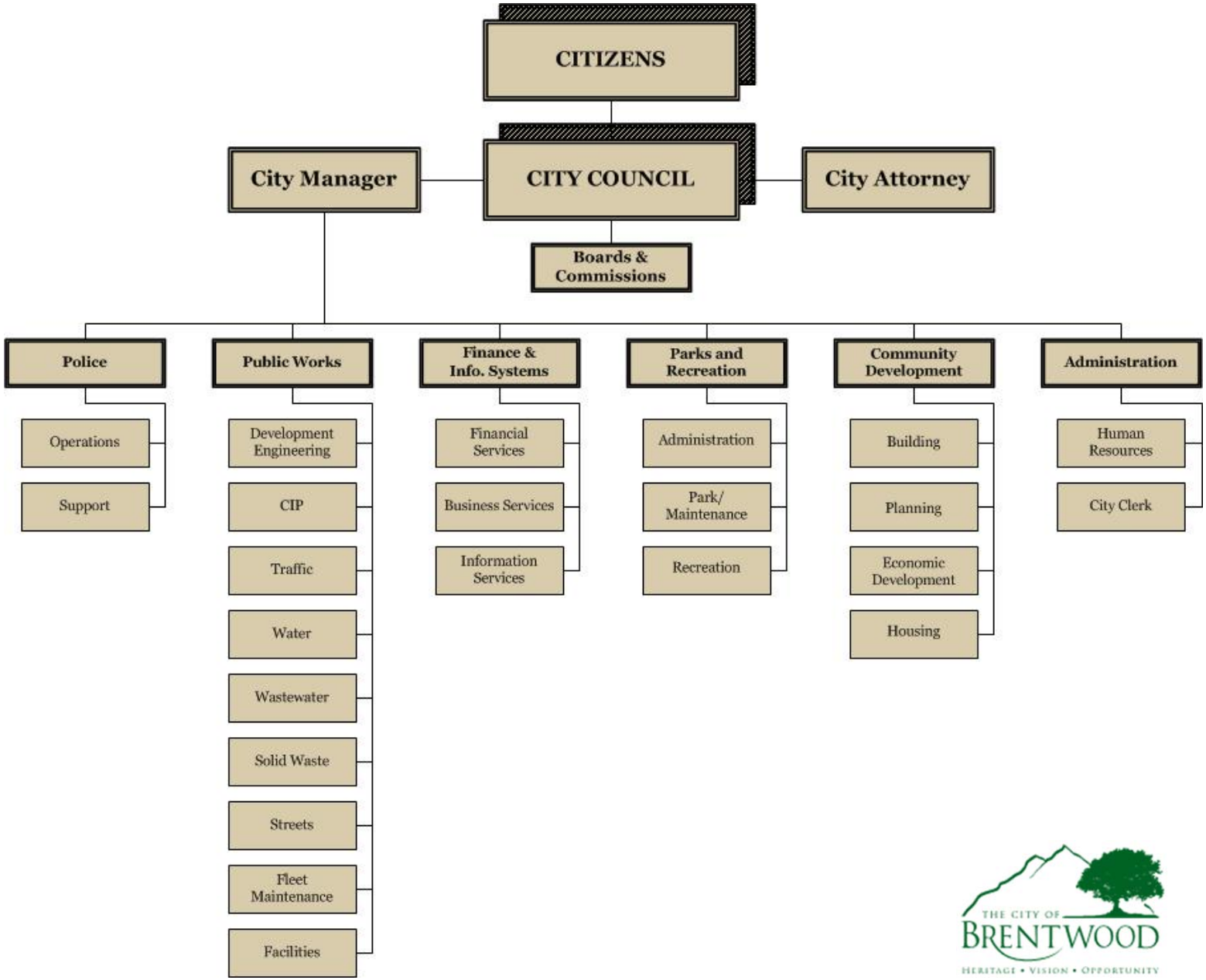
(As of June 30, 2013)

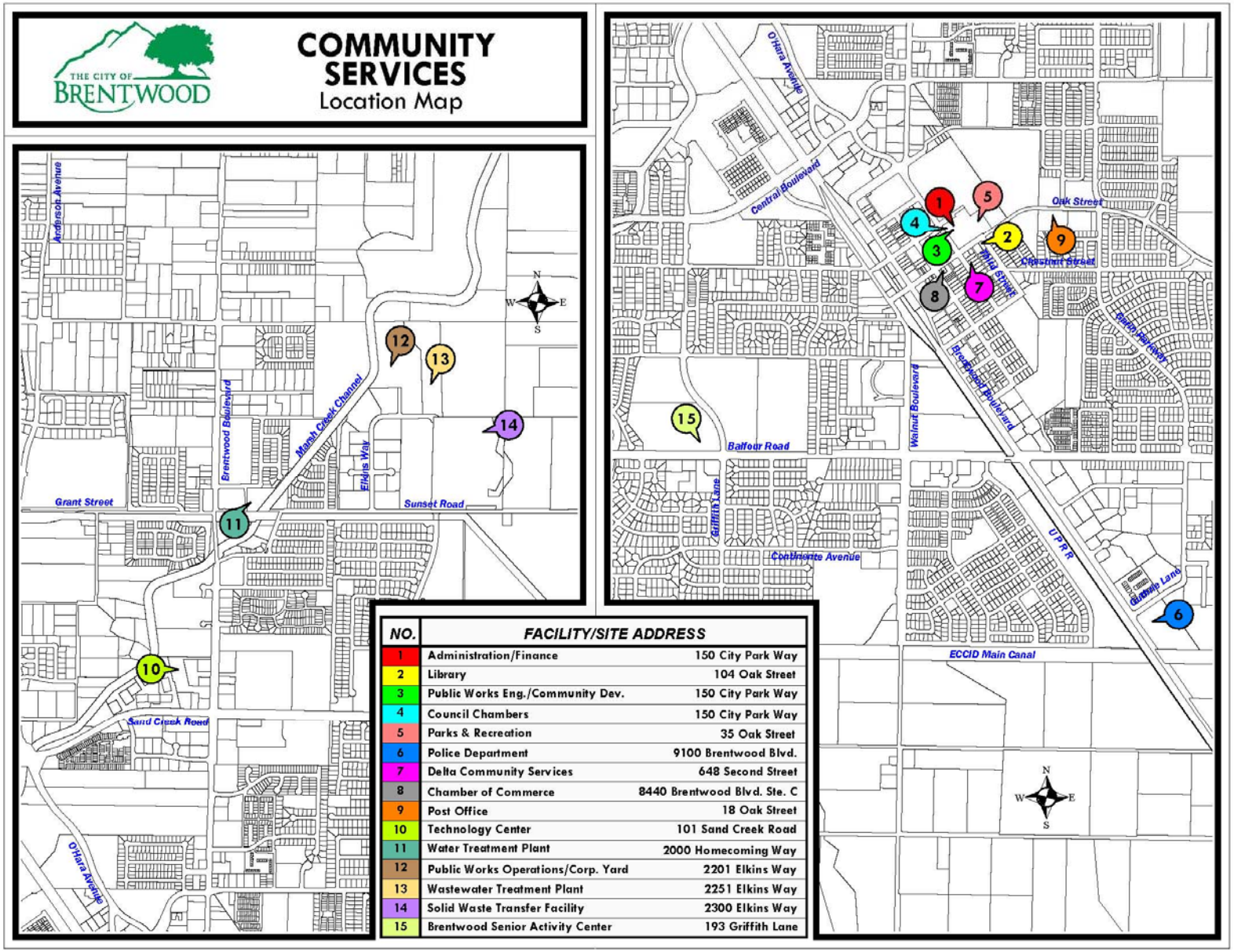
City Officials

Robert Taylor ..... Mayor
Joel Bryant ..... Vice-Mayor
Steve Barr ..... Council Member
Gene Clare ..... Council Member
Erick Stonebarger ..... Council Member

Executive Team

Paul R. Eldredge ..... City Manager
Damien Brower ..... City Attorney
Craig Bronzan ..... Director of Parks & Recreation
Karen Chew ..... Assistant City Manager
Pamela Ehler ..... City Treasurer / Director of Finance & Information Systems
Mark Evenson ..... Chief of Police
Bailey Grewal ..... Director of Public Works / City Engineer
Casey McCann ..... Director of Community Development


CITIZENS
City Manager
CITY COUNCIL
City Attorney
Boards & Commissions
Police
Operations
Support
Public Works
Development Engineering
CIP
Traffic
Water
Wastewater
Solid Waste
Streets
Fleet Maintenance
Facilities
Finance & Info. Systems
Financial Services
Business Services
Information Services
Parks and Recreation
Administration
Park/ Maintenance
Recreation
Community Development
Building
Planning
Economic Development
Housing
Administration
Human Resources
City Clerk



NO.	FACILITY/SITE ADDRESS	
1	Administration/Finance	150 City Park Way
2	Library	104 Oak Street
3	Public Works Eng./Community Dev.	150 City Park Way
4	Council Chambers	150 City Park Way
5	Parks & Recreation	35 Oak Street
6	Police Department	9100 Brentwood Blvd.
7	Delta Community Services	648 Second Street
8	Chamber of Commerce	8440 Brentwood Blvd. Ste. C
9	Post Office	18 Oak Street
10	Technology Center	101 Sand Creek Road
11	Water Treatment Plant	2000 Homecoming Way
12	Public Works Operations/Corp. Yard	2201 Elkins Way
13	Wastewater Treatment Plant	2251 Elkins Way
14	Solid Waste Transfer Facility	2300 Elkins Way
15	Brentwood Senior Activity Center	193 Griffith Lane

Mission Statement

Bringing Brentwood's Vision to Reality

Vision and Culture

We are an organization of dedicated professionals working together to make Brentwood the very best, preserving its rich heritage and keeping Brentwood in the hearts of the people.

Core Values

We hold these values as our core values and use them to measure everything we do:

Integrity *– uncompromising adherence to moral and ethical principles.*
Passion *– boundless enthusiasm for what we do.*
Accountability *– answerable for our actions.*
Respect *– to feel and show esteem and consideration for others.*
Quality *– the highest degree of excellence.*

AWARDS

The City prides itself on providing quality services to the community. Following is a list of awards acknowledging these achievements in quality.

The City of Brentwood was named a ***"Playful City USA"*** community for 2012 by KaBOOM! a national non-profit dedicated to bringing play back into children's lives.

The City of Brentwood was recognized by the Arbor Day Foundation as a ***"Tree City USA Community"*** for 2012.

The City was recognized by the Metropolitan Transportation Commission for having the ***"Highest Pavement Condition Index (PCI)"*** *in the Bay Area.*

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

"Excellence in Financial Reporting for Fiscal Year 2011/12"
"Distinguished Budget Presentation for Fiscal Year 2012/13"

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

"Capital Budget Excellence Award for Fiscal Year 2012/13"

The City received the ***"Grand Prize"*** for best marketing program from the California Association of Local Economic Development.

MAZE & ASSOCIATES

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council
City of Brentwood, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brentwood, California (City), as of and for the year ended June 30, 2013, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accountancy Corporation 3478 Buskirk Avenue, Suite 215 Pleasant Hill, CA 94523
T 925.930.0902 F 925.930.0135 E maze@mazeassociates.com W **mazeassociates.com**

Emphasis of Matters

Management adopted the provisions of the following Governmental Accounting Standards Board Statement, which became effective during the year ended June 30, 2013 and required certain nomenclature changes to the financial statements:

> Statement 63 - *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.* See Notes 1Dx and 1Dxiii to the financial statements for relevant disclosures.

Management early-implemented the provisions of the following Governmental Accounting Standards Board Statement during the year ended June 30, 2013 that required certain nomenclature changes to the financial statements and required the restatement of net position:

> Statement 65 – *Items Previously Report as Assets and Liabilities*. See Notes 1Dx, 1Dxiii and Note 15 to the financial statements for relevant disclosures.

Management also restated capital asset balances as discussed in Note 5.

As discussed in Note 12, pursuant to ABx1 26 adopted by the State of California which was validated by the California Supreme Court on December 28, 2011, the Brentwood Redevelopment Agency was been dissolved and its assets turned over to and liabilities assumed by Successor Agencies effective January 31, 2012. Certain transactions undertaken by the Brentwood Redevelopment Agency prior to the date of dissolution are subject to review by the State as discussed in Note 12, but the effect of that review cannot be determined as of June 30, 2013.

AB1484 requires the Successor Agency to complete two Due Diligence Reviews (DDR) to determine the amount of the remaining assets that should be transferred by the City to the Successor Agency or by the Successor Agency to the County for distribution to the affected taxing entities. In February 2013, the State Department of Finance (DOF) completed its review of the DDR of the Low and Moderate Housing Fund's cash balance available for allocation to the affected taxing entities. The DDR indicated assets totaling $83,053 were to be returned, but that amount was adjusted by the DOF to $4,072,553. The City and Successor Agency complied with the DOF's determination by transmitting payments to the County Auditor-Controller in January and February 2013. In May 2013, the DOF completed its review of the DDR of all other funds of the former Redevelopment Agency. The DDR indicated there were no assets available for allocation to the affected taxing entities, but that amount was adjusted by the DOF to $14,955,931. The City disputes the adjustments and has filed a lawsuit against the DOF related to the DDR adjustments as discussed in Note 14.

The City's position on these matters is not a position of settled law and there is considerable legal uncertainty regarding these matters. It is possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue favorably or unfavorably to the City. No provision for liabilities resulting from the outcome of these uncertain matters has been recorded in the accompanying financial statements.

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

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2013, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Maze & Associates

Pleasant Hill, California
November 13, 2013

This page intentionally left blank.

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, 2013. Please read it in conjunction with the Letter of Transmittal, the Basic Financial Statements and the accompanying Notes to the Basic Financial Statements.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by $787.4 million. Of this amount, $85.4 million may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by $14.6 million. This increase is largely attributable to a pickup in development activity, with a total of $25.7 million in developed dedicated infrastructure and impact fees being offset by $14.1 million in depreciation expense.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $68.5 million, a decrease of $7.1 million in comparison to the prior year. This is primarily due to drawdown of the funds for capital projects, with the capital projects funds reporting a cumulative fund balance decline of $5.7 million. In addition, an extraordinary loss of $4.0 million due to a required transfer of $4.0 million from the City's Low and Moderate Income Housing Fund to the Successor Agency Fiduciary Fund contributed to this fund balance decline. Offsetting these declines were increasing fund balances in the special revenue funds resulting from increased development activity.
- The City's total long-term obligations decreased by $2.8 million as increases of $2.0 million in net Other Post-Employment Benefits (OPEB) obligations were more than offset by reductions from annual debt service payments on remaining City debt.
- Internal Service Funds have net position of $41.2 million at year end, which is an increase of $3.5 million from the prior year. The increase is attributable to a $1.5 million increase in the Parks and LLD Replacement Fund and a net increase of $1.8 million between the Insurance and Pension/Other Post-Employment Benefits Obligation Fund. These increases are indicative of the City's commitment to ensuring sufficient funding is available for the replacement of parks assets and for managing the rising costs of pensions and retiree medical benefits.

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

The **Government-Wide Financial Statements** present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business-type activities separately. These statements include all assets of the City, including infrastructure, as well as all liabilities, including long-term debt. Additionally, certain eliminations have occurred, in regards to interfund activity, payables and receivables.

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

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

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

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

The City's Fund Financial Statements are divided into three categories – Governmental Funds, Proprietary Funds and Fiduciary Funds. The Governmental Fund financials are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The Proprietary Fund financials are prepared using the economic resources measurement focus and the accrual basis of accounting. The City's Fiduciary Funds include Agency Funds, which are purely custodial in nature and do not involve a measurement of operational results, and Private-Purpose Trust Funds which, in addition to being custodial in nature, also include operational activities under which the principal and income benefit several specific local taxing entities. While both Agency and Private-Purpose Trust Funds include a Statement of Net Position, only the latter is required to include a Statement of Changes in Net Position. The Fund Financial Statements can be found on pages 19 – 28 of this report.

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

Proprietary Funds – When the City charges customers for services it provides, whether to outside customers or other units of the City, these monies are generally reported in Proprietary Funds. The City maintains two different types of Proprietary Funds – Enterprise Funds and Internal Service Funds. Enterprise Funds are used to report the same functions presented as business-type activities in the Government-Wide Financial Statements. Examples of Enterprise Funds include Water and Solid Waste. Internal Service Funds are used to report activities which provide

supplies and services for the City's other programs and activities. Two examples are the City's Information Systems Replacement Fund and the Fleet Maintenance Services Fund. Internal Service Funds are reported with governmental activities in the Government-Wide Financial Statements, found on pages 17 – 18 of this report.

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

Fiduciary Funds – The City is the trustee, or fiduciary, for certain amounts held on behalf of developers, property owners, governmental agencies and others. The City's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. These activities are excluded from the Government-Wide Financial Statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The Fiduciary Fund Financial Statement can be found on pages 27 – 28 of this report.

Notes to the Basic Financial Statements

The Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements. The Notes to the Basic Financial Statements can be found on pages 29 – 92 of this report.

Required Supplementary Information

In addition to the basic financial statements, and accompanying notes, this report also presents certain Required Supplementary Information concerning budgetary comparison schedules for the General Fund and each major Special Revenue Fund. Required Supplementary Information can be found on pages 93 – 94 of this report.

Combining and Individual Fund Statements and Schedules

Combining and individual fund statements and schedules for the following funds can be found on pages 95 – 140 of this report: Non-Major Governmental Funds, Internal Service Funds, Agency Funds, General Fund, Special Revenue Funds, Debt Service Funds and Capital Project Funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The net position for the City as a whole increased by 1.89%, or $14.6 million, from $772.9 million at June 30, 2012 to $787.4 million being reported at June 30, 2013. The annual change comes from the change in net position as recorded in the Statement of Activities and which flows through the Statement of Net Position. Net investment in capital assets, increased by $58.4 million during the year as a result of the construction of capital assets. Although the City's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position represent resources which are subject to external restrictions on how they may be used. This restricted amount is $76.8 million as of June 30, 2013. The remaining balance of unrestricted net position, $85.4 million as of June 30, 2013, may be used to meet the City's ongoing obligations to citizens and creditors.

	Governmental Activities		Business-Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Current Assets	$ 114,714,244	$ 121,423,764	$ 76,691,407	$ 76,099,708	$ 191,405,651	$ 197,523,472
Capital Assets	503,627,764	494,881,261	244,189,489	236,732,214	747,817,253	731,613,475
Other Non-Current Assets	29,194,174	28,699,744	1,098,504	1,751,136	30,292,678	30,450,880
Total Assets	647,536,182	645,004,769	321,979,400	314,583,058	969,515,582	959,587,827
Current Liabilities	$ 10,934,788	$ 14,417,576	$ 7,152,612	$ 6,018,719	$ 18,087,400	$ 20,436,295
Long-Term Liabilities Outstanding	86,673,409	85,620,922	77,305,106	80,657,630	163,978,515	166,278,552
Total Liabilities	97,608,197	100,038,498	84,457,718	86,676,349	182,065,915	186,714,847
Net Position:						
Net Investment in Capital Assets	$ 451,053,113	$ 411,401,331	$ 174,173,837	$ 155,440,943	$ 625,226,950	$ 566,842,274
Restricted	50,993,394	55,501,023	25,789,668	35,030,908	76,783,062	90,531,931
Unrestricted	47,881,478	78,063,917	37,558,177	37,434,858	85,439,655	115,498,775
Total Net Position, Restated	$ 549,927,985	$ 544,966,271	$ 237,521,682	$ 227,906,709	$ 787,449,667	$ 772,872,980

Governmental Activities – The City's net position from governmental activities increased 0.9%, from $545.0 million to $549.9 million. Increasing development activity resulted in comparatively higher charges for services along with higher levels of developer dedicated infrastructure and development impact fees during the year. Offsetting these gains were an extraordinary loss of $4.0 million relating to the dissolution of the Brentwood Redevelopment Agency. Additional significant annual variances include increased costs associated with parks and recreation resulting from development credits. Public safety costs declined slightly as the police department had several vacancies occur during the year.

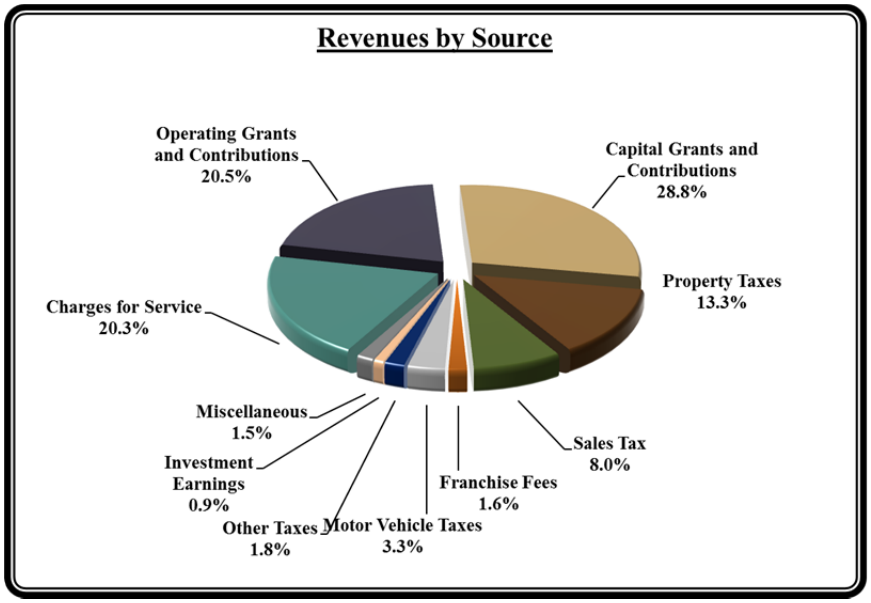
Business-Type Activities – The City's net position from Business-Type activities increased 4.2%, from $227.9 million to $237.5 million. Net investment in capital assets increased $18.7 million as capital assets were acquired and long-term debt continued to be repaid. Overall, the unrestricted net position increased by $0.1 million. A significant annual variance occurred within the capital grants and contributions revenue, with revenues increasing by $5.1 million, due to the timing of acceptance of developer dedicated infrastructure. A decrease in Housing expenses of $4.0 million was the result of the prior year's allocation of $4.0 million for the construction of the Grove at Sunset Court affordable housing project.

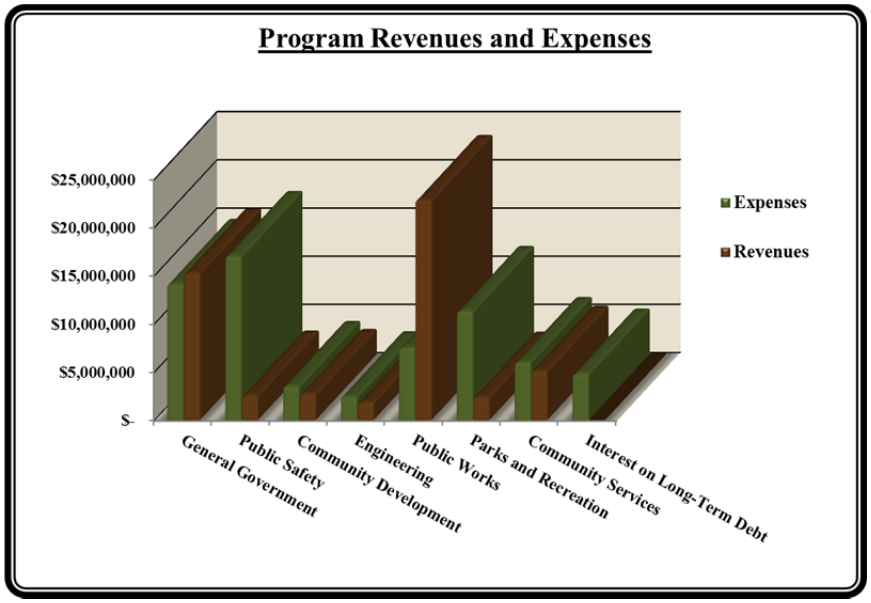
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program Revenues:						
Charges for Services	$ 15,126,147	$ 11,924,751	$ 39,420,905	$ 36,402,283	$ 54,547,052	$ 48,327,034
Operating Grants and Revenues	15,474,137	11,266,602	-	-	15,474,137	11,266,602
Capital Grants and Contributions	21,785,963	21,581,860	6,679,473	1,629,204	28,465,436	23,211,064
General Revenues:						
Taxes:						
Property Taxes	10,090,453	12,682,260	-	-	10,090,453	12,682,260
Sales Tax	6,060,363	5,691,384	-	-	6,060,363	5,691,384
Franchise Fees	1,254,136	1,216,589	-	-	1,254,136	1,216,589
Public Service Taxes	396,148	257,426	-	-	396,148	257,426
Measure C/J, TOT	960,804	885,565	-	-	960,804	885,565
Motor Vehicle Taxes	2,540,474	2,593,907	-	-	2,540,474	2,593,907
Investment Earnings	679,229	1,626,128	417,783	935,886	1,097,012	2,562,014
Miscellaneous	1,149,975	1,338,025	-	-	1,149,975	1,338,025
Total Revenues	75,517,829	71,064,497	46,518,161	38,967,373	122,035,990	110,031,870
Expenses:						
General Government	14,092,802	14,136,546	-	-	14,092,802	14,136,546
Public Safety	16,984,814	17,504,773	-	-	16,984,814	17,504,773
Community Development	3,486,844	3,330,613	-	-	3,486,844	3,330,613
Engineering	2,425,560	2,426,348	-	-	2,425,560	2,426,348
Public Works	7,481,326	7,785,203	-	-	7,481,326	7,785,203
Parks and Recreation	11,278,035	9,966,107	-	-	11,278,035	9,966,107
Community Services	5,979,870	5,507,421	-	-	5,979,870	5,507,421
Interest on Long-Term Debt	4,763,277	6,850,449	-	-	4,763,277	6,850,449
Wastewater	-	-	8,281,521	7,980,916	8,281,521	7,980,916
Solid Waste	-	-	8,871,904	8,050,319	8,871,904	8,050,319
Water	-	-	18,987,430	18,986,053	18,987,430	18,986,053
City Rentals	-	-	150,179	182,239	150,179	182,239
Housing	-	-	686,241	4,699,623	686,241	4,699,623
Total Expenses	66,492,528	67,507,460	36,977,275	39,899,150	103,469,803	107,406,610
Net Position Before Transfers and Extraordinary Items	9,025,301	3,557,037	9,540,886	(931,777)	18,566,187	2,625,260
Transfers	(74,087)	99,753	74,087	(99,753)	-	-
Extraordinary Items	(3,989,500)	27,664,261	-	-	(3,989,500)	27,664,261
Increase in Net Position	4,961,714	31,321,051	9,614,973	(1,031,530)	14,576,687	30,289,521
Net Position 7/1, Restated [1]	544,966,271	513,645,220	227,906,709	228,938,239	772,872,980	742,583,459
Net Position 6/30	$ 549,927,985	$ 544,966,271	$ 237,521,682	$ 227,906,709	$ 787,449,667	$ 772,872,980

(1) Refer to Note #15 on page 92

Governmental Activities – The cost of all Governmental activities this year was $66.5 million. Net expenses, as shown in the Statement of Activities, were $14.1 million. A portion of the cost for these activities was paid either by those who directly benefited from the programs ($15.1 million), by other governments and organizations that subsidized certain programs with operating grants and contributions ($15.4 million), or capital grants and contributions ($21.8 million). Overall, the City's governmental program revenues were $52.4 million.

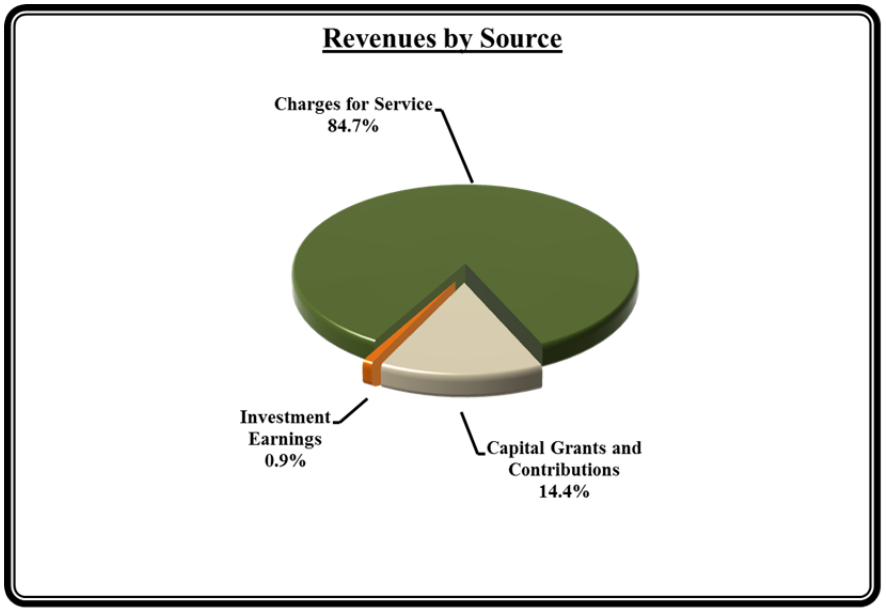
Total resources available during the year to finance governmental operations were $616.4 million consisting of net position at July 1, 2012 of $545.0 million, program revenues of $52.4 million, general revenues and transfers of $23.0 million less an extraordinary loss of $4.0 million. Total Governmental activities during the year were $66.5 million, thus net position was increased by $5.0 million to $549.9 million.

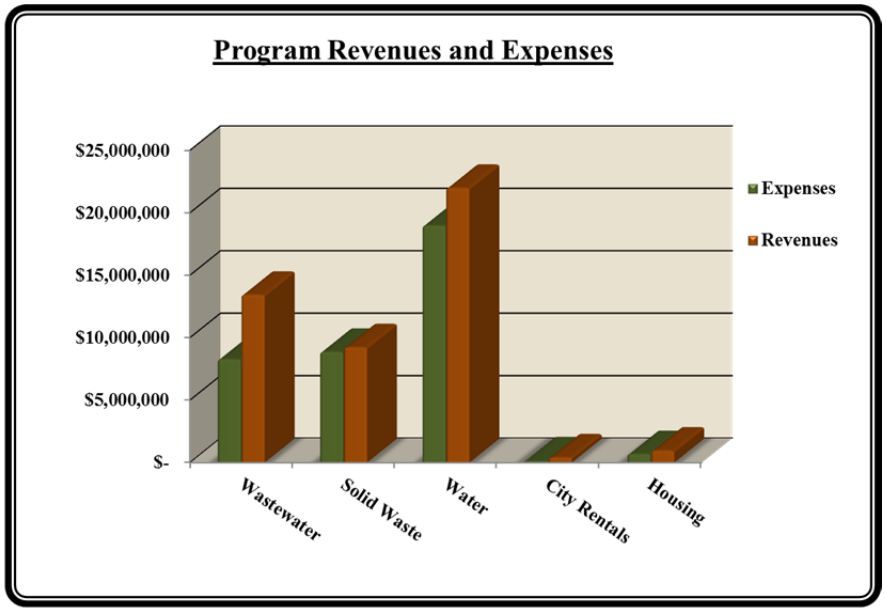




Business-Type Activities – The cost of all Business-Type activities this year was $37.0 million. As shown in the Statement of Activities and Changes in Net Position, the amounts paid by users of the systems were $39.4 million. Capital Grants and Contributions totaled $6.7 million and investment earnings were $0.4 million.

Total resources available during the year to finance Business-Type activities were $274.5 million, consisting of net position at July 1, 2012 of $227.9 million, charges for services of $39.4 million, capital contributions of $6.7 million and general revenues and net transfers of $0.5 million. Total Business-Type activities during the year were $37.0 million, thus net position increased by $9.6 million to $237.5 million.





FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

At year end the City's General Fund had a fund balance of $18,034,685. This is a decrease of $505,285 compared to last year. The decrease was entirely attributable to a $2,950,000 year end transfer to the Pension/Other Post-Employment Benefits Obligation Fund. The General Fund still maintains a 30% unassigned reserve after this transfer. Absent this transfer, the General Fund would have reported a fund balance increase of approximately $2.45 million. This surplus was generated through a combination of several one-time revenue occurrences including the distribution of funds formerly held by the Brentwood Redevelopment Agency along with repayment by Contra Costa County for the over collection of several years of property tax administration charges. Combined, these originally unbudgeted items totaled $1 million. Additionally, the General Fund realized additional revenues through increased development activity, as a total of 355 single family building permits were issued versus our budgeted figure of 200. Finally, expenditure savings were realized as vacant positions took longer than expected to be filled.

Thoroughfares, which is reported as a Special Revenue Fund, had an increase in fund balance of $1,037,854. This increase was due to the return of excess funds previously allocated for phase one of the construction of John Muir/Foothill Road along with increased development activity.

The City Low Income Housing Fund, which is reported as a Special Revenue Fund, was established on February 1, 2012 to account for the housing assets of the former RDA, as the City elected to serve as Housing Successor to the former RDA. This fund experienced a decline of $4,048,758 in fund balance, largely due to an extraordinary loss of $3,989,500 which occurred from continuing effects of the dissolution of redevelopment.

Fire Fees, which is reported as a Special Revenue Fund, had an increase in fund balance of $2,200,050. This increase is attributable to the return of funds originally transferred for the construction of a new fire station. That project will commence at a later date.

Capital Improvement Financing Program 2005-1, which is reported as a Capital Projects fund, had a decrease in fund balance of $1,559,669. This fund accounts for transactions related to proceeds from assessment bonds and other resources and their use to acquire and construct certain capital facilities and infrastructures and by its nature will decline as proceeds are spent.

Community Facilities Improvement Projects, which is reported as a Capital Projects fund, had a decrease in fund balance of $3,117,139. This decrease is attributable to the construction of the Community Center, Downtown Streetscapes and City Hall capital improvement projects.

Civic Center Projects, which is reported as a Capital Projects fund, had a decrease in fund balance of $705,886. This decrease is attributable to the funding of $750,000 for the Library Relocation project.

Street Improvement Projects, which is reported as a Capital Projects fund, had a decrease in fund balance of $984,511. This decrease is attributable to a combination of a return of excess funds not needed for projects as described in the analysis of the Thoroughfares Fund above, along with the completion of several minor roads capital projects.

GENERAL FUND BUDGETARY HIGHLIGHTS

Comparing the fiscal year 2012/13 original budget (or adopted) General Fund expenditures and transfers out in the amount of $39,130,945, to the final budget amount of $42,139,165, there was an increase in budgeted expenditures and transfers out of $3,008,220. The causes of these increases have been summarized at the bottom of the page.

Beginning Balance	+	Supplemental Changes	=	Final Budget
$39,130,945		$3,008,220		$42,139,165

During the fiscal year, the total revenues and transfers in for the General Fund were $40,233,794. This was $1,848,032 more than budgeted. The total expenditures and transfers out for the General Fund were $40,739,079. This was $1,400,086 less than budgeted.

There were several one-time revenue events which led to revenues exceeding budgeted amounts. Receipt of residual funds as an affected taxing entity of the Brentwood Redevelopment Agency and the refunding of several years of excess property tax administration charges levied by Contra Costa County accounted for $1 million of the revenue surplus. In addition, development activity surpassed estimates, with 355 single family residential building permits being issued while only 200 had been budgeted. This resulted in a surplus in permit revenue during the year. On the expenditure side, the City continued to remain vigilant in reducing costs wherever possible. This resulted in savings across most departments as supplies and services costs remained low and vacancies took longer than anticipated to be filled.

Supplemental changes to the 2012/13 fiscal year General Fund budget were:

- Increase of $2,950,000 for a transfer to the Pension/Other Post-Employment Benefits Obligation Fund.
- Increase of $5,800 for parks and recreation.
- Increase of $51,000 for supplies and services for economic development purposes.
- Net increase of $1,420 in transfers and capital expenses.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets – The capital assets of the City are those assets which are used in the performance of the City's functions. At June 30, 2013, capital assets net of accumulated amortization and depreciation of the Governmental activities totaled $503,627,764. Capital assets net of accumulated amortization and depreciation of the Business-Type activities totaled $244,189,489. Amortization and depreciation on capital assets is recognized in the Government-Wide financial statements. Refer to Note #5, found on pages 64 – 66 of this report, for detailed information regarding capital assets. The City has elected to use the amortization and depreciation method for infrastructure reporting.

	Original Cost	Accumulated Amortization & Depreciation	Book Value
Capital Assets – Governmental:			
Intangible Assets	$ 6,258,156	$ 784,971	$ 5,473,185
Land	35,828,124	-	35,828,124
Buildings	56,238,156	3,714,510	52,523,646
Infrastructure	444,263,889	71,882,466	372,381,423
Machinery and Equipment	6,197,233	2,504,729	3,692,504
Vehicles	8,305,938	5,320,683	2,985,255
Land Improvements	27,254,973	3,260,163	23,994,810
Work in Progress – CIP & Infrastructure	6,748,817	-	6,748,817
Total Capital Assets – Governmental	$ 591,095,286	$ 87,467,522	$ 503,627,764
Capital Assets – Business-Type:			
Intangible Assets	$ 10,597,532	$ 2,370,270	$ 8,227,262
Land	2,154,202	-	2,154,202
Buildings	25,093,041	4,708,086	20,384,955
Infrastructure	225,935,867	32,783,801	193,152,066
Machinery and Equipment	1,705,834	1,017,287	688,547
Land Improvements	10,925,186	1,801,008	9,124,178
Work in Progress – CIP & Infrastructure	10,458,279	-	10,458,279
Total Capital Assets – Business-Type	$ 286,869,941	$ 42,680,452	$ 244,189,489

Debt Administration – Debt, considered a liability of Governmental Activities, decreased in fiscal year 2012/13 by $216,133 as a result of annual debt service and capital lease payments being made, offset by increases in net OPEB obligation. Per capita debt outstanding decreased from $1,682 to $1,655 per capita compared to the prior fiscal year. Debt considered a liability of Business-Type activities decreased by $2,601,575 in fiscal year 2012/13 as annual debt service payments were made.

Detailed information regarding long-term debt activity can be found in Note #6 on pages 66 – 74 in this report.

	Balance June 30, 2012	Incurred or Issued	Satisfied or Matured	Balance June 30, 2013
Governmental Activities				
Bonds Payable	$ 79,932,120	$ 267,153	$ 1,815,028	$ 78,384,245
Capital Lease	555,313	-	277,657	277,656
Net OPEB Obligation	8,013,755	1,606,639	-	9,620,394
Accumulated Compensated Absences	1,256,665	1,437,479	1,434,719	1,259,425
Total Governmental Activities	$ 89,757,853	$ 3,311,271	$ 3,527,404	$ 89,541,720
Business-Type Activities				
Bonds Payable	$ 50,432,849	$ -	$ 1,119,665	$ 49,313,184
Notes Payable	29,935,115	23,375	1,873,771	28,084,719
Net OPEB Obligation	2,499,888	376,861	-	2,876,749
Accumulated Compensated Absences	353,494	479,697	488,072	345,119
Total Business-Type Activities	$ 83,221,346	$ 879,933	$ 3,481,508	$ 80,619,771

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The key assumptions in the General Fund revenue forecast for fiscal year 2013/14 are:

1. Development activity will continue at a modest pace, with approximately 275 new housing units being constructed. This is down from the 355 units constructed in fiscal year 2012/13, yet up from the low of 31 units which occurred in fiscal year 2008/09.
2. The State of California will not implement additional mid-year revenue takeaways from the City.
3. Assessed valuations in the City will show a marked increase following years of continued aggressive reductions implemented by the Contra Costa County Assessor. The City has been informed that an 8.45% increase in assessed valuation is to be expected.
4. Persistently low interest rates will result in continued low levels of investment income.

For several years the City of Brentwood has felt a significant financial impact from the slow housing market and slowdown in general building activity. The City's population, which had increased in excess of 10% per year for the decade prior to the downturn, is expected to increase by less than 2% per year over the next several years. The following key budgetary expenditure impacts were addressed in fiscal year 2013/14 budget:

- The impacts from the City's phasing in of a pre-funding strategy for OPEB, where the City will fund 85% of the annual required contribution by fiscal year 2017/18.
- The impacts from rising health insurance and pension costs.

The City's long-term expenditure impacts will be impacted by recent labor contracts signed with the City's bargaining groups. All of the City's labor groups agreed to five year contracts, effective July 1, 2012. The City's long-term financial forecast had illustrated the critical need for the City to strike a balance between achieving the cost savings necessary to ensure a fiscally sustainable future; while at the same time maintaining a competitive compensation plan to protect the City's ability to recruit and retain qualified employees. Through the labor negotiation process, the City succeeded in this objective with the new contracts including: 1) second tier retirement benefits for new sworn employees (non-sworn agreed to a second tier retirement in 2010); 2) reduced health insurance coverage limits; 3) reduced OPEB coverage commitments and 4) increased pension contributions for employees. All of the City's labor groups agreed to these necessary cost reductions. In addition, the California Public Employees' Pension Reform Act (PEPRA) of 2013 will also serve to help control future pension costs. Without these cost containment measures the rising costs of employee benefits would not be a sustainable outlay for the City.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report, or need any additional financial information, contact the Finance Department, located at 150 City Park Way, Brentwood, California 94513, either by phone (925) 516-5460 or e-mail dept-finance@brentwoodca.gov.

City of Brentwood

Statement of Net Position

June 30, 2013

	PRIMARY GOVERNMENT		
	Governmental Activities	**Business-Type Activities**	**Total**
ASSETS			
Current Assets:			
Cash and Investments	$ 90,516,144	$ 66,439,574	$ 156,955,718
Restricted Cash and Investments	19,790,712	3,984,208	23,774,920
Receivables (net of allowance for doubtful accounts)	2,735,643	6,238,444	8,974,087
Prepaids	631,386	29,181	660,567
Land Held for Resale	1,040,359	-	1,040,359
Total Current Assets	114,714,244	76,691,407	191,405,651
Non-Current Assets:			
Long-Term Notes and Loans Receivable	29,097,105	1,195,573	30,292,678
Internal Balances	97,069	(97,069)	-
Capital Assets, Net of Accumulated Depreciation and Amortization:			
Intangible Assets	5,473,185	8,227,262	13,700,447
Land	35,828,124	2,154,202	37,982,326
Buildings	52,523,646	20,384,955	72,908,601
Infrastructure	372,381,423	193,152,066	565,533,489
Machinery and Equipment	3,692,504	688,547	4,381,051
Vehicles	2,985,255	-	2,985,255
Land Improvements	23,994,810	9,124,178	33,118,988
Work in Progress	6,748,817	10,458,279	17,207,096
Total Non-Current Assets	532,821,938	245,287,993	778,109,931
Total Assets	647,536,182	321,979,400	969,515,582
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	4,826,744	3,749,681	8,576,425
Unearned Revenue	148,507	-	148,507
Deposits Held	3,091,226	88,266	3,179,492
Long-Term Liabilities Due Within One Year	2,868,311	3,314,665	6,182,976
Total Current Liabilities	10,934,788	7,152,612	18,087,400
Non-Current Liabilities Due in More Than One Year:			
Bonds Payable	76,549,245	48,113,184	124,662,429
Notes Payable	-	26,177,125	26,177,125
Net OPEB Obligation	9,620,394	2,876,749	12,497,143
Compensated Absences Payable	503,770	138,048	641,818
Total Non-Current Liabilities	86,673,409	77,305,106	163,978,515
Total Liabilities	97,608,197	84,457,718	182,065,915
NET POSITION			
Net Investment in Capital Assets	451,053,113	174,173,837	625,226,950
Restricted for:			
Capital Projects	34,014,097	5,374,130	39,388,227
Debt Service	5,035,911	3,984,208	9,020,119
Housing	1,138,149	5,196,917	6,335,066
Redevelopment	74,426	-	74,426
Streets and Roadways	1,480	-	1,480
Lighting and Landscaping Districts	3,753,731	-	3,753,731
Off Street Parking Facilities in Downtown	27,202	-	27,202
Agricultural/Farmland Mitigation	1,145,500	-	1,145,500
Public Art	947,392	-	947,392
Developer Facility Fee Program	3,511,217	11,227,660	14,738,877
Drug Prevention Programs	53,206	-	53,206
Public Safety	173,439	-	173,439
Other Grants	1,692	-	1,692
PEG Television Media	809,483	-	809,483
SB1186 Disability Access	2,223	-	2,223
Other Programs	304,246	6,753	310,999
Unrestricted	47,881,478	37,558,177	85,439,655
Total Net Position	$ 549,927,985	$ 237,521,682	$ 787,449,667

See Accompanying Notes to the Basic Financial Statements

City of Brentwood

Statement of Activities and Changes in Net Position

For Year Ended June 30, 2013

		Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
						Primary Government		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Total**	**Governmental Activities**	**Business-Type Activities**	**Total**
Primary Government:								
Governmental Activities								
General Government	$ 14,092,802	$ 9,248,908	$ 1,700,412	$ 4,239,124	$ 15,188,444	$ 1,095,642	$ -	$ 1,095,642
Public Safety	16,984,814	485,363	1,791,507	224,686	2,501,556	(14,483,258)	-	(14,483,258)
Community Development	3,486,844	2,436,201	-	229,241	2,665,442	(821,402)	-	(821,402)
Engineering	2,425,560	1,780,644	-	-	1,780,644	(644,916)	-	(644,916)
Public Works	7,481,326	1,250	6,896,392	15,891,268	22,788,910	15,307,584	-	15,307,584
Parks and Recreation	11,278,035	1,173,781	-	1,201,644	2,375,425	(8,902,610)	-	(8,902,610)
Community Services	5,979,870	-	5,085,826	-	5,085,826	(894,044)	-	(894,044)
Interest on Long-Term Debt	4,763,277	-	-	-	-	(4,763,277)	-	(4,763,277)
Total Governmental Activities	66,492,528	15,126,147	15,474,137	21,785,963	52,386,247	(14,106,281)	-	(14,106,281)
Business-Type Activities								
Wastewater	8,281,521	10,891,301	-	2,554,028	13,445,329	-	5,163,808	5,163,808
Solid Waste	8,871,904	9,246,212	-	-	9,246,212	-	374,308	374,308
Water	18,987,430	18,657,623	-	3,349,412	22,007,035	-	3,019,605	3,019,605
City Rentals	150,179	428,869	-	-	428,869	-	278,690	278,690
Housing	686,241	196,900	-	776,033	972,933	-	286,692	286,692
Total Business-Type Activities	36,977,275	39,420,905	-	6,679,473	46,100,378	-	9,123,103	9,123,103
Total Primary Government	$ 103,469,803	$ 54,547,052	$ 15,474,137	$ 28,465,436	$ 98,486,625	$ (14,106,281)	$ 9,123,103	$ (4,983,178)

General Revenues:			
Taxes:			
Property Taxes	10,090,453	-	10,090,453
Sales Tax	6,060,363	-	6,060,363
Franchise Fees	1,254,136	-	1,254,136
Public Service Taxes	396,148	-	396,148
Measure C / J, TOT	960,804	-	960,804
Motor Vehicle Taxes	2,540,474	-	2,540,474
Investment Earnings	679,229	417,783	1,097,012
Miscellaneous	1,149,975	-	1,149,975
Transfers	(74,087)	74,087	-
Extraordinary Items:			
Assets Transferred To Successor Agency	(3,989,500)		(3,989,500)
Total General Revenues, Transfers and Extraordinary Items	19,067,995	491,870	19,559,865
Change in Net Position	4,961,714	9,614,973	14,576,687
Net Position - Beginning of Year Restated	544,966,271	227,906,709	772,872,980
Net Position - End of Year	$ 549,927,985	$ 237,521,682	$ 787,449,667

City of Brentwood

Balance Sheet

Governmental Funds

June 30, 2013

	General Fund	Debt Service Funds: Capital Improvement Revenue Refunding Bonds Series 2012	Debt Service Funds: Civic Center Project Lease Revenue Bonds	Other Governmental Funds	Total Governmental Funds
ASSETS					
Current Assets:					
Cash and Investments	$ 21,589,712	$ 167,413	$ 24,684	$ 30,246,385	$ 52,028,194
Restricted Cash and Investments	-	1,406,541	3,387,574	14,996,597	19,790,712
Receivables	1,265,289	16,630,013	12,467,106	8,913,363	39,275,771
Prepaids	302,936	-	-	1,310	304,246
Due from Other Funds	-	-	-	1,395,413	1,395,413
Land Held for Resale	-	-	-	1,040,359	1,040,359
Non-Current Assets:					
Interfund Advance Receivable	-	-	-	2,566,769	2,566,769
Total Assets	$ 23,157,937	$ 18,203,967	$ 15,879,364	$ 59,160,196	$ 116,401,464
LIABILITIES					
Liabilities:					
Accounts Payable and Accrued Liabilities	$ 1,261,606	$ 68	$ -	$ 2,624,074	$ 3,885,748
Due to Other Funds	-	-	-	1,395,413	1,395,413
Unearned Revenue	147,619	-	-	-	147,619
Deposits Held	3,091,226	-	-	-	3,091,226
Interfund Advance Payable	-	-	-	2,469,700	2,469,700
Total Liabilities	4,500,451	68	-	6,489,187	10,989,706
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Accounts Receivable	622,801	-	-	248,829	871,630
Unavailable Revenue - Interfund Advance Receivable	-	-	-	97,069	97,069
Unavailable Revenue - Loans Receivable	-	16,630,000	12,467,105	6,822,207	35,919,312
Total Deferred Inflows of Resources	622,801	16,630,000	12,467,105	7,168,105	36,888,011
FUND BALANCES					
Nonspendable	302,936	-	-	1,310	304,246
Restricted	74,426	1,573,899	3,412,259	42,998,460	48,059,044
Committed	-	-	-	5,342,739	5,342,739
Assigned	6,522,500	-	-	-	6,522,500
Unassigned	11,134,823	-	-	(2,839,605)	8,295,218
Total Fund Balances	18,034,685	1,573,899	3,412,259	45,502,904	68,523,747
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 23,157,937	$ 18,203,967	$ 15,879,364	$ 59,160,196	$ 116,401,464

See Accompanying Notes to the Basic Financial Statements

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

June 30, 2013

Total Fund Balances - Total Governmental Funds	$	68,523,747
Amounts reported for Governmental Activities in the Statement of Net Position are different because:		
Capital assets used in Governmental Activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet.		498,892,036
Internal Service Funds are used by management to charge costs of certain activities, such as data processing and fleet management, to individual funds. The assets and liabilities of the Internal Service Funds are included in Governmental Activities in the Government-Wide Statement of Net Position.		41,244,227
The long-term assets are not available to pay for current period expenditures and therefore are unavailable in the funds.		29,443,003
Governmental Funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		(1,290,247)
Long-term liabilities are not due and payable in the current period; therefore, they are not reported in the Governmental Funds Balance Sheet.		
Bonds		(77,093,998)
Net OPEB Obligation		(8,639,269)
Compensated Absences		(1,103,126)
Accrued Liabilities		(48,388)
Net Position of Governmental Activities	$	549,927,985

See Accompanying Notes to the Basic Financial Statements

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For Year Ended June 30, 2013

	General Fund	Debt Service Funds: Capital Improvement Revenue Refunding Bonds Series 2012	Debt Service Funds: Civic Center Project Lease Revenue Bonds	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	$ 14,722,301	$ -	$ -	$ 2,202,908	$ 16,925,209
Licenses	550,111	-	-	-	550,111
Permits and Fines	4,460,526	-	-	-	4,460,526
Uses of Money and Property	997,108	72,785	46,759	287,162	1,403,814
Intergovernmental	2,663,209	1,321,708	2,178,907	5,663,805	11,827,629
Franchises	1,254,136	-	-	-	1,254,136
Charges for Other Services	291,411	-	-	-	291,411
Charges to Other Funds	8,063,466	-	-	-	8,063,466
Fees and Other Revenues	1,938,906	-	-	17,033,166	18,972,072
Total Revenues	34,941,174	1,394,493	2,225,666	25,187,041	63,748,374
EXPENDITURES					
Current:					
General Government	5,270,516	-	-	6,827,545	12,098,061
Public Safety	16,369,327	-	-	105,554	16,474,881
Community Development	3,521,622	7,230	10,250	5,985	3,545,087
Engineering	2,438,310	-	-	-	2,438,310
Public Works	2,601,282	-	-	-	2,601,282
Parks and Recreation	4,769,710	-	-	4,391,676	9,161,386
Community Services	558,937	-	-	5,428,781	5,987,718
Capital Outlay	-	-	-	5,791,055	5,791,055
Debt Service:					
Principal	-	855,000	625,000	290,000	1,770,000
Interest and Fiscal Charges	-	1,080,988	3,365,328	94,836	4,541,152
Total Expenditures	35,529,704	1,943,218	4,000,578	22,935,432	64,408,932
REVENUES OVER (UNDER) EXPENDITURES	(588,530)	(548,725)	(1,774,912)	2,251,609	(660,558)
OTHER FINANCING SOURCES (USES)					
Transfers In	5,292,620	503,971	2,940,289	9,874,375	18,611,255
Transfers Out	(5,209,375)	(270,387)	(1,128,822)	(14,476,094)	(21,084,678)
Total Other Financing Sources (Uses)	83,245	233,584	1,811,467	(4,601,719)	(2,473,423)
Net Change in Fund Balances before Extraordinary Items	(505,285)	(315,141)	36,555	(2,350,110)	(3,133,981)
EXTRAORDINARY ITEMS					
Assets Transferred to Successor Agency	-	-	-	(3,989,500)	(3,989,500)
Total Extraordinary Items	-	-	-	(3,989,500)	(3,989,500)
NET CHANGE IN FUND BALANCES	(505,285)	(315,141)	36,555	(6,339,610)	(7,123,481)
Fund Balance, Beginning of Year	18,539,970	1,889,040	3,375,704	51,842,514	75,647,228
Fund Balance, End of Year	$ 18,034,685	$ 1,573,899	$ 3,412,259	$ 45,502,904	$ 68,523,747

See Accompanying Notes to the Basic Financial Statements

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

For Year Ended June 30, 2013

Net Change in Fund Balances - Total Governmental Funds	$	(7,123,481)
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, the cost of those assets is allocated over their estimated useful lives as depreciation expense. The amount shown represents the capital assets recorded in the current period.		5,791,055
Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in Governmental Funds.		(8,497,148)
The net effect of various miscellaneous transactions involving Capital Assets (e.g. sales, trade-ins and contributions) is to increase net position.		11,993,862
To record the net change in compensated absences in the Statement of Activities.		6,339
Bond proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Government-Wide Statement of Net Position. Repayment of bond principal is an expenditure in Governmental Funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.		
This amount represents loan repayments from Successor Agency		(689,474)
This amount represents long-term debt repayments		1,770,000
This amount represents the increase in Net OPEB Obligations		(1,472,898)
This amount represents accretion interest		(267,153)
This amount represents amortized bond premiums		45,028
This amount represents the increase in accrued liabilities		(23,551)
Revenues in the Governmental Funds which have been previously recognized in the Statement of Activities.		(48,023)
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.		3,477,158
Change in Net Position of Governmental Activities	$	4,961,714

City of Brentwood

Statement of Net Position

Proprietary Funds

June 30, 2013

	Business-Type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Wastewater	Solid Waste	Water	City Rentals	Housing	Totals	
ASSETS							
Current Assets:							
Cash and Investments	$ 31,687,318	$ 8,859,262	$ 21,464,554	$ 97,111	$ 4,331,329	$ 66,439,574	$ 38,487,950
Restricted Cash and Investments	-	-	3,984,208	-	-	3,984,208	-
Receivables	1,848,871	1,574,758	2,707,305	80,871	26,639	6,238,444	1,985
Prepaids	7,700	9,304	9,510	2,306	361	29,181	327,140
Total Current Assets	33,543,889	10,443,324	28,165,577	180,288	4,358,329	76,691,407	38,817,075
Non-Current Assets:							
Long-Term Notes Receivable	-	-	-	-	1,195,573	1,195,573	-
Capital Assets:							
Intangible Assets	-	-	10,597,532	-	-	10,597,532	-
Land	409,620	254,420	128,560	-	1,361,602	2,154,202	-
Buildings	2,895,398	14,000	20,358,966	-	1,824,677	25,093,041	-
Infrastructure	91,902,459	696,851	133,336,557	-	-	225,935,867	-
Machinery and Equipment	822,162	84,389	799,283	-	-	1,705,834	3,394,174
Vehicles	-	-	-	-	-	-	8,305,938
Land Improvements	58,494	1,000,000	9,866,692	-	-	10,925,186	-
Work in Progress	569,584	9,152,934	735,761	-	-	10,458,279	-
Less Accumulated Depreciation and Amortization	(16,060,590)	(1,002,876)	(25,410,793)	-	(206,193)	(42,680,452)	(6,964,384)
Total Capital Assets, Net of Accumulated Depreciation	80,597,127	10,199,718	150,412,558	-	2,980,086	244,189,489	4,735,728
Total Non-Current Assets	80,597,127	10,199,718	150,412,558	-	4,175,659	245,385,062	4,735,728
Total Assets	114,141,016	20,643,042	178,578,135	180,288	8,533,988	322,076,469	43,552,803
LIABILITIES							
Current Liabilities:							
Accounts Payable and Accrued Liabilities	682,894	1,583,681	1,459,009	5,353	18,744	3,749,681	892,608
Unearned Revenue	-	-	-	-	-	-	888
Deposits Held	-	6,753	55,000	-	26,513	88,266	-
Long-Term Debt Due Within One Year	1,907,594	-	1,200,000	-	-	3,107,594	277,656
Compensated Absences Payable	61,296	76,618	63,694	-	5,463	207,071	93,779
Total Current Liabilities	2,651,784	1,667,052	2,777,703	5,353	50,720	7,152,612	1,264,931
Non-Current Liabilities Due in More Than One Year:							
Interfund Advance Payable	-	-	-	-	97,069	97,069	-
Bonds Payable	-	-	48,113,184	-	-	48,113,184	-
Notes Payable	18,794,875	-	7,382,250	-	-	26,177,125	-
Net OPEB Obligation	727,099	1,024,436	1,071,077	-	54,137	2,876,749	981,125
Compensated Absences Payable	40,864	51,079	42,463	-	3,642	138,048	62,520
Total Non-Current Liabilities	19,562,838	1,075,515	56,608,974	-	154,848	77,402,175	1,043,645
Total Liabilities	22,214,622	2,742,567	59,386,677	5,353	205,568	84,554,787	2,308,576
NET POSITION							
Net Investment in Capital Assets	59,894,658	10,199,718	101,099,375	-	2,980,086	174,173,837	4,448,217
Restricted for:			-				
Capital Projects	2,247,005	2,305,069	822,056	-	-	5,374,130	-
Special Projects and Programs	11,227,660	6,753	3,984,208	-	5,196,917	20,415,538	-
Unrestricted	18,557,071	5,388,935	13,285,819	174,935	151,417	37,558,177	36,796,010
Total Net Position	$ 91,926,394	$ 17,900,475	$ 119,191,458	$ 174,935	$ 8,328,420	$ 237,521,682	$ 41,244,227

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For Year Ended June 30, 2013

	Business-Type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Wastewater	Solid Waste	Water	City Rentals	Housing	Totals	
Operating Revenues:							
Charges for Services	$ 10,724,105	$ 9,208,551	$ 18,441,440	$ 428,869	$ 196,256	$ 38,999,221	$ 9,618,655
Other Income	167,196	37,661	216,183	-	644	421,684	328,075
Total Operating Revenues	10,891,301	9,246,212	18,657,623	428,869	196,900	39,420,905	9,946,730
Operating Expenses:							
Personnel Services	2,295,313	3,023,655	3,331,775	-	197,884	8,848,627	2,942,402
Repairs and Maintenance	30,815	102,309	361,104	43,523	28,261	566,012	3,103
Materials, Supplies and Services	4,091,090	5,671,791	9,460,770	106,656	427,506	19,757,813	5,008,536
Depreciation and Amortization	1,473,366	70,903	2,970,644	-	31,331	4,546,244	1,099,791
Total Operating Expenses	7,890,584	8,868,658	16,124,293	150,179	684,982	33,718,696	9,053,832
Operating Income (Loss)	3,000,717	377,554	2,533,330	278,690	(488,082)	5,702,209	892,898
Non-Operating Revenues (Expenses):							
Interest Income	151,485	81,513	120,150	904	63,731	417,783	184,924
Interest Expense	(390,937)	-	(2,839,762)	-	(1,259)	(3,231,958)	-
Connection Fees Paid	-	-	(23,375)	-	-	(23,375)	-
Loss on Disposal of Capital Assets	-	(3,246)	-	-	-	(3,246)	-
Total Non-Operating Revenues (Expenses)	(239,452)	78,267	(2,742,987)	904	62,472	(2,840,796)	184,924
Income (Loss) before Contributions and Transfers	2,761,265	455,821	(209,657)	279,594	(425,610)	2,861,413	1,077,822
Contributions - Impact Fees and Credits	812,555	-	983,703	-	776,033	2,572,291	-
Capital Asset Contributions	1,741,473	-	2,365,709	-	-	4,107,182	-
Transfers In	252,763	291,008	171,131	9,418	4,508	728,828	7,087,210
Transfers Out	-	(22,535)	(63,430)	(208,776)	(360,000)	(654,741)	(4,687,874)
Change in Net Position	5,568,056	724,294	3,247,456	80,236	(5,069)	9,614,973	3,477,158
Net Position, Beginning of Year Restated	86,358,338	17,176,181	115,944,002	94,699	8,333,489	227,906,709	37,767,069
Net Position, End of Year	$ 91,926,394	$ 17,900,475	$ 119,191,458	$ 174,935	$ 8,328,420	$ 237,521,682	$ 41,244,227

See Accompanying Notes to the Basic Financial Statements

City of Brentwood

Statement of Cash Flows

Proprietary Funds

For Year Ended June 30, 2013

	Business-Type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Wastewater	Solid Waste	Water	City Rentals	Housing	Totals	
Cash Flows from Operating Activities							
Cash Received from Customers/Other Funds	$ 10,667,503	$ 9,244,380	$ 18,481,219	$ 342,957	$ 207,590	$ 38,943,649	$ 9,736,168
Cash Payments to Suppliers of Goods and Services	(3,148,421)	(2,961,474)	(9,077,165)	(142,018)	(319,010)	(15,648,088)	(4,282,376)
Cash Payments to Employees for Services	(2,180,651)	(3,023,655)	(3,200,125)	-	(197,884)	(8,602,315)	(2,871,526)
Cash Payments for Interfund Services	(630,205)	(1,736,714)	(721,479)	(9,715)	(39,878)	(3,137,991)	(321,827)
Other Receipts	25,251	37,661	44,800	19,346	84	127,142	123,787
Net Cash Provided By (Used for) Operating Activities	4,733,477	1,560,198	5,527,250	210,570	(349,098)	11,682,397	2,384,226
Cash Flows from Non-Capital Financing Activities							
Transfers Received	252,763	291,008	171,131	9,418	4,508	728,828	7,087,210
Transfers Paid	-	(22,535)	(63,430)	(208,776)	(360,000)	(654,741)	(4,687,874)
Developer Fees and Credits	-	-	-	-	397,903	397,903	-
Net Cash Provided By (Used for) Non-Capital Financing Activities	252,763	268,473	107,701	(199,358)	42,411	471,990	2,399,336
Cash Flows from Capital and Related Financing Activities							
Contributions - Impact Fees and Credits	845,269	-	983,703	-	-	1,828,972	-
Interest Paid on Debt	(390,937)	-	(2,839,762)	-	(1,259)	(3,231,958)	-
Principal Paid on Debt	(1,873,771)	-	(1,145,000)	-	-	(3,018,771)	(277,657)
Acquisition and Construction of Assets	(325,130)	(7,084,533)	(86,455)	-	-	(7,496,118)	(174,779)
Net Cash Provided By (Used for) Capital and Related Financing Activities	(1,744,569)	(7,084,533)	(3,087,514)	-	(1,259)	(11,917,875)	(452,436)
Cash Flows from Investing Activities							
Interest on Investments	151,485	81,513	120,149	904	63,731	417,782	184,924
Net Cash Provided By Investing Activities	151,485	81,513	120,149	904	63,731	417,782	184,924
Net Increase (Decrease) in Cash and Cash Equivalents	3,393,156	(5,174,349)	2,667,586	12,116	(244,215)	654,294	4,516,050
Cash and Cash Equivalents - Beginning of Year	28,294,162	14,033,611	22,781,176	84,995	4,575,544	69,769,488	33,971,900
Cash and Cash Equivalents - End of Year	$ 31,687,318	$ 8,859,262	$ 25,448,762	$ 97,111	$ 4,331,329	$ 70,423,782	$ 38,487,950
Reconciliation of Operating Income to Net Cash Provided By (Used for) Operating Activities:							
Operating Income (Loss)	$ 3,000,717	$ 377,554	$ 2,533,330	$ 278,690	$ (488,082)	$ 5,702,209	$ 892,898
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used for) Operating Activities:							
Depreciation and Amortization	1,473,366	70,903	2,970,644	-	31,331	4,546,244	1,099,791
Change in Assets and Liabilities:		-			-		
Receivables, Net	(198,250)	36,498	42,281	(65,925)	10,432	(174,964)	25,442
Prepaid Items	(297)	(670)	(390)	(639)	85	(1,911)	(112,217)
Accounts Payable and Other Payables	457,941	1,072,844	(51,444)	(1,556)	95,491	1,573,276	406,347
Net OPEB Obligation	-	-	20,329	-	-	20,329	62,865
Compensated Absences Payable	-	-	-	-	-	-	64,630
Deposits	-	3,069	12,500	-	1,645	17,214	-
Net Cash Provided By (Used for) Operating Activities	$ 4,733,477	$ 1,560,198	$ 5,527,250	$ 210,570	$ (349,098)	$ 11,682,397	$ 2,384,226
Noncash Capital Activities:							
Capital Asset Contributions	$ 1,741,473	$ -	$ 2,365,709	$ -	$ 378,130	$ 4,485,312	$ 35,000
Retirement of Capital Assets	-	3,246	-	-	-	3,246	-

See Accompanying Notes to the Basic Financial Statements

This page intentionally left blank.

Statement of Fiduciary Net Position

Agency Funds and Private Purpose Trust Fund

June 30, 2013

	Agency Funds	Private-Purpose Trust Fund - Successor Agency
ASSETS		
Current Assets:		
Cash and Investments	$ 11,594,834	$ 1,803,349
Restricted Cash and Investments	6,409,426	-
Interest Receivable	399	39
Total Assets	18,004,659	1,803,388
LIABILITIES		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	1,366,017	503
Due to City of Brentwood	35,540	2,123,749
Long-Term Liabilities Due Within One Year	-	728,879
Total Current Liabilities	1,401,557	2,853,131
Non-Current Liabilities Due in More Than One Year:		
Due to Bondholders	16,603,102	-
Long-Term Liabilities	-	28,377,368
Total Non-Current Liabilities	16,603,102	28,377,368
Total Liabilities	18,004,659	31,230,499
NET POSITION (DEFICIT)		
Held in Trust for Other Governments	-	(29,427,111)
Total Net Position (Deficit)	$ -	$ (29,427,111)

See Accompanying Notes to the Basic Financial Statements

Statement of Changes in Fiduciary Net Position

Private-Purpose Trust Fund

For Year Ended June 30, 2013

	Private-Purpose Trust Fund - Successor Agency
ADDITIONS	
Property Taxes	$ 3,879,885
Other	52,302
Total Additions	3,932,187
DEDUCTIONS	
Payment of Low and Moderate Income Housing Funds to the County	4,072,553
Administrative Expenses	401,815
Interest and Fiscal Agent Expenses	1,727,456
Total Deductions	6,201,824
Change in Net Position Before Extraordinary Items	(2,269,637)
EXTRAORDINARY ITEMS	
Assets transferred to Successor Agency	4,870,162
Change in Net Position	2,600,525
NET POSITION HELD IN TRUST	
Net Position - Beginning	(32,027,636)
Net Position - Ending	$ (29,427,111)

See Accompanying Notes to the Basic Financial Statements

INDEX OF NOTES TO THE BASIC FINANCIAL STATEMENTS

Page

Note #1 – Summary of Significant Accounting Policies 32
A. Description of the Reporting Entity 32
B. Government-Wide and Fund Financial Statements 32
C. Measurement Focus / Basis of Accounting 33
D. Assets, Liabilities and Net Position or Equity 39
i. Use of Restricted / Unrestricted Net Position 39
ii. Cash and Investments 40
iii. Cash and Cash Equivalents 40
iv. Use of Estimates 40
v. Prepaid Items and Land Held for Resale 40
vi. Capital Assets 41
vii. Compensated Absences Payable 41
viii. Property Tax 42
ix. Deferred Compensation Plan 42
x. New GASB Pronouncements 42
xi. Motor Vehicle Taxes 45
xii. New Funds, Closed Funds and Renamed Funds 45
xiii. Deferred Outflows/Inflows of Resources 46
Note #2 – Stewardship, Compliance and Accountability 46
A. Budgetary Information 46
B. Deficit Fund Equity 47
C. Interfund Receivables, Payables and Transfers 48
D. Minimum Fund Balance Policies 50
E. Fund Balances 50
Note #3 – Cash and Investments 52
A. Cash and Deposits 52
B. Investments 53
C. Investment in State Treasurer's Pool 56
D. California Asset Management Program 56
E. Cash and Investments with Fiscal Agent 56
F. Fair Value of Investments 57

INDEX OF NOTES TO THE BASIC FINANCIAL STATEMENTS *(CONTINUED)*

Page

Note #4 – Accounts, Notes and Loans Receivable 58
Note #5 – Capital Assets 64
A. Intangible Assets 65
i. Water Rights 65
ii. Joint Use Facilities 66
Note #6 – Long-Term Obligations 66
A. Governmental Activities 66
i. Bonds 67
ii. Capital Leases 70
iii. Net OPEB Obligation 70
iv. Accumulated Compensated Absences 70
B. Business-Type Activities 71
i. Bonds 72
ii. Notes Payable 73
Note #7 – Special Assessment Districts (No City Liability) 75
Note #8 – Classification of Net Position 77
Note #9 – Defined Benefit Pension Plan 77
A. Plan Description 77
B. Funding Policy 77
C. Annual Pension Cost 78
D. Three-Year Trend Information for the Plans 78
E. Funding Status 79
Note #10 – Risk Management 80
Note #11 – Post-Retirement Health Care Benefits 80
A. Plan Description 80
B. Funding Policy 82
C. Annual OPEB Cost and Net OPEB Obligation 82
D. Funding Status and Funding Progress 83
E. Actuarial Methods and Assumptions 84

INDEX OF NOTES TO THE BASIC FINANCIAL STATEMENTS *(CONTINUED)*

Page

Note #12 – Redevelopment Agency Dissolution and Successor Agency Activities 85
A. Redevelopment Dissolution 85
B. Long-Term Debt 86
i. Bonds 87
ii. Net OPEB Obligation 88
iii. Accumulated Compensated Absences 88
C. Pledged Revenues 89
D. Commitments and Contingencies 89
i. State Approval of Enforceable Obligations 89
ii. State Asset Transfer Review 89
iii. Construction Funding Commitments 90
Note #13 – Contingent Liabilities 90
A. Litigation 90
B. State and Federal Grants 90
C. Developer Fee Credits 91
D. Construction Commitments 91
Note #14 – Subsequent Events 92
A. RDA Litigation 92
Note #15 – Net Position Restatement 92

NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE REPORTING ENTITY

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

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

- Brentwood Infrastructure Financing Authority

  The Brentwood Infrastructure Financing Authority (the "Authority"), formed on March 14, 1995, is a joint powers authority organized under Section 6500 *et seq*. of the California Government Code between the City and the Agency for the purpose of acting as a vehicle for various financing activities of the City and the Agency. The Board of Directors is the Brentwood City Council. The primary purpose of the Authority is to render financial assistance to the City and the 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. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

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

Certain eliminations have been made related to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities. These are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, Internal Service Fund transactions have been eliminated. However, the transactions between governmental and business-type activities, which are presented as transfers, have not been eliminated from the Statement of Activities.

C. MEASUREMENT FOCUS / BASIS OF ACCOUNTING

The Government-Wide Financial Statements, Proprietary Fund Financial Statements and Fiduciary Fund Financial Statements are reported using an economic resources focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of the related cash flows.

The Governmental Fund Financial Statements are reported using a current financial resources measurement focus called the modified accrual basis of accounting. Accordingly, only current assets, current liabilities and current deferred inflows/outflows are included on the Balance Sheets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except for revenues subject to accrual (generally 60 days after year-end) which are recognized when due.

Expenditures are recorded in the accounting period in which the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Taxes, including property and sales taxes, and inter-governmental revenue associated with the current fiscal period are all considered to be susceptible to accrual. Only the portion of the special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

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

For Proprietary Funds, all assets, liabilities and deferred inflows/outflows, whether current or non-current, are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the Proprietary Funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses which are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses. Proprietary Fund types include Enterprise Funds and Internal Service Funds.

The City's Fiduciary Funds include Agency Funds, which are purely custodial in nature and do not involve a measurement of operational results, and Private-Purpose Trust Funds which, in addition to being custodial in nature, also include operational activities under which the principal and income benefit several specific local taxing entities. While both Agency and Private-Purpose Trust Funds include a Statement of Net Position, only the latter is required to include a Statement of Changes in Net Position.

Fund Types

A *Major Fund* is a fund whose revenues, expenditures/expenses, assets, combined with deferred outflows of resources, or liabilities, combined with deferred inflows of resources (excluding extraordinary items), are at least 10 percent of corresponding totals for all Governmental or Enterprise funds and at least five percent of the aggregate amount for all Governmental and Enterprise funds for the same item. The General Fund is always considered a major fund. Any other Governmental or Enterprise fund may be reported as a major fund if the government's officials believe the fund is particularly important to financial statement users.

The government reports the following three major Governmental Funds: General Fund, Capital Improvement Revenue Refunding Bond Series 2012 and Civic Center Project Lease Revenue Bonds. Descriptions of the City's funds are presented below.

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Special Revenue Funds account for specific revenues that are legally restricted to expenditures for particular purposes. There are no Special Revenue Funds included as major Governmental Funds. Below are specific descriptions of the Special Revenue Funds:

- *Thoroughfares* – This fund accounts for the collection of development fees which are ultimately transferred to a capital project fund for the design and construction of roadways within the City.
- *Gas Tax* – This fund accounts for monies received from the State of California under Street and Highways Code Sections 2103, 2105, 2106, 2107 and 2107.5.

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

- *SB1186 Disability Access* – This fund accounts for the monies collected for Senate Bill 1186 for purposes of increasing compliance with state disability laws.
- *Police Grants* – This fund accounts for all Police, Federal, State and County grants requiring segregated fund accounting.
- *Other Grants* – This fund accounts for miscellaneous Federal, State and County grants requiring segregated fund accounting.
- *Citywide Parks Districts* – This fund accounts for special benefit assessments levied on property owners for citywide park maintenance.
- *Community Facilities Districts* – This fund accounts for special benefit assessments levied on property owners for police services, fire services, joint use school facilities and the construction, acquisition and maintenance of open spaces, flood drains and storm drains.
- *Community Facilities* – This fund accounts for the collection of development fees which are ultimately transferred to a capital project fund for the design and construction of public facilities within the City.
- *Vehicle Abatement* – This fund accounts for monies which can only be used for the abatement, removal and disposal, as public nuisances, of any abandoned, wrecked, dismantled or inoperative vehicles, or parts thereof, from private or public property.
- *Infrastructure Improvements* – This fund accounts for economic development infrastructure projects and any related costs.
- *City Low Income Housing* – This fund accounts for the activities related to the assets assumed by the City of Brentwood as Housing Successor to the housing activities of the former Brentwood Redevelopment Agency.
- *PEG Media* – This fund accounts for Public Access, Educational and Governmental (PEG) television channels provided for the citizens of Brentwood.
- *Asset Forfeiture* – This fund accounts for property or funds seized by the Police Department. After a case has been tried, and a guilty verdict is returned, the funds are considered forfeited. This fund must be used specifically for drug prevention programs.
- *Measure C / J* – This fund accounts for the local jurisdiction portions of the Local Street Maintenance Fund allocation. The monies can only be spent on local streets and roads, transit operations, growth management planning and compliance, bicycle and pedestrian trails and parking facilities.
- *Facility Fee Administration* – This fund accounts for development fees collected for the administration of the Developer Facility Fee Program.

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

- *Parks Advertising* – This fund accounts for funds collected and dedicated to enhancing the amenities at the Sunset Athletic Complex, the Brentwood Family Aquatic Complex and the Brentwood Skate Park. This fund also provides funding to publish and distribute the Parks and Recreation Activities Guide.
- *Parks and Trails* – This fund accounts for the collection of development fees which are ultimately transferred to a capital project fund for the design and construction of parks and trails within the City.
- *Agriculture Administration* – This fund accounts for 20% of the Agriculture Preservation fees collected from developers. Monies are to be used for administrative purposes associated with establishing, monitoring and managing farmland conservation easements.
- *Public Art Administration* – This fund accounts for fees collected for the administration of the Public Art Program.
- *Public Art Acquisition* – This fund accounts for development fees collected for the acquisition and construction of Public Art.
- *Arts Commission* – This fund accounts for monies which are used for Arts Commission programs.
- *Fire Fees* – This fund accounts for the Fire Facilities Impact Fee. The monies are used to provide funding for the fire facilities required to serve new development in the City of Brentwood through build out of the City.
- *Agriculture Land* – This fund accounts for 80% of the Agriculture Preservation fees collected from developers. The monies are used for farmland mitigation purposes.
- *Parking In-Lieu* – This fund accounts for development fees collected for off street parking facilities located within the Downtown area.
- *Lighting and Landscape Districts* – This fund accounts for special benefit assessments levied on property owners for street lighting and landscape maintenance.

Debt Service Funds account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs. There are two Debt Service Funds included as major Governmental Funds, the Capital Improvement Revenue Refunding Bonds Series 2012 and the Civic Center Project Lease Revenue Bonds. Below are specific descriptions of the Debt Service Funds:

- *Capital Improvement Revenue Refunding Bonds Series 2012* – This fund accounts for debt service transactions, including revenue collections and payments of principal and interest, on long-term obligations. This bond is a refinance of the 2001 CIP Bond, which had initially refinanced Roadway Bonds and a Tax Allocation Bond, and which had also financed the Brentwood Technology Center.

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

- *2002 General Obligation Bond* – This fund accounts for tax levies from which general obligation principal and interest payments are made as the 2002 General Obligation Bond matures. This bond was used to finance the Police Station.
- *Civic Center Project Lease Revenue Bonds* – This fund accounts for debt service transactions relating to the 2009 Civic Center Project Lease Revenue Bonds.

Capital Project Funds account for the acquisition and construction of major capital facilities and infrastructure not financed by Proprietary Funds. Below are specific descriptions of the Capital Project Funds:

- *Capital Improvement Financing Program 2005-1* – This fund accounts for transactions related to proceeds from assessment bonds and other resources and their use to acquire and construct certain capital facilities and infrastructure.
- *Capital Improvement Financing Program 2006-1* – This fund accounts for transactions related to proceeds from assessment bonds and other resources and their use to acquire and construct certain capital facilities and infrastructure.
- *City Capital Improvement Financing Program* – This fund accounts for transactions related to proceeds from assessment bonds and other resources and their use to acquire and construct public capital improvements.
- *Civic Center Projects* – This fund accounts for transactions related to proceeds from the 2009 Civic Center Bonds and other resources and their use to acquire and construct certain capital facilities and infrastructure.
- *Community Facilities Improvement Projects* – This fund accounts for various community facilities improvement projects associated with either the construction or improvement of the City's community facilities.
- *Park Improvement Projects* – This fund accounts for various park improvement projects associated with either the construction or improvement of the City's parks.
- *Drainage Improvement Projects* – This fund accounts for various drainage improvement projects associated with either the upgrade or replacement of the City's storm drain collection system.
- *Street Improvement Projects* – This fund accounts for transactions related to proceeds from assessment bonds and other resources and their use to acquire and construct certain street improvements.
- *Economic Infrastructure Projects* – This fund accounts for loans to be used for Economic Development infrastructure projects and related costs which will be repaid from another source.
- *Vineyards Projects* – This fund accounts for transactions related to proceeds from assessment bonds and other resources and their use to finance infrastructure improvements within the Vineyards assessment district.

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

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

- *Wastewater Enterprise* – This fund accounts for the operation, maintenance and capital improvement projects of the wastewater system which is funded by user charges and impact fees.
- *Solid Waste Enterprise* – This fund accounts for the operation, maintenance and capital improvement projects of the solid waste system. These activities are funded by user charges.
- *Water Enterprise* – This fund accounts for the operation, maintenance and capital improvement projects of the water system. These activities are funded by user charges and impact fees.
- *City Rentals Enterprise* – This fund accounts for all the City facilities rented and maintained through this fund.
- *Housing Enterprise* – This fund accounts for the administrative and operational expenses for the Housing Division and Housing rental stock. This includes Affordable Housing In-Lieu and the First Time Homebuyers program.

Additionally, the government reports for the following fund types:

Internal Service Funds account for the financing of either goods or services provided by one department to other departments of the City on a cost reimbursement basis. Specific descriptions of these funds are as follows:

- *Emergency Preparedness* – To provide a source of funding for the City to be financially prepared for either a critical or catastrophic event.
- *Information Services* – To provide a source of funding for the development and coordination of the City's information systems' needs.
- *Equipment Replacement* – To provide a source of funding for vehicle and equipment replacement.
- *Information Systems Replacement* – To provide a source of funding for the on-going replacement of information systems such as computers and the phone system.
- *Facilities Replacement* – To provide a source of funding for repairs or the replacement of City facilities.
- *Tuition Program* – To provide a source of funding for expenditures relating to continuing education.

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

- *Fleet Maintenance* – To provide a source of funding for the on-going maintenance of all City vehicles, except Police.
- *Facilities Maintenance Services* – To provide a source of funding for the custodial, janitorial and maintenance needs of the City's facilities and buildings.
- *Parks and LLD Replacement* – To provide a source of funding for the replacement of landscaping, equipment and facilities in the Citywide Parks and Lighting and Landscape Districts (LLD).
- *Insurance* – To provide a source of funding for the City's property insurance costs and retiree medical benefit costs.
- *Pension/Other Post-Employment Benefits Obligation* – To provide an intermediate term funding source for other post-employment benefits and pension expenses.

Fiduciary Funds account for Trust and Agency Funds. The financial activities of these funds are excluded from the Government-Wide financial statements, but are presented in separate Fiduciary Fund financial statements. The Trust and Agency Funds consist of:

- *Assessments* – Special obligations payable from, and secured by, specific revenue sources.
- *Pass-Through Funds* – Special funds used for the collection and distribution of development fees collected on behalf of other agencies.
- *Asset Seizure* – Special funds to be used exclusively to support law enforcement and prosecutorial efforts.
- *Private-Purpose Trust Fund* – Special funds used to report the activities and financial position of the Successor Agency to the Brentwood Redevelopment Agency. These funds are held in a trust arrangement for the benefit of local taxing entities, including the City of Brentwood.

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

i. Use of Restricted / Unrestricted Net Position

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the City's policy is to apply restricted net position first.

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

ii. Cash and Investments

The City pools idle cash from all funds for the purpose of increasing income through investment activities, and the City's investments are stated at fair value. Market value is used as fair value 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 either maturity or market values equal or exceed cost. Therefore, the reported value of securities in the investment pool does not reflect realized gains or losses but rather the fair value of those investments as of June 30, 2013.

iii. Cash and Cash Equivalents

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

iv. Use of Estimates

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

v. Prepaid Items and Land Held for Resale

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

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

vi. Capital Assets

The City's assets are capitalized at either historical cost or estimated historical cost. City policy has set the capitalization threshold for capital assets at $10,000 or more. Gifts or contributions of capital assets are 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
Buildings and Structures	50 years
Machinery and Equipment	3 - 20 years
Vehicles	3 - 8 years
Infrastructure	65 years

The City defines infrastructure as long lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. These assets include the street system, water purification and distribution system, sewer collection and treatment system, park and recreation lands and improvement system, storm water conveyance system and buildings, combined with the site amenities such as parking and landscaped areas, used by the City in the conduct of its business. Each major infrastructure system can be divided into subsystems. For example, the street system can be subdivided into pavement, curb and gutters, sidewalks, medians, streetlights, traffic control devices (signs, signals and pavement markings), landscaping and land. These subsystems are not delineated in the Basic Financial Statements. The appropriate operating department maintains information regarding the subsystems.

vii. Compensated Absences Payable

The following totals may be accumulated by employees each year:

- A total of 11 to 28 vacation days
- Up to either 60, 80 or 120 hours of compensatory time off, depending on employee's classification
- 12 days of sick leave

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

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

All employees may elect to receive a lump sum payment of up to 40 hours of accumulated vacation each March. Mid-Managers, Department Directors and the City Manager are eligible to elect payment of up to 80 hours. Additionally, each October employees with three years of service may elect to receive a lump sum payment of up to 40 hours of accumulated vacation time. Mid-Managers, Department Directors and the City Manager are eligible to elect payment of up to 80 hours. Liabilities for compensated absences are included as a liability in the Government-Wide Financial Statements and are paid by the fund which has recorded the liability. The long-term portion of compensated absences in Governmental-Type activities is liquidated by either, the General Fund, the City Low Income Housing Fund or the Citywide Parks Districts Fund.,

viii. <u>Property Tax</u>

Property tax valuations, liens and levies for secured and unsecured property are valued on March 1st 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.

ix. <u>Deferred Compensation Plan</u>

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 an 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 the accompanying financial statements.

x. <u>New GASB Pronouncements</u>

In December 2010, GASB issued GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. This Statement addresses how to account for, and report, service concession arrangements (SCAs), a type of public-private or public-public partnership that state and local governments are increasingly entering into. Common examples of SCAs include long-term arrangements in which a government engages another entity to operate a major capital asset, such as a toll road, in return for the right to collect fees from users of the capital asset. The requirements of the Statement are effective for fiscal periods beginning after December 15, 2011 and have been implemented for the presentation of the 2012/13 fiscal year financial statements, with no resulting impact.

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

In December 2010, GASB issued GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*. This Statement improves financial reporting for governmental entities by amending the requirements of Statements No. 14, *The Financial Reporting Entity*, and No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* to better meet user needs and address reporting entity issues which have come to light since those Statements were issued in 1991 and 1999, respectively. Statement No. 61 improves the information presented about the financial reporting entity, which is comprised of a primary government and related entities (component units), and also amends the criteria for blending – that is, reporting component units as if they were part of the primary government. The requirements of the Statement are effective for fiscal periods beginning after June 15, 2012 and have been implemented for the presentation of the 2012/13 fiscal year financial statements, with no resulting impact.

In December 2010, GASB issued GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.* This Statement enhances the usefulness of its codification by incorporating guidance which previously could only be found in certain Financial Accounting Standards Board (FASB) and American Institute of Certified Public Accountants (AICPA) pronouncements. The requirements of the Statement are effective for fiscal periods beginning after December 15, 2011 and have been implemented for the presentation of the 2012/13 fiscal year financial statements. The implementation has resulted in the elimination of the footnote in the Summary of Significant Accounting Policies Note #1 that stated all financial reporting is based upon all GASB pronouncements as well as the FASB Statements and Interpretations, Accounting Principles Boards (APB) Opinions and Accounting Research Bulletins which were issued on or before November 30, 1989, which do not conflict with or contradict GASB pronouncements.

In June 2011, GASB issued GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.* This Statement provides financial reporting guidance for deferred outflows and deferred inflows of resources, originally introduced and defined in Concepts Statement No. 4, *Elements of Financial Statements*, as a consumption of net position applicable to a future reporting period and an acquisition of net position applicable to a future reporting period, respectively. Further, Concepts Statement No. 4 also identifies net position as the residual of all other elements presented in a statement of financial position. The requirements of the Statement are effective for fiscal periods beginning after December 15, 2011. The City has implemented the provisions of GASB Statement 63 for the presentation of the 2012/13 fiscal year financial statements, which resulted in the change from Net Assets to Net Position. The statement of Net Position reports all assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position.

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

In March 2012, GASB issued GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The requirements of the Statement are effective for fiscal periods beginning after December 15, 2012. The City has implemented GASB 65 for the presentation of the 2012/13 fiscal year financial statement and has reclassified certain items, that were previously reported as assets and liabilities, as deferred outflows of resources and deferred inflows of resources and made other changes as established related to the calculation of the major funds determination and the write-off of debt issuance costs. Retroactive restatement to July 1, 2012 is required, as discussed in Note #15.

In March 2012, GASB issued GASB Statement No. 66, *Technical Corrections – 201 2 – an amendment of GASB Statements No. 10 and No. 62*. This Statement amends Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues,* by removing the provision that limits fund-based reporting of an entity's risk financing activities to the General Fund and the Internal Service Fund types. This Statement also amends Statement 62 by modifying the specific guidance on accounting for: 1) operating lease payments that vary from a straight-line basis, 2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans and 3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. The requirements of the Statement are effective for fiscal periods beginning after December 15, 2012. The City has implemented GASB 66 for the presentation of the 2012/13 fiscal year financial statements, with no resulting impact.

In June of 2012, GASB issued GASB Statement No. 67, *Financial Reporting for Pension Plans* – an amendment of GASB Statement No. 25. This Statement replaces the requirements of Statements No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans and No. 50, Pension Disclosures, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide post-employment benefits other than pensions. The requirements of the Statement are effective for fiscal periods beginning after June 15, 2013. The City is in the process of determining the impact Statement No. 67 will have on its financial statements.

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

In June 2012, GASB issued GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* – an amendment of GASB Statement No. 27. This Statement replaces the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, as well as the requirements of Statement No. 50, Pension Disclosures, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements Nos. 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. The requirements of the Statement are effective for fiscal periods beginning after June 15, 2014. The City is in the process of determining the impact Statement No. 68 will have on its financial statements.

In January 2013, GASB issued GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term *government combinations* include a variety of transactions referred to as mergers, acquisitions and transfers of operations. The requirements of the Statement are effective for fiscal periods beginning after December 15, 2013. The City is in the process of determining the impact Statement No. 69 will have on its financial statements.

In April 2013, GASB issued GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. This Statement requires a government, that extends a nonexchange financial guarantee, to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. This Statement also requires a government that has issued an obligation, guaranteed in a nonexchange transaction, to recognize revenue to the extent of the reduction in its guaranteed liabilities. The requirements of the Statement are effective for fiscal periods beginning after June 15, 2013. The City is in the process of determining the impact Statement No. 70 will have on its financial statements.

xi. <u>Motor Vehicle Taxes</u>

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

xii. <u>New Funds, Closed Funds and Renamed Funds</u>

The Budget Stabilization Fund was renamed the Pension/Other Post-Employment Benefits Obligation Fund in order to further clarify the description of the purpose of the fund.

The Senate Bill 1186 ("SB1186") Fund was newly created in fiscal year 2012/13 for purposes of accounting for new legislation SB1186. Senate Bill 1186 became effective January 1, 2013 and requires cities to collect a $1 fee for new and renewal business licenses for purposes of increasing compliance with state disability laws.

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

xiii. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and balance sheet will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position and balance sheet will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the Governmental Funds balance sheet. The Governmental Funds report unavailable revenues from three sources: accounts receivable, interfund advance receivable and loans receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

NOTE #2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

- General Budget Policies

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

- Budget Basis of Accounting

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

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

Capital Project Funds

Capital Improvement Financing Program 2005-1
Capital Improvement Financing Program 2006-1
Drainage Improvement Projects
Community Facilities Improvement Projects
Park Improvement Projects
Street Improvement Projects

Debt Service Funds

Capital Improvement Revenue Refunding Bonds Series 2012
2002 General Obligation Bond
Civic Center Project Lease Revenue Bonds

B. DEFICIT FUND EQUITY

Below is a list of funds which have either a deficit fund or an accumulated deficit balance as of June 30, 2013. The deficit in Parks and Trails is due to pre-funding of parks projects in advance of receiving funding from development. As development returns, impact fees will be generated and deposited into this fund. The deficit in Park Improvement Projects is due to the funding of construction of projects for which the Successor Agency has committed future funding reimbursement. See Note #12 for additional information.

The deficits in the Internal Service funds are related to Other Post-Employment Benefits (OPEB) liability accruals. In response to increasing OPEB liabilities, the City has adopted a long-term OPEB pre-funding strategy which ultimately calls for 85% of the Actuarial Required Contribution (ARC) to be funded annually. The Internal Service funds will continue to maintain a positive cash balance. Coverage of these funds was also addressed in the fiscal year 2012/13 – 2013/14 Operating Budget.

Special Revenue:		
Parks and Trails	$	2,469,709
Capital Projects:		
Park Improvement Projects	$	369,896
Internal Service:		
Information Services	$	354,375
Fleet Maintenance	$	118,099
Facilities Maintenance Services	$	70,974

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

C. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of the "Due To / From Other Funds" balance, as of June 30, 2013, is shown below. The Park Improvement Projects amount is due to timing issues relating to the construction of projects in advance of funding for which the Successor Agency has committed to reimburse the City in the future. See Note #12 for additional information. The Other Grants amount is due to a timing issue related to the purchase of and reimbursement for recycled beverage containers.

Receivable Fund	Payable Fund		Amount
Community Facilities Improvement Projects	Park Improvement Projects		$ 1,336,132
Community Facilities Improvement Projects	Other Grants		59,281
		Total	$ 1,395,413

The interfund advance payable from Housing Enterprise is related to development fees from the construction of housing units which have become rental units for the City's Housing Program. The development fees will be paid over the next several years from the Housing rental stream. The interfund advance payable from Parks and Trails is due to the construction of parks within the city in advance of receiving development fee revenue. Future development will reduce this obligation.

Interfund Advance

Receivable Fund	Payable Fund		Amount
Thoroughfares	Housing Enterprise		$ 97,069
Community Facilities Improvement Projects	Parks and Trails		2,469,700
		Total	$ 2,566,769

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

Interfund Transfers

Fund Description	General Fund	Capital Improvement Revenue Refunding Bonds Series 2012	Civic Center Project Lease Revenue Bonds	Non-Major Governmental Funds	Internal Service Funds	Wastewater Enterprise	Solid Waste Enterprise	Water Enterprise	City Rentals Enterprise	Housing Enterprise	Total Transfers Out
General Fund	$ -	$ -	$ -	$ 1,559,957	$ 3,375,000	$ -	$ 265,000	$ -	$ 9,418	$ -	$ 5,209,375
Capital Improvement Revenue Refunding Bonds Series 2012	270,387	-	-	-	-	-		-	-	-	270,387
Civic Center Project Lease Revenue Bonds	-	-	-	1,128,822	-	-	-	-	-	-	1,128,822
Non-Major Governmental Funds	4,717,843	295,195	2,940,289	6,149,783	23,149	176,597	26,008	142,722	-	4,508	14,476,094
Internal Service Funds	304,390	-	-	612,383	3,666,526	76,166	-	28,409	-	-	4,687,874
Solid Waste Enterprise	-	-	-	-	22,535	-	-	-	-	-	22,535
Water Enterprise	-	-	-	63,430	-	-	-	-	-	-	63,430
City Rentals Enterprise	-	208,776	-	-	-	-	-	-	-	-	208,776
Housing Enterprise	-	-	-	360,000	-	-	-	-	-	-	360,000
Total Transfers In	$ 5,292,620	$ 503,971	$ 2,940,289	$ 9,874,375	$ 7,087,210	$ 252,763	$ 291,008	$ 171,131	$ 9,418	$ 4,508	$ 26,427,293

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

Transfer To	Amount	Purpose
General Fund	$ 1,339,052	Gas Tax revenue to subsidize the Street Maintenance Division.
General Fund	3,250,904	Provide a subsidy to cover a portion of the costs for Police Services.
Capital Projects	273,036	Provide a subsidy to cover a portion of the costs for the CCWD Los Vaqueros Water Line project.
Capital Projects	300,000	Provide a subsidy to cover a portion of the costs for the Brentwood Boulevard Widening North - Phase I project.
Capital Projects	360,000	Provide a subsidy to cover a portion of the costs for the Los Nogales Improvements project.
Capital Projects	450,000	Provide a subsidy to cover a portion of the costs for the General Plan Update project.
Capital Projects	750,000	Provide a subsidy to cover a portion of the costs for the Library Relocation - Phase II project.

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

D. MINIMUM FUND BALANCE POLICIES

The City's Budget and Fiscal Policy requires the City to strive to maintain: 1) 30% of annual appropriations in the General Fund's Unassigned Fund Balance and 2) 30% cash reserves in each of the Enterprise funds. While this requirement does not mandate the 30% thresholds be attained, the City has continued to achieve the 30% General Fund reserve target on an annual basis, including for the fiscal year ended June 30, 2013. The ability of the City to maintain 30% cash reserves in the Enterprise funds depends upon the timing of infrastructure projects.

E. FUND BALANCES

The City's fund balances are classified based on spending constraints imposed on the use of resources. Nonspendable fund balances are not expected to be converted to cash and are comprised of prepaid items. Restricted fund balances have external restrictions imposed by either creditors, grantors, contributors, laws, regulations or enabling legislation which requires these resources be used only for a specific purpose. Committed fund balances have constraints imposed by formal action of the City Council of the City of Brentwood which may be altered only by formal action of the City Council. Assigned fund balances are amounts constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the City Council of the City of Brentwood and may be changed at the discretion of the City Council. Unassigned fund balance represents amounts which have not been restricted, committed or assigned.

The City considers restricted amounts to have been spent, prior to unrestricted amounts, when an expenditure is incurred for purposes for which both are available. Committed, assigned and unassigned amounts, in this order, are considered to be spent when an expenditure is incurred for purposes for which either is available. Detailed classifications of the City's Governmental Fund Balances, as of June 30, 2013, are shown on the next page.

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

	General Fund	Debt Service: Capital Improvement Revenue Refunding Bond Series 2012	Debt Service: Civic Center Project Lease Revenue Bonds	Other Governmental Funds	Total
Fund Balances:					
Nonspendable:					
Prepaid Expenses	$ 302,936	$ -	$ -	$ 1,310	$ 304,246
Total Nonspendable Fund Balances	302,936	-	-	1,310	304,246
Restricted for:					
Debt Service	-	1,573,899	3,412,259	49,753	5,035,911
Community Facilities Projects	-	-	-	4,896,061	4,896,061
Civic Center Projects	-	-	-	6,982,518	6,982,518
Low Income Housing	-	-	-	1,138,149	1,138,149
Vineyards Development Projects	-	-	-	1,854,365	1,854,365
Infrastructure Projects	-	-	-	6,345,860	6,345,860
Streets and Roadways	-	-	-	3,127,567	3,127,567
Drainage Projects	-	-	-	37,415	37,415
CIFP Projects	-	-	-	8,141,687	8,141,687
Lighting and Landscaping Districts	-	-	-	3,753,731	3,753,731
Off Street Parking Facilities in Downtown	-	-	-	27,202	27,202
Agricultural/Farmland Mitigation	-	-	-	1,145,500	1,145,500
Redevelopment	74,426	-	-	-	74,426
Fire Facilities	-	-	-	3,235,487	3,235,487
Arts Commission	-	-	-	5,583	5,583
Public Art	-	-	-	941,809	941,809
Developer Facility Fee Program	-	-	-	275,730	275,730
Drug Prevention Programs	-	-	-	53,206	53,206
Public Safety	-	-	-	173,439	173,439
Disability Access	-	-	-	2,223	2,223
Other Grants	-	-	-	1,692	1,692
PEG Television Media	-	-	-	809,483	809,483
Total Restricted Fund Balances	74,426	1,573,899	3,412,259	42,998,460	48,059,044
Committed to:					
Infrastructure Projects	-	-	-	5,988	5,988
Public Nuisance Abatement	-	-	-	101,286	101,286
Community Facilities	-	-	-	1,097,130	1,097,130
Public Safety	-	-	-	129,146	129,146
Parks Maintenance	-	-	-	360,886	360,886
Streets and Roadways	-	-	-	3,648,303	3,648,303
Total Committed Fund Balances	-	-	-	5,342,739	5,342,739
Assigned to:					
Capital Projects	5,972,500	-	-	-	5,972,500
General Plan Update	550,000	-	-	-	550,000
Total Assigned Fund Balances	6,522,500	-	-	-	6,522,500
Unassigned:	11,134,823	-	-	(2,839,605)	8,295,218
Total Fund Balances	$ 18,034,685	$ 1,573,899	$ 3,412,259	$ 45,502,904	$ 68,523,747

NOTE #3 – CASH AND INVESTMENTS

A. CASH AND DEPOSITS

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

The carrying amounts of the City's cash deposits were $7,128,214 at June 30, 2013. The bank balance, before reconciling items, was $7,884,457. The bank balance is insured for up to $250,000 and the remaining balance is collateralized for up to 110%, with the collateral being held by a pledging financial institution in the City's name. The market value of the pledged securities must equal 110% as stated by California Government Code Section 53651, but the City may waive collateral requirements for cash deposits which are insured by the Federal Deposit Insurance Corporation (FDIC). The City's cash and investment balances are as follows:

Pooled Deposits:		
Demand Deposits	$	7,128,214
Petty Cash		8,790
Investments		193,401,243
Total Cash and Investments	$	200,538,247

Cash and investments appear on the financial statements as follows:

Cash and Investments		
Governmental Activities	$	90,516,144
Business-Type Activities		66,439,574
Fiduciary Funds		13,398,183
		170,353,901
Restricted Cash and Investments		
Governmental Activities		19,790,712
Business-Type Activities		3,984,208
Fiduciary Funds		6,409,426
		30,184,346
Total Cash and Investments	$	200,538,247

NOTE #3 – CASH AND INVESTMENTS (Continued)

B. INVESTMENTS

The City apportions interest earnings to all funds based on their monthly cash balance. The table below identifies the investment types authorized for the City by the City's investment policy, which is more restrictive than California Government Code 53601. The table also identifies certain provisions of the City's investment policy which address interest rate risk, credit risk and concentration of risk. This table includes permitted investments for the management of the City's cash. In addition, these guidelines are used for the investments of debt proceeds held by bond trustees, which are governed by the provision of the City's debt agreements.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer
California State, Local Agency & Other State Obligations	5 years	30%	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptances	180 days	40%	None
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	90 days	None	None
Reverse Repurchase Agreements	92 days	20%	None
Medium-Term Notes	5 years	30%	None
Money Market Funds	N/A	15%	None
Mortgage Pass-Through Securities	5 years	20%	None
Local Agency Investment Fund (LAIF)	N/A	$50M/Account	$50M/Account
California Asset Management Program	N/A	N/A	N/A
Time Deposits	5 years	25%	None

* Excluding amounts held by bond trustee not subject to California Government code restrictions.

NOTE #3 – CASH AND INVESTMENTS (Continued)

Credit Risk – The City's portfolio is comprised of the highest quality government and corporate securities. Consistent with City policy, almost 54% of the rated portfolio consists of investments with Standard and Poor's two highest ratings. This percentage does not include U.S. Treasury Bonds/Notes, LAIF or Money Market Funds (MMF), which are all unrated. Investments at June 30, 2013, held on behalf of the City, are presented below and categorized separately to give an indication of the level of risk associated with each investment. Investments are reported at fair value.

	Fair Value	Credit Rating	% of Rated Portfolio
Medium Term Corporate Notes	$ 6,515,727	A	6%
Medium Term Corporate Notes	1,029,495	A-	1%
Medium Term Corporate Notes	3,121,416	AA-	3%
Medium Term Corporate Notes	4,643,051	AA	4%
Medium Term Corporate Notes	8,380,161	AA+	8%
U.S. Agency Bonds / Notes	45,311,779	AA+	41%
Municipal Bonds / Notes	840,455	AA	1%
Certificates of Deposit - Negotiable	8,810,596	A-1+	8%
Certificates of Deposit - Negotiable	4,804,565	A-1	4%
Certificates of Deposit - Negotiable	3,704,927	A+	3%
Certificates of Deposit - Negotiable	3,984,876	AA-	4%
Money Market Mutual Funds	15,462,755	AAAm	14%
Money Market Treasury Funds	220,067	AAAm	0%
California Asset Management Program	3,387,574	AAAm	3%
Total Rated Investments	110,217,444		
U.S. Treasury Notes	72,058,460	Exempt	
Local Agency Investment Fund	8,763,215	Not Rated	
Money Market Funds	2,362,124	Not Rated	
Total Unrated Investments	83,183,799		
Total Investments	$ 193,401,243		

NOTE #3 – CASH AND INVESTMENTS (Continued)

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

Issuers*	Fair Value	% of Portfolio
Federal Home Loan Mortgage Corp.	$ 23,804,068	12.31
Federal National Mortgage Association	15,966,219	8.26

* Excludes LAIF, MMMF and U.S. Treasury Securities

The City did not have investments in any one issuer, other than the U.S. Treasury securities, mutual funds and external investment pools, which represent 5% or more of individual major fund or total non-major fund investments.

Interest Rate Risk – The City's investment policy limits the investment portfolio to maturities of less than five years as a means of limiting exposure to fair value losses arising from interest rates. Currently, 66% of the investment portfolio is concentrated in the 0 to 2 year maturity range.

Investment Maturities

	Fair Value *	0-6 mos**	6-12 mos.	1-2 years	2-3 years	3-4 years	% of Portfolio
U.S. Treasury Notes/Bonds/Bills	$ 72,058,460	$ -	$ -	$ 45,554,816	$ 15,846,350	10,657,294	37.26
Medium-Term Corporate Notes	23,689,850	-	1,315,304	11,161,938	7,353,285	3,859,323	12.25
U.S. Agency Bonds/Notes**	45,311,779	9,248,199	-	9,198,449	26,865,131	-	23.42
Municipal Bond/Note	840,455	-	-	-	840,455	-	0.43
Certificate of Deposit - Negotiable	21,304,964	-	4,802,626	16,502,338	-	-	11.02
Local Agency Investment Funds	8,763,215	8,763,215	-	-	-	-	4.53
California Asset Management Program	3,387,574	3,387,574	-	-	-	-	1.75
Money Market Mutual Funds	15,462,755	15,462,755	-	-	-	-	8.00
Money Market Funds	2,582,191	2,582,191	-	-	-	-	1.34
Totals	$ 193,401,243	$ 39,443,934	$ 6,117,930	$ 82,417,541	$ 50,905,221	$ 14,516,617	
% of Portfolio		20.39	3.16	42.62	26.32	7.51	100.00

*Fair Value includes accrued interest

**Callable Securities are reported at either 0-6 months or the earliest call date

NOTE #3 – CASH AND INVESTMENTS (Continued)

Custodial Credit Risk for Investments – The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities which are in possession of another party. The California Government Code does not contain legal or policy requirements limiting the exposure to custodial credit risk. The City's investment policy requires the assets of the City be secured through the third party custody and safekeeping procedures. Bearer instruments shall be held only through third party institutions. Collateralized securities, such as repurchase agreements, shall be purchased using the delivery vs. payment procedure.

C. INVESTMENT IN STATE TREASURER'S POOL

LAIF is an external investment program sponsored by the State of California and authorized under Sections 16429.1, 2 and 3 of the California Government code. It is part of the State's Pooled Money Investment Account (PMIA) managed by the Investment Division of the State Treasurer's Office. LAIF is a voluntary program, created by statute, as an investment alternative for California local governments and special districts. The City is a voluntary participant in this investment pool. The management of PMIA has indicated to the City that, as of June 30, 2013, the amortized cost of the pool was $58,812,406,570 and the fair value was $58,828,474,533. The City deposits excess cash in LAIF, which is not required to be categorized. The fair value for these deposits was provided by the pool sponsor.

D. CALIFORNIA ASSET MANAGEMENT PROGRAM

The City is a participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the "Trust"). The Trust is a joint powers authority, and public agency, created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California Government Code Sections 6500 et seq., or the "Act") for the purpose of exercising the common power of its Participants to invest certain proceeds of debt issues and surplus funds. The Pool's investments are limited to investments permitted by subdivisions (a) to (n), inclusive, of Section 53601 of the California Government Code. The City reports its investments in CAMP at the fair market value amounts provided by CAMP, which is the same as the value of the pool share. At June 30, 2013, the fair market value was approximate to the City's cost.

E. CASH AND INVESTMENTS WITH FISCAL AGENT

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

NOTE #3 – CASH AND INVESTMENTS (Continued)

F. FAIR VALUE OF INVESTMENTS

Methods and assumptions used to estimate fair value:

- The City maintains investment accounting records on a cost basis and adjusts those records to "fair value" on an annual basis.
- The Fund investment custodians provide fair 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 market value on a yearly basis.

The City holds an investment in LAIF which is subject to being adjusted to "fair value". The City is required to disclose its methods and assumptions used to estimate the market 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. At June 30, 2013, the City had a contractual withdrawal value of $8,763,215, whose pro-rata share of fair value was estimated by the State Treasurer to be $8,765,609. The fair value change in this investment for the year came to an amount that was not material for presentation in the financial statements.

NOTE #4 – ACCOUNTS, NOTES AND LOANS RECEIVABLE

Receivables at June 30, 2013 were comprised of the following:

	Taxes	Accounts	Inter-Governmental	Interest	Utilities	Loans	Total Receivables
Governmental Activities:							
General Fund	$ 220,269	$ 1,044,352	$ -	$ 668	$ -	$ -	$ 1,265,289
Internal Services	-	974	-	1,011	-	-	1,985
Special Revenue	-	391,557	11,848	411	-	4,698,458 (1)	5,102,274
Debt Service	-	-	-	22	-	29,097,105 (2)	29,097,127
Capital Projects	-	1,046,924	639,625	783	-	2,123,749 (2)	3,811,081
Sub-Total Governmental Activities	220,269	2,483,807	651,473	2,895	-	35,919,312	39,277,756
Less: Allowance	-	(622,801) (3)	-	-	-	-	(622,801)
Total Governmental Activities	$ 220,269	$ 1,861,006	$ 651,473	$ 2,895	$ -	$ 35,919,312	$ 38,654,955
Business - Type Activities:							
Wastewater	$ -	$ 159,972	$ -	$ 891	$ 1,688,008	$ -	$ 1,848,871
Solid Waste	-	32,266	-	272	1,542,220	-	1,574,758
Water	-	272,238	-	596	2,434,471	-	2,707,305
City Rentals	-	80,869	-	2	-	-	80,871
Housing	-	26,513	-	126	-	7,096,943 (1)	7,123,582
Total Business-Type Activities	$ -	$ 571,858	$ -	$ 1,887	$ 5,664,699	$ 7,096,943	$ 13,335,387

(1) Does not include reservation for Loans expected to be forgiven discussed on the following page.

(2) The City has recorded receivables for the Successor Agency's portion of long-term debt and funding commitments for capital projects. Both have been offset by unavailable revenue for fund financial statement presentation purposes. Note #12, which begins on page 85, discusses the dissolution of the Redevelopment Agency and the Successor Agency activities.

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

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

Notes and Loans Receivable at June 30, 2013 were comprised of the following:

Governmental Activities:	
Amounts Due from Successor Agency	$ 31,220,854
Loans under City Low Income Housing (including interest)	4,698,458
Sub-total Governmental Funds	35,919,312
Less: Reservation for Loans Expected to be Forgiven	4,698,458
Less: Reservation for Amounts Owed from Successor Agency	2,123,749
Net Notes and Loans Receivable	$ 29,097,105
Business - Type Activities:	
Down Payment Assistance and GAP Loans	$ 1,195,573
Loans under Affordable Housing In Lieu (including interest)	5,901,370
Sub-total Business - Type Activities	7,096,943
Less: Reservation for Loans Expected to be Forgiven	5,901,370
Net Notes and Loans Receivable	$ 1,195,573

Down Payment Assistance and GAP Loans – In fiscal year 2005/06 the City established a first time homebuyers Down Payment Assistance Program (DAP) for the benefit of first time homebuyers in the City of Brentwood who earn up to 120% of the area median income. The loans are due in 30 years or upon a change in ownership of the property. The loans may be prepaid at any time without penalty. The interest rate is dependent upon the length of time the loan exists. Loans held less than three years accrue interest at seven percent, loans held between three and ten years accrue interest at five percent and loans held longer than ten years accrue interest at three percent.

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

The City also established a first time homebuyers Gap Assistance Program (GAP) to facilitate the purchase of below market rate units from the City's Affordable Housing Program for first time homebuyers. The maximum GAP loan amount is $35,000. The GAP loans are due in 30 years or upon a change in ownership of the property. The interest rate is set at three percent, simple interest. The City is currently owed $1,195,573, including interest, under the DAP and GAP loan programs.

Amounts Due from Successor Agency

Under the terms of the Corporation Agreements between the City and the former Brentwood Redevelopment Agency, the City expends funds on capital projects on behalf of the Agency. The Agency then reimburses the City. Due to the dissolution of redevelopment, the liability for these expended funds was transferred from the Brentwood Redevelopment Agency to the Successor Agency. As of June 30, 2013, the balance of the amounts due to the City from the Successor Agency for capital projects was $2,123,749 for Governmental-type activities.

In addition, the former Redevelopment Agency had long-term obligations for the funding of its portion of the CIP 2012 Revenue Refunding Bonds and the 2009 Civic Center Project Lease Revenue Bonds. The Successor Agency has pledged future tax revenues for the repayment of its portion of the bonds. The City has recorded a receivable for the debt obligations due from the Successor Agency. The balance of the receivables at June 30, 2013 was $29,097,105 and has been offset in the deferred inflows of resources in the Governmental Fund financial statements. The long-term obligations are discussed in further detail in both Note #6 and Note #12.

Loans under the Redevelopment Agency and the City's Affordable Housing In-Lieu Programs – The City and the former Brentwood Redevelopment Agency entered into the loan programs, shown below, to improve the quality and availability of affordable housing. Loans under the programs provide for the eventual forgiveness of the loan balances if the borrower complies with all the terms of the loan over its full term. The loans are accounted for as conditional grants in the Entity-Wide financial statements and provide a reserve against their eventual forgiveness. However, with the dissolution of the Redevelopment Agency, as discussed in Note #12, the City agreed to become the successor to the Redevelopment Agency's housing activities. Therefore, as of February 1, 2012, the City Low Income Housing Asset Fund assumed the loans receivable of the former Redevelopment Agency's Low and Moderate Income Housing Fund as discussed in Note #12. The City Low Income Housing Asset and Affordable Housing In-Lieu loans were comprised of the following at June 30, 2013:

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

Governmental Activities:		
Brentwood/202 Senior Housing, Inc.	$	314,550
Christian Church Homes Sycamore II		975,688
Eden Housing		124,125
Mercy Housing		1,673,000
Brentwood Senior Commons		400,000
Brentwood Green Valley		1,211,095
Sub-total Loans under City Low Income Housing		4,698,458
Less: Reservation for Loans Expected to be Forgiven		4,698,458
Net Notes and Loans Receivable	$	-
Business-Type Activities:		
Eden Housing	$	1,111,000
Mercy Housing		717,000
Meta Housing		4,073,370
Sub-total Loans under Affordable Housing In Lieu		5,901,370
Less: Reservation for Loans Expected to be Forgiven		5,901,370
Net Notes and Loans Receivable	$	-

Brentwood/202 Senior Housing, Inc. – In April 1996, the Agency loaned Brentwood/202 Senior Housing, Inc., a California non-profit public benefit corporation, $314,550 to assist in the financing of the construction of a 40-unit senior housing project. The principal sum of the note does not bear interest. The outstanding principal due under this note is due and payable in full, forty years from the date of recording the Deed of Trust or upon an event of default. In the event there has been no event of default that has not been cured, the Agency shall forgive the outstanding principal balance due on the maturity date. The balance at June 30, 2013 was $314,550.

Christian Church Homes Sycamore II – In June 2003, the Agency entered into a note with Christian Church Homes of Northern California, in the amount of $530,722, to construct 40 units of very low-income senior rental housing. The note is a 3% per annum simple interest, 55-year loan. In July 2004, a new note was executed with Sycamore Place II Senior Housing Corporation which amended, superseded and replaced in its entirety the original note of $530,722. This new note, in the amount of $755,722, is secured by a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing. The principal sum of this note will bear 3% per annum, simple interest. All principal, and all accrued and unpaid interest, shall be due and payable in full no later than June 27, 2058 or upon default. As of June 30, 2013, principal and accrued interest total $975,688. There is a reasonable expectation this note will be forgiven upon successful completion of the terms and conditions of the note and, as such, a reservation for forgiveness of the note has been included in these financial statements.

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

Eden Housing – The City of Brentwood Affordable Housing and the Agency entered into two notes with Eden Housing, Inc. for the development of Brentwood City Commons, an 80-unit very-low and extremely-low income senior apartment project in the amounts of $900,000 and $100,000 respectively. The notes are secured by Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing. The notes are 3% simple interest per annum, 55-year loans unless event of default occurs. As of June 30, 2013, principal and accrued interest for both notes total $1,235,125. There is a reasonable expectation these notes will be forgiven upon successful completion of the terms and conditions of the notes and, as such, a reservation for forgiveness of the notes has been included in these financial statements.

Mercy Housing – In May 2006, the City of Brentwood Affordable Housing and the Agency entered into two notes with Mercy Housing, Inc., in the amounts of $600,000 and $1,400,000, in order to develop 94 affordable apartments for extremely low or very low-income households at an affordable rent as set forth in the Affordable Housing Covenant. So long as Mercy Housing, Inc. owns and operates the project in compliance with the Affordable Housing Covenant, and the agreement is not in default under these notes, no payments shall be due. The entire outstanding unpaid principal and interest of the notes shall be due and payable in full upon either the earlier of the 55-years after the closing of the notes or December 31, 2063. The notes shall bear interest at 3% per annum from the date of disbursement. As of June 30, 2013, the principal and accrued interest due for both notes total $2,390,000. There is a reasonable expectation these notes will be forgiven upon successful completion of the terms and conditions of the notes and, as such, a reservation for forgiveness of the notes has been included in these financial statements.

Brentwood Senior Commons – In November 2010, the Brentwood Redevelopment Agency entered into a Loan Agreement with Brentwood Senior Commons, L.P. in the amount of $400,000 to provide funding for a portion of elevator improvements within the Brentwood Senior Commons project. This note shall bear zero (0%) interest unless there is a default in the conditions of the note. So long as Brentwood Senior Commons owns and operates the project in compliance with the Affordable Housing Covenant, no payments shall be due and the entire outstanding principal and interest, if any due to default, shall be due and payable in full on January 25, 2060. On the maturity date, the City of Brentwood as Housing Successor may, in its sole discretion, forgive the repayment of all or part of the Loan. As of June 30, 2013, the principal due totaled $400,000. There is a reasonable expectation this note will be forgiven upon successful completion of the terms and conditions of the note and, as such, a reservation for forgiveness of the note has been included in these financial statements.

Brentwood Green Valley – In January 2011, the Brentwood Redevelopment Agency entered into a Loan Agreement with Brentwood Green Valley Associates in the amount of $1,258,886 to provide funds to repair and rehabilitate Green Valley Apartments, a 28-unit, extremely-low and very-low income, multi-family project. The loan was disbursed in two payments in accordance with the loan agreement. This note bears simple interest at a rate of 3% per annum from the date of disbursement. So long as Brentwood Green Valley owns and operates the project in compliance with the Affordable Housing Covenant, and the agreement is not in default under the note, the City as Housing Successor shall forgive the annual interest and the outstanding principal balance of this note on a per annum basis, prorated for partial years, in an amount equal to 1.82% of the original principal amount of this note (55-year amortization).

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

In addition, all accrued but unpaid interest is forgiven so long as the note is not in default. As of June 30, 2013, the principal and accrued interest due for both notes, before the forgiveness, totaled $1,234,006. Per the terms of the note, $22,912 of the principal and $37,020 of the interest were forgiven at June 30, 2013. The remaining balance at June 30, 2013 totaled $1,211,095. There is a reasonable expectation this note will be forgiven upon successful completion of the terms and conditions of the note and, as such, a reservation for forgiveness of the note has been included in these financial statements.

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

In June 2012, the promissory note between the City of Brentwood and Meta Housing Corporation was signed and the loan was funded. As the loan had not been funded at the time of the redevelopment dissolution, and subsequently not approved as an enforceable obligation by the Department of Finance, the City assumed the rights and obligations under the loan agreement and funded the loan from the City Housing Fund

The note is a 3% per annum simple interest, 55-year loan. So long as Meta Housing owns and operates the project in compliance with the Affordable Housing Covenant, no payments shall be due and the entire outstanding unpaid principal and interest shall be due and payable on June 20, 2067. As of June 30, 2013, principal and accrued interest total $4,073,370. There is a reasonable expectation this note will be forgiven upon successful completion of the terms and conditions of the note and, as such, a reservation for forgiveness of the note has been included in these financial statements.

NOTE #5 – CAPITAL ASSETS

The City reports all capital assets, including infrastructure, in the Government-Wide Statement of Net Position. Capital assets of the primary government, as of June 30, 2013, are as follows:

	Balance July 1, 2012 Restated	Increases	Decreases	Transfers	Balance June 30, 2013
Governmental Activities:					
Capital Assets, Not Being Depreciated or Amortized:					
Land	$ 36,427,074	$ -	$ (598,950)	$ -	$ 35,828,124
Work in Progress - CIP	6,719,822	5,791,054	-	(5,762,059)	6,748,817
Total Capital Assets, Not Being Depreciated or Amortized	43,146,896	5,791,054	(598,950)	(5,762,059)	42,576,941
Capital Assets, Being Depreciated and Amortized:					
Intangible Assets	6,258,156	-	-	-	6,258,156
Buildings	56,004,743	-	-	233,413	56,238,156
Infrastructure	426,241,993	12,592,901	-	5,428,995	444,263,889
Machinery and Equipment	6,141,895	31,294	(75,607)	99,651	6,197,233
Vehicles	7,912,061	527,234	(133,357)	-	8,305,938
Land Improvements	27,254,973	-	-	-	27,254,973
Total Capital Assets Being Depreciated and Amortized	529,813,821	13,151,429	(208,964)	5,762,059	548,518,345
Less Accumulated Depreciation and Amortization for:					
Intangible Assets	688,692	96,279	-	-	784,971
Buildings	2,595,261	1,119,249	-	-	3,714,510
Infrastructure	65,324,897	6,557,569	-	-	71,882,466
Machinery and Equipment	2,030,145	550,100	(75,516)	-	2,504,729
Vehicles	4,702,028	752,012	(133,357)	-	5,320,683
Land Improvements	2,738,433	521,730	-	-	3,260,163
Total Accumulated Depreciation and Amortization	78,079,456	9,596,939	(208,873)	-	87,467,522
Total Capital Assets, Being Depreciated and Amortized, Net	451,734,365	3,554,490	(91)	5,762,059	461,050,823
Governmental Activities Capital Assets, Net	$ 494,881,261	$ 9,345,544	$ (599,041)	$ -	$ 503,627,764
Business-Type Activities:					
Capital Assets, Not Being Depreciated or Amortized:					
Land	$ 2,034,202	$ 120,000	$ -	$ -	$ 2,154,202
Work in Progress - CIP	3,295,321	7,496,119	-	(333,161)	10,458,279
Total Capital Assets, Not Being Depreciated or Amortized	5,329,523	7,616,119	-	(333,161)	12,612,481
Capital Assets, Being Depreciated and Amortized:					
Intangible Assets	10,597,532	-	-	-	10,597,532
Buildings	24,834,912	258,129	-	-	25,093,041
Infrastructure	221,914,377	4,107,182	-	(85,692)	225,935,867
Machinery and Equipment	1,296,718	-	(9,737)	418,853	1,705,834
Land Improvements	10,925,186	-	-	-	10,925,186
Total Capital Assets Being Depreciated and Amortized	269,568,725	4,365,311	(9,737)	333,161	274,257,460
Less Accumulated Depreciation and Amortization for:					
Intangible Assets	2,111,078	259,192	-	-	2,370,270
Buildings	4,210,293	497,793	-	-	4,708,086
Infrastructure	29,346,166	3,437,635	-	-	32,783,801
Machinery and Equipment	949,119	74,659	(6,491)	-	1,017,287
Land Improvements	1,549,378	251,630	-	-	1,801,008
Total Accumulated Depreciation and Amortization	38,166,034	4,520,909	(6,491)	-	42,680,452
Total Capital Assets, Being Depreciated and Amortized, Net	231,402,691	(155,598)	(3,246)	333,161	231,577,008
Business-Type Activities Capital Assets, Net	$ 236,732,214	$ 7,460,521	$ (3,246)	$ -	$ 244,189,489

Note: The California Department of Transportation (CalTrans) relinquished ownership of the portion of State Highway 4 that runs through the City in January 2012, which is approximately 3.7 miles of roads. The City estimated the fair value of the roads transferred to the City to be $21,446,020 on the date of transfer, but the transaction was not recorded as an addition to capital assets during the fiscal year ended June 30, 2012. Capitalized improvements to Brentwood Boulevard prior to the ownership in the amount of $11,308 in land and $6,753,337 in infrastructure and the related accumulated depreciation of $516,130 have been removed. Therefore, the net change in balances at July 1, 2012 of governmental activities have been restated in the following amounts; a decrease in land of $11,308, an increase in infrastructure of $14,692,683, and a decrease in accumulated depreciation of $516,130.

NOTE #5 – CAPITAL ASSETS (Continued)

For the year ended June 30, 2013, depreciation and amortization expense on capital assets was charged as follows:

Governmental Activities:		
General Government	$	1,943,013
Public Safety		243,472
Community Development		1,401
Public Works		4,960,333
Parks and Recreation		1,348,929
Internal Service		1,099,791
Total Depreciation and Amortization Expense - Governmental Activities	**$**	**9,596,939**
Business-Type Activities:		
Wastewater	$	1,473,366
Solid Waste		70,903
Water		2,945,309
Housing		31,331
Total Depreciation and Amortization Expense - Business-Type Activities	**$**	**4,520,909**

A. INTANGIBLE ASSETS

i. Water Rights

In an agreement between the City of Brentwood and the Contra Costa Water District (CCWD), dated February 29, 2000, the City is obligated to reimburse CCWD $597,532 as a buy-down cost per acre foot of water. The City capitalized this expenditure as of June 30, 2001 and is amortizing the expense over 65 years.

In an amendatory agreement between Brentwood and CCWD, dated September 24, 2003, the City purchased the treatment capacity right of up to 3,200 acre feet of water per year, from the Randall-Bold Water Treatment Plant, for $10,000,000. The City capitalized this expenditure as of June 30, 2004 and is amortizing the expense over 40 years. The capacity right doesn't confer title or ownership of the facility, but merely reserves capacity in the facility.

NOTE #5 – CAPITAL ASSETS (Continued)

ii. Joint Use Facilities

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

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

NOTE #6 – LONG-TERM OBLIGATIONS

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

A. GOVERNMENTAL ACTIVITIES

	Balance June 30, 2012	Additions	Payments Adjustments	Balance June 30, 2013	Amounts Due Within One Year
Bonds					
CIP 2012 Revenue Refunding Bonds	$ 24,060,000	$ -	$ (855,000)	$ 23,205,000	$ 865,000
2002 General Obligation Bonds	6,536,845	267,153 (1)	(290,000)	6,513,998	325,000
Civic Center Project Lease Revenue Bonds	48,000,000	-	(625,000)	47,375,000	645,000
Net Bond Premium	1,335,275	-	(45,028)	1,290,247	-
Total Bonds	79,932,120	267,153	(1,815,028)	78,384,245	1,835,000
Capital Lease					
Equipment	555,313	-	(277,657)	277,656	277,656
Total Capital Lease	555,313	-	(277,657)	277,656	277,656
Other					
Net OPEB Obligation	8,013,755	1,606,639	-	9,620,394	-
Accumulated Compensated Absences	1,256,665	1,437,479	(1,434,719)	1,259,425	755,655
Total Other	9,270,420	3,044,118	(1,434,719)	10,879,819	755,655
Total General Long-Term Debt	$ 89,757,853	$ 3,311,271	$ (3,527,404)	$ 89,541,720	$ 2,868,311

(1) Accreted Interest

NOTE #6 – LONG-TERM OBLIGATIONS (Continued)

i. Bonds

- **CIP 2012 Revenue Refunding Bonds**

On January 11, 2012, the Authority issued $24,060,000 in Brentwood Capital Improvement Revenue Refunding Bonds, Series 2012 to: 1) finance the refund of the 2001 CIP Bonds under a Facilities Lease and 2) refund a series of tax allocation bonds issued by the Brentwood Redevelopment Agency. Total annual debt service payments, including interest at 2.00 percent to 5.25 percent, range from $1,643,119 to $1,939,388.

The Successor Agency to the Brentwood Redevelopment Agency has pledged future tax revenues for the repayment of a portion of the bonds. Following the dissolution of the Redevelopment Agency, the Successor Agency is allocated funds for payment of obligations listed on the Successor Agency's six month Recognized Obligation Payment Schedule (ROPS) and approved by the California State Department of Finance. As of June 30, 2013, the Successor Agency listed this debt obligation on its ROPS and the Department of Finance has approved its inclusion for each applicable ROPS period through December 31, 2013. The City has recorded a receivable for the debt obligations of the Successor Agency, as detailed in Note #4, and the Successor Agency has recorded a liability for these obligations as discussed in Note #12.

The pledge of future Successor Agency tax revenues ends upon repayment of the Successor Agency's $25,763,069 remaining share of debt service on the bonds, which is scheduled to occur in 2032. For fiscal year 2012/13, gross tax revenue available to be distributed to the Successor Agency totaled $5,110,997, which represented coverage of 3.74 times $1,365,550 of the Agency's debt service. The remaining portion of the bonds is repayable from any source of the City's available funds.

Year Ending June 30	Principal	Interest	Total
2014	$ 865,000	$ 1,063,788	$ 1,928,788
2015	885,000	1,041,863	1,926,863
2016	920,000	1,019,388	1,939,388
2017	925,000	991,688	1,916,688
2018	965,000	949,063	1,914,063
2019-2023	5,655,000	3,914,219	9,569,219
2024-2028	6,990,000	2,292,787	9,282,787
2029-2032	6,000,000	586,387	6,586,387
Total	$ 23,205,000	$ 11,859,183	$ 35,064,183

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

- **2002 General Obligation Bonds**

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

Year Ending June 30	Principal	Interest	Total
2014	$ 325,000	$ 80,325	$ 405,325
2015	360,000	63,263	423,263
2016	400,000	44,363	444,363
2017	445,000	23,363	468,363
2018	208,907	281,093	490,000
2019-2023	990,475	1,854,525	2,845,000
2024-2028	933,382	2,696,618	3,630,000
2029-2031	542,213	2,102,787	2,645,000
Sub-total	4,204,977	$ 7,146,337	$ 11,351,314
Accretion to date	2,309,021		
	$ 6,513,998		

- **Civic Center Project Lease Revenue Bonds**

On October 16, 2009, the Authority issued $48,000,000 in Civic Center Project Lease Revenue Bonds, Series 2009A, $4,055,000, and Taxable Series 2009B, $43,945,000, to finance the construction of a new City Hall, new Community Center and new Senior Center, plus library improvements and other public capital improvements. Total annual debt service payments, including interest at 3.00 percent to 7.647 percent (prior to Federal interest rebates relating to the 2009B portion of the bonds as described below), range from $3,130,976 to $4,350,204.

The Civic Center Project Lease Revenue Bonds, Series 2009A&B, are secured by a lien on and pledge of revenues under the Trust Agreement. "Revenues" means all amounts received by the Trustee as payment on principal and interest. The City's revenue sources, as described in the Official Statement, are from the Redevelopment Agency (now Successor Agency), which has pledged payments pursuant to the reimbursement agreement, pledged payments from the Community Facilities Districts (CFD) local obligations and pledged payments from the Capital Improvement Financing Program (CIFP) revenues.

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

As mentioned above, the Successor Agency to the Brentwood Redevelopment Agency has pledged future tax revenues for the repayment of a portion of the bonds. Following the dissolution of the Redevelopment Agency, the Successor Agency is allocated funds for payment of obligations listed on the Successor Agency's six month ROPS and approved by the California State Department of Finance. As of June 30, 2013, the Successor Agency listed this debt obligation on its ROPS and the Department of Finance has approved its inclusion for each applicable ROPS period through December 31, 2013. The City has recorded a receivable for the debt obligations of the Successor Agency, as detailed in Note #4, and the Successor Agency has recorded a liability for these obligations as discussed in Note #12.

However, should these revenue sources not be sufficient to cover the principal and interest payments due in any year, the City is obligated under the facilities lease to pay such shortfall from the General Fund.

The taxable portion of the 2009B bonds were sold as "Build America Bonds" pursuant to the American Recovery and Reinvestment Act of 2009. The interest on Build America Bonds is not tax-exempt and therefore the bonds carry a higher interest rate. However, this higher interest rate will be offset by a subsidy payable by the United States Treasury to the Authority, or its designee, equal to 35 percent of the interest payable on the bonds, although this amount is subject to reduction due to the Federal budget sequestration. Such subsidy will be payable on or about the date the City makes its debt service payments and the total subsidy received in fiscal year 2012/13 was $1,128,822.

Year Ending June 30	Principal	Interest	Total
2014	$ 645,000	$ 3,346,279	$ 3,991,279
2015	665,000	3,323,304	3,988,304
2016	1,040,000	3,289,204	4,329,204
2017	1,080,000	3,246,804	4,326,804
2018	1,125,000	3,190,554	4,315,554
2019-2023	6,345,000	14,819,609	21,164,609
2024-2028	7,860,000	12,405,794	20,265,794
2029-2033	9,950,000	9,097,957	19,047,957
2034-2038	12,670,000	4,808,052	17,478,052
2039-2040	5,995,000	463,983	6,458,983
Total	$ 47,375,000	$ 57,991,540	$ 105,366,540

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

ii. Capital Leases

On July 25, 2011, the City entered into a lease-to-purchase agreement with Motorola to purchase 150 installed Motorola police radios and accessories. The total lease amount is $832,970, which includes the lease rate of 3.27% over three years. The first and second lease-to-purchase payments were made in August 2011 and August 2012, respectively, in the amounts of $277,657 each. The final payment of $277,656 is due August 15, 2013.

iii. Net OPEB Obligation

Those individual governmental funds which provide for employee personnel costs (primarily the General Fund) will be responsible for liquidating their respective shares of the Net OPEB Obligation. Details regarding the City's Net OPEB Obligation can be found in Note #11, Post-Retirement Health Care Benefits, on pages 80 – 84.

iv. Accumulated Compensated Absences

The long-term compensated absences balances as of June 30, 2013 were:

Governmental	$ 503,770
Business-Type	$ 138,048

NOTE #6 – LONG-TERM OBLIGATIONS (Continued)

B. BUSINESS-TYPE ACTIVITIES

	Balance July 1, 2012	Additions	Payments Adjustments	Balance June 30, 2013	Amounts Due Within One Year
Bonds					
Water Revenue Bonds Series 2008	$ 51,100,000	$ -	$ (1,145,000)	$ 49,955,000	$ 1,200,000
Net Bond Discount	(667,151)	-	25,335	(641,816)	-
Total Bonds	50,432,849	-	(1,119,665)	49,313,184	1,200,000
Notes Payable					
CCWD Water Connection Fee	7,358,875	23,375	-	7,382,250	-
State Water Resources Loan (Wastewater)	22,576,240	-	(1,873,771)	20,702,469	1,907,594
Total Notes Payable	29,935,115	23,375	(1,873,771)	28,084,719	1,907,594
Other					
Net OPEB Obligation	2,499,888	376,861	-	2,876,749	-
Accumulated Compensated Absences	353,494	479,697	(488,072)	345,119	207,071
Total Other	2,853,382	856,558	(488,072)	3,221,868	207,071
Total All Business-Type Funds	$ 83,221,346	$ 879,933	$ (3,481,508)	$ 80,619,771	$ 3,314,665

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

i. Bonds

- **Water Revenue Bonds Series 2008**

On November 13, 2008, the City issued $53,200,000 in Water Revenue Bonds, with interest rates ranging from 4.5 to 5.5 percent, due July 1, 2038. The balance at June 30, 2013 is $49,955,000. Future payments for these bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2014	$ 1,200,000	$ 2,788,238	$ 3,988,238
2015	1,255,000	2,728,238	3,983,238
2016	1,320,000	2,665,488	3,985,488
2017	1,385,000	2,599,488	3,984,488
2018	1,460,000	2,523,313	3,983,313
2019-2023	8,640,000	11,281,837	19,921,837
2024-2028	9,940,000	8,661,075	18,601,075
2029-2033	10,670,000	5,941,863	16,611,863
2034-2038	14,085,000	2,520,225	16,605,225
Total	$ 49,955,000	$ 41,709,765	$ 91,664,765

The City has pledged future water customer revenues, net of specified operating expenses, through 2038 to repay the Water Revenue Bonds. The bond covenants require the net water revenues to exceed 1.25 times coverage of the annual principal and interest payments on the bonds. The Water Fund's total principal and interest remaining to be paid on the bonds at June 30, 2013 is $91,664,765. The Water Fund's principal and interest paid for the current year was $3,984,763 and the total customer net revenues paid for the current year was $6,607,827.

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

ii. Notes Payable

- **CCWD – Water Connection Fee**

On February 29, 2000, the City entered into an agreement with CCWD to pay all water connection fees for Brentwood's customers residing within CCWD's Los Vaqueros Service Area. The City would pay annually for its actual and anticipated future connections for a period of 20 years. The minimum amount required per year was 239 connections, for a total of 4,780 connections, over 20 years. The established rate, at June 30, 2013, was $3,474 per connection, with an interest rate of zero percent per annum, which increased the liability by $23,375. This agreement was entered into in anticipation of the expansion of the Urban Limit Line (ULL), and thus the City limits, into the Los Vaqueros Service Area, and the resulting development of this area.

Since the 2000 agreement was approved, two major events occurred – the ULL expansion wasn't approved by voters and the unexpected downturn in the housing market – which have resulted in an uncertainty regarding when the Los Vaqueros Service Area will be developed. Due to this uncertainty, the City and CCWD decided it was in their best interest to amend the Agreement to account for this uncertainty. Therefore, on July 31, 2009, the City executed an amendment to the CCWD agreement. The primary modification is the timing and method of payment. Instead of paying for a predetermined, equal number of units annually, the City will pay for the units as they are constructed. The City and CCWD will true-up over a two year period, which will make up the difference between the number of existing residential units and the number of residential units paid for to date. The amendment agreement required the City to pay $750,000 in fiscal year 2008/09 and $842,912 in fiscal year 2009/10. There were no fees paid in fiscal year 2010/11, $138,520 was paid in fiscal year 2011/12 and no fees were paid in fiscal year 2012/13. Forecasting the annual payments beyond 2012/13 is uncertain as any new connection fees related to the Los Vaqueros Service area will be paid as homes are built.

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

- **State Water Resources Loan (Wastewater)**

In December 2000, the City entered into a loan contract with the State of California's State Water Resources Control Board for the purpose of financing the Wastewater Treatment Plant 5MGD Expansion project. Under the terms of the contract, the City has agreed to repay the State $45,580,886 in exchange for receiving $37,983,920 in proceeds used to fund the project. The difference between the repayment obligation and proceeds amounted to $7,596,966 upon issue and represents in-substance interest on the outstanding balance. This in-substance interest amount has been recorded as a discount on debt at an imputed yield of 1.81% per year and is being amortized over the remaining life of the contract. As of June 30, 2013, the City's gross repayment obligation totaled $22,812,950 and is being reported in the accompanying financial statement net of the unamortized discount of $2,110,481. During fiscal year 2012/13, the City repaid $1,873,771 on the obligation and amortized $407,524 of the discount which was reported as interest expense.

Year Ending June 30	Principal	Interest	Total
2014	$ 1,907,594	$ 373,701	$ 2,281,295
2015	1,942,028	339,267	2,281,295
2016	1,977,084	304,211	2,281,295
2017	2,012,772	268,523	2,281,295
2018	2,049,105	232,190	2,281,295
2019-2023	10,813,886	592,589	11,406,475
Total	$ 20,702,469	$ 2,110,481	$ 22,812,950

NOTE #7 – SPECIAL ASSESSMENT DISTRICTS (No City Liability)

The following issues of Special Assessment District Bonds, issued pursuant to the Municipal Improvement Act of 1915, are not reported in long-term debt. These are special obligations payable from, and secured by, specific revenue sources described in the bond resolutions and official statements of the respective issues. The City is the collecting and paying agent for the debt issued by these districts, but neither the faith and credit nor the taxing power of the City, the State of California or any political subdivision thereof is pledged for the payment of these bonds. Debt Service for the special assessment district bonds is reported in the agency funds.

This area intentionally left blank.

NOTE #7 – SPECIAL ASSESSMENT DISTRICTS (Continued)

Special Assessment District Bonds	Assessment District Debt
Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2004 A & B (Refinancing of CIFP 94-1) • Dated February 12, 2004 • Annual debt service payments, including interest at 2.00 percent to 5.50 percent, range from $826,735 to $2,407,520 • Final payment due September 2029	$ 25,629,000
Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2004 C (Refinancing of CIFP 2000-1) • Dated November 19, 2004 • Annual debt service payments, including interest at 2.00 percent to 4.75 percent, range from $796,706 to $818,338 • Final payment due September 2030	9,645,000
Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2005 A & B (Refinancing of CIFP 2002-1) • Dated June 16, 2005 • Annual debt service payments, including interest at 2.50 percent to 5.15 percent, range from $1,046,784 to $1,057,496 • Final payment due September 2032	13,347,000
Brentwood Infrastructure Financing Authority - CIFP 2005-1 Infrastructure Revenue Bonds, Series 2005 • Dated August 3, 2005 • Annual debt service payments, including interest at 3.00 percent to 5.15 percent, range from $2,616,165 to $2,621,171 • Final payment due September 2035	35,030,000
Brentwood Infrastructure Financing Authority - CIFP 2006-1 Infrastructure Revenue Bonds, Series 2006 • Dated August 16, 2006 • Annual debt service payments, including interest at 3.90 percent to 5.20 percent, range from $1,134,205 to $1,139,455 • Final payment due September 2036	15,080,000
Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2006 A&B (Refinancing of CIFP 2003-1 & 2004-1) • Dated January 11, 2007 • Annual debt service payments, including interest at 3.63 percent to 5.00 percent, range from $825,608 to $1,905,000 • Final payment due September 2034	31,660,000
City of Brentwood - Limited Obligation Improvement Bonds, Randy Way Sewer Line • Dated August 7, 2007 • Annual debt service payments, including interest at 3.95 percent to 5.20 percent, range from $53,123 to $58,060 • Final payment due September 2037	770,000
Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2012 (Refinancing of CIFP's 1996, 98-1 and 99-1) • Dated June 7, 2012 • Annual debt service payments, including interest at 2.00 percent to 4.23 percent, range from $572,000 to $2,530,569. • Final payment due September 2029	20,810,000
Total Assessment District Debt	**$ 151,971,000**

NOTE #8 – CLASSIFICATION OF NET POSITION

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

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

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

- Unrestricted Net Position – This category represents the net position of the City, which is not restricted for any project or other purpose.

NOTE #9 – DEFINED BENEFIT PENSION 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 benefit provisions, as well as other requirements, is established by the State statutes within the Public Employee's Retirement Law. The City of Brentwood selects optional benefit provisions from the benefits 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 annual financial report may be obtained from the CalPERS Executive Office at 400 P Street, Sacramento, California 95814.

B. FUNDING POLICY

The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. Active plan members in the Miscellaneous Plan, hired prior to October 1, 2010, are required to contribute four percent of their annual covered salary, with the City paying the remaining four percent and an employer contribution of 17.005%. Miscellaneous Plan employees, hired after September 30, 2010, contribute their entire employee amount of seven percent (lower due to a reduced benefit level) of their annual covered salary, with the City paying the employer contribution of 17.005%. Miscellaneous Plan employees, new to CalPERS and hired after December 31, 2012, contribute their entire employee amount of 6.25% (due to the Pension Reform Act of 2013 "PEPRA", Assembly Bill 340) of their annual covered salary, with the City paying the employer contribution of 17.005%.

NOTE #9 – DEFINED BENEFIT PENSION PLAN (Continued)

Active plan members in the Safety Plan, hired prior to September 1, 2012, are required to contribute three percent of their annual covered salary, with the City paying the remaining six percent and an employer contribution of 27.349%. Safety Plan employees, hired after August 31, 2012, contribute the entire employee amount of nine percent of their annual covered salary, with the City paying the employer contribution of 20.057%. Safety Plan employees, new to CalPERS and hired after December 31, 2012, contribute their entire employee amount of 11.5% (due to the Pension Reform Act of 2013 "PEPRA", Assembly Bill 340) of their annual covered salary, with the City paying the employer contribution of 11.5%.

C. ANNUAL PENSION COST

For fiscal year 2012/13, the City of Brentwood's annual pension cost was $5,526,991. This amount equals the City's required and actual contributions. The required contribution for fiscal year 2012/13 was determined as part of the June 30, 2010 actuarial valuation using the entry age normal actuarial cost method, with the contributions determined as a percent of pay. The actuarial assumptions included: 1) 7.75 percent investment rate of return (net of administrative expenses), 2) projected salary increases, which vary by duration of service, age and type of employment, ranging from 3.55 percent to 14.45 percent and 3) payroll growth of 3.25 percent. Both 1) and 2) include an inflation component of 3.00 percent. The actuarial values of the Plan's assets were determined using a technique which smoothes the effect of short-term volatility in the market value of investments over a 15-year period. The Plan's unfunded actuarial accrued liability (or excess assets) is being amortized as a level percentage of projected payrolls on a closed basis. The remaining amortization period ends June 30, 2029 for the Safety Plan and June 30, 2037 for the Miscellaneous Plan.

D. THREE-YEAR TREND INFORMATION FOR THE PLANS

Miscellaneous:

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2011	$ 3,452,016	100%	$ -
6/30/2012	$ 3,690,704	100%	$ -
6/30/2013	$ 3,399,080	100%	$ -

Safety:

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2011	$ 1,995,538	100%	$ -
6/30/2012	$ 2,338,227	100%	$ -
6/30/2013	$ 2,127,911	100%	$ -

NOTE #9 – DEFINED BENEFIT PENSION PLAN (Continued)

E. FUNDING STATUS

As of the June 30, 2011 valuation date, the most recent available, the funded status of the Miscellaneous Plan is 81.4% and the Safety Plan is 83.4%. The schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is either increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Miscellaneous:

CalPERS latest actuarial value (which differes from market value) and funding progress for the City's Miscellaneous Plan is shown below:

Valuation Date	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded Liability (Overfunded)	Funded Status	Annual Covered Payroll	Unfunded Actuarial Accrued Liability As a % of Payroll
6/30/2009	$ 59,231,285	$ 46,529,379	$ 12,701,906	78.6%	$ 15,815,781	80.3%
6/30/2010	$ 64,448,656	$ 51,650,390	$ 12,798,266	80.1%	$ 15,595,846	82.1%
6/30/2011	$ 70,784,681	$ 57,629,887	$ 13,154,794	81.4%	$ 16,423,251	80.1%

Safety:

As required by State law, effective July 1, 2005, the City's Safety Plan was terminated and the employees in the plan were required by CalPERS to join a State-wide pool. CalPERS' latest available actuarial value (which differs from market value) and funding progress for the State-wide pool is shown below:

Valuation Date	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded Liability (Overfunded)	Funded Status	Annual Covered Payroll	Unfunded Actuarial Accrued Liability As a % of Payroll
6/30/2009	$ 9,721,675,347	$ 8,027,158,724	$ 1,694,516,623	82.6%	$ 973,814,168	174.0%
6/30/2010	$ 10,165,475,166	$ 8,470,235,152	$ 1,695,240,014	83.3%	$ 955,980,815	177.3%
6/30/2011	$ 10,951,745,049	$ 9,135,654,246	$ 1,816,090,803	83.4%	$ 949,833,090	191.2%

The City's Safety Plan represents approximately 0.69%, 0.67% and 0.61% of the State-wide pool for the years ended June 30, 2011, 2010 and 2009, respectively, based on covered payroll of $6,554,902, $6,421,737 and $5,998,667 for those years.

NOTE #10 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; natural disaster; errors and omissions; injuries to employees and unemployment claims. The City, along with other Contra Costa County cities, belongs to the Municipal Pooling Authority of Northern California (MPANC). MPANC is a public entity risk pool currently operating as a common risk management and insurance program for the members. The City pays an annual premium to MPANC for the following: Liability ($29 million coverage, $10,000 deductible); Employer's Resource Management Association (ERMA) ($1 million coverage, $10,000 deductible on employment claims); Fire and Property ($1 billion coverage, $25,000 deductible for all-risk and copper claims, $150,000 deductible for water claims); Flood ($25 million coverage, $100,000 to $250,000 minimum deductible per occurrence); Auto ($250,000 coverage, Police $3,000 deductible, all others $2,000); Cyber ($2 million coverage, $50,000 deductible); Public Entity Pollution ($1 million coverage, $100,000 deductible); Boiler and Machinery ($25 million coverage, $5,000 deductible) and Workers Compensation (coverage to the statutory limit, $0 deductible). The agreement provides that MPANC will be self-sustaining through member premiums and assessments. MPANC purchases commercial insurance in excess of those amounts covered by its self-insurance pool.

MPANC was formed in June of 1977, under a "joint exercise of power agreement", to provide general liability, workers' compensation, property and employee benefits insurance coverage. It is governed by a Board of Directors composed of one appointed official from each City. Members as of June 30, 2013 were the cities of Antioch; Brentwood; Clayton; El Cerrito; Hercules; Lafayette; Manteca; Martinez; Oakley; 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 MPANC located at 1911 San Miguel Drive, Walnut Creek, CA 94596.

There have been no significant reductions in any of the City's areas of insurance. Settled claims have not exceeded coverage for these risks in any of the last three fiscal years. 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.

NOTE #11 – POST-RETIREMENT HEALTH CARE BENEFITS

A. PLAN DESCRIPTION

In addition to the pension benefits described in Note #9, the City provides certain post-retirement health care benefits. The City's Retiree Healthcare Plan ("Plan") is a single-employer defined benefit healthcare plan administered by the City. Benefit provisions are established and may be amended through agreements and memorandums of understanding between the City and its employees. The City provides retiree medical benefits through the CalPERS healthcare program (PEMHCA). The City covers premiums, subject to caps dependent on hire date for eligible retirees, with service or disability retirement directly from the City under CalPERS. Coverage extends to dependents and surviving spouses. No dental, vision or life insurance benefits are provided. The City has three benefit tier levels. All tiers provide for certain post-retirement health care benefits for employees who retire from the City and who meet the following criteria: 1) they retire on or after reaching

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

age 50 and 2) they have at least five years of cumulative service credits with organizations participating in a CalPERS Defined Benefit Pension Plan. The tiers are differentiated by maximum amount of health insurance coverage paid by the City.

The first tier, for employees who retire prior to July 1, 2012, provides for a maximum monthly coverage amount of $1,332.54 for miscellaneous retirees and $1,356.57 for safety retirees, with future increases in the maximum amount based upon annual increases in specified medical premium rates.

The second tier, for employees hired prior to July 1, 2012 with a retirement date on or after July 1, 2012, provides for a maximum monthly coverage amount of $1,226.63 for miscellaneous retirees and $1,356.57 for safety retirees. There will be no future increases in the maximum coverage amount for miscellaneous retirees until such time that the Kaiser employee-only monthly medical insurance rate exceeds $1,226.63. Future increases for safety retirees will be based upon annual increases in specific medical premium rates up to a cap of $1,500.00, at which point there will be no future increases in the maximum coverage amount for the Kaiser employee-only monthly insurance rate until it exceeds $1,500.00.

The third tier, for employees hired on or after July 1, 2012, provides for a maximum monthly coverage amount equal to the PEMHCA minimum, currently $115 per month. This amount is set annually by PEMHCA.

Currently 88 retirees, 81 of whom are in Tier 1 and 7 of whom are in Tier 2, are receiving these benefits. During fiscal year 2012/13, expenditures of $1,018,823 and pre-funding contributions of $650,177 were recognized for post-retirement health care.

At this time there is not a separate, audited Generally Accepted Accounting Principles (GAAP)-basis post-employment benefit plan report available. The calculations used in the determination of the City's OPEB costs are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point.

The City joined the California Employers' Retiree Benefit Trust (CERBT), an agent multiple-employer plan administered by CalPERS, consisting of an aggregation of single-employer plans. The CERBT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained from the California Public Employers' Retiree Benefit Trust, CERBT, P.O. Box 942703, Sacramento, CA 94229-2703.

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

B. FUNDING POLICY

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

The City chose to pay Plan benefits on a pay-as-you-go basis through fiscal year 2009/10 and since that time has made pre-funding contributions totaling $1,771,077. The City's current intention is to increase pre-funding annually until 85% of the full ARC is reached in fiscal year 2017/18. There are no employee contributions. For fiscal year 2012/13, the City paid $1,018,823 for pay-as-you-go retiree healthcare Plan benefits and $650,177 to pre-fund future Plan benefits.

Generally accepted accounting principles permit assets to be treated as OPEB assets and deducted from the Actuarial Accrued Liability when such assets are placed in an irrevocable trust or equivalent arrangement. The City's current year contributions, along with investment income, resulted in assets with CERBT of $1,936,159 as of June 30, 2013, which partially reduced the unfunded actuarial accrued liability. The schedule of funding progress for the OPEB Plan at the conclusion of Note #11 presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time.

C. ANNUAL OPEB COST AND NET OPEB OBLIGATION

The following table, which is based on the actuarial valuation as of June 30, 2011, shows: 1) the components of the annual OPEB cost for the year, 2) the amount actually contributed to the plan and 3) changes in the net OPEB obligation:

Annual Required Contribution	$ 4,005,000
Interest on Net OPEB Obligation	548,000
Adjustment to Annual Required Contribution	(900,500)
Annual OPEB Cost (Expense)	3,652,500
Contributions (Benefit Payments)	1,018,823
Contributions (Trust Pre-Funding)	650,177
Increase in Net OPEB Obligation	1,983,500
Net OPEB Obligation – July 1, 2012	10,519,500
Net OPEB Obligation – June 30, 2013	$ 12,503,000

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

The annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for the last three fiscal years, are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2011	$ 3,883,000	26.1%	$ 7,969,500
6/30/2012	$ 4,150,000	38.6%	$ 10,519,500
6/30/2013	$ 3,652,500	45.7%	$ 12,503,000

The annual OPEB obligation as of June 30, 2013 is comprised of the following:

Net OPEB Obligation – City	$ 12,497,143
Net OPEB Obligation – Successor Agency	5,857
Net OPEB Obligation – June 30, 2013	$ 12,503,000

The portion to which the Successor Agency is obligated is discussed in Note #12.

D. FUNDING STATUS AND FUNDING PROGRESS

The funded status of the Plan as of June 30, 2011, the Plan's most recent actuarial valuation date, is as follows:

Actuarial Accrued Liability (AAL)	$ 29,350,000
Actuarial Value of Plan Assets	322,000
Unfunded Actuarial Accrued Liability (UAAL)	$ 29,028,000
Funded Ratio (Actuarial Value of Plan Assets/AAL)	1%
Covered Payroll (Active Plan Members)	$ 21,848,000
UAAL as a Percentage of Covered Payroll	133%

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

Actuarial valuations of an ongoing plan involve estimates of the value of expected benefit payments and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan, and the annual required contributions of the employer, are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented in Section E below, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

E. ACTUARIAL METHODS AND ASSUMPTIONS

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2011 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included select and ultimate investment rates of return equal to 5.21% for the 2012/13 fiscal year and increasing annually to 6.80% over five years based on the City's funding policy. The method for calculating these rates used an assumed 7.25% discount rate for the portion of the full ARC pre-funded in the CalPERS OPEB Trust (CERBT) and an assumed 4.25% discount rate for the portion of the full ARC not pre-funded. Premiums were assumed to increase with a pre-Medicare medical cost increase rate of 8.50% for Health Maintenance Organizations (HMOs) and 8.90% for Preferred Provider Organizations (PPOs) for 2014 premiums over 2013 premiums, both grading down to 5.00% annual increases for calendar year 2021 and thereafter. The payroll and the general inflation assumptions are a 3.25% and 3.00% annual increase, respectively. The Unfunded Actuarial Accrued Liability (UAAL) is being amortized as a level percentage of projected payrolls over 27 years on a closed basis, from June 30, 2011.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded Actuarial Accrued Liability As a % of Covered Payroll ((b-a)/c)
6/30/2008	$ -	$ 22,885,000	$ 22,885,000	0.00%	$ 21,546,000	106%
6/30/2010	$ -	$ 30,282,000	$ 30,282,000	0.00%	$ 22,246,000	136%
6/30/2011	$ 322,000	$ 29,350,000	$ 29,028,000	1.10%	$ 21,848,000	133%

NOTE #12 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES

A. REDEVELOPMENT DISSOLUTION

In an effort to balance its budget, the State of California adopted ABx1 26 on June 28, 2011, amended by AB1484 on June 27, 2012, which suspended all new redevelopment activities, except for limited specified activities as of that date, and dissolved redevelopment agencies on February 1, 2012. The suspension provisions prohibited all redevelopment agencies from a wide range of activities, including: incurring new indebtedness or obligations; entering into or modifying agreements or contracts; acquiring or disposing of real property and taking actions to adopt or amend redevelopment plans and other similar actions, except actions required by law or to carry out existing enforceable obligations, as defined in ABx1 26.

In addition, ABx1 26 and AB1484 direct the State Controller to review the activities of all redevelopment agencies and successor agencies to determine whether an asset transfer between an agency and any public agency occurred on or after January 1, 2011. If an asset transfer did occur, and the public agency that received the asset is not contractually committed to a third party for the expenditure or encumbrance of the asset, the legislation purports to require the State Controller to order the asset returned to the redevelopment agency. The State Controller's Office conducted its review of asset transfers beginning in September 2013, but the results of that review are not yet available.

Effective February 1, 2012, the Brentwood Redevelopment Agency was dissolved and certain assets of the Redevelopment Agency Low and Moderate Income Housing Fund were distributed to a Housing Successor, and all remaining Redevelopment Agency assets and liabilities were distributed to a Successor Agency. Under the provisions of AB 1484, the City elected to become the Housing Successor and retain the housing assets. On February 1, 2012, certain housing assets were transferred to the City's Low Income Housing Special Revenue Fund. In February 2013, the Department of Finance completed its review of the Due Diligence Review (DDR) of the Low and Moderate Housing Fund's cash balance available for allocation to the affected taxing entities as of June 30, 2012 and determined that $3,989,500 held by the City Low Income Housing Special Revenue Fund and $83,053 held by the Successor Agency to the Brentwood Redevelopment Agency Private Purpose Trust Fund was available for allocation. The City transferred the balance from the City Low Income Housing Special Revenue Fund to the Successor Agency and has accounted for this activity as an extraordinary item. The Successor Agency transmitted the original balance of $83,053 to the County Auditor-Controller in January and complied with the State Department of Finance's (DOF) determination by transmitting the remaining payment of $3,989,500 to the County Auditor-Controller in February 2013.

The City also elected to become the Successor Agency to the Brentwood Redevelopment Agency and on February 1, 2012 the Redevelopment Agency's remaining assets were distributed to, and liabilities were assumed by, the Successor Agency. ABx1 26 requires the establishment of an Oversight Board to oversee the activities of the Successor Agency and one was established on April 11, 2012. The activities of the Successor Agency are subject to review and approval of the Oversight Board, which is comprised of seven members including one member of City Council and one former Redevelopment Agency employee appointed by the Mayor.

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

The activities of the Housing Successor are reported in the City Low Income Housing Special Revenue Fund as the City has control of those assets, which may be used in accordance with the low and moderate income housing provisions of California Redevelopment Law.

The activities of the Successor Agency are reported in the Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund as the activities are under the control of the Oversight Board. The City is providing administrative services to the Successor Agency to wind down the affairs of the former Redevelopment Agency.

As of June 30, 2013, cash and investments of the Successor Agency were pooled with the City's cash and investments. Details of the nature of the Successor Agency's cash and investments are presented in Note #3, pages 52 – 57. Information presented in the following footnotes represents other assets and liabilities of the Successor Agency as of June 30, 2013.

B. LONG-TERM DEBT

The Successor Agency assumed the long-term debt of the Redevelopment Agency as of February 1, 2012. The following summarizes the long-term debt of the Successor Agency as of June 30, 2013.

	Balance June 30, 2012	Additions	Payments Adjustments	Balance June 30, 2013	Amounts Due Within One Year
CIP 2012 Revenue Refunding Bonds	$ 17,155,000	$ -	$ (525,000)	$ 16,630,000	$ 550,000
Civic Center Project Lease Revenue Bonds	12,631,579	-	(164,474)	12,467,105	169,737
Net OPEB Obligation	5,857	-	-	5,857	5,857
Accumulated Compensated Absences	3,285	-	-	3,285	3,285
	$ 29,795,721	$ -	$ (689,474)	$ 29,106,247	$ 728,879

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

i. Bonds

- **CIP 2012 Revenue Refunding Bonds**

The Brentwood Redevelopment Agency issued 2001 CIP Tax Allocation Bonds, dated October 1, 2001, to finance certain Redevelopment projects. The Agency pledged future tax increment revenues, less amounts required to be set aside in the RDA Low Income Housing Fund, for the repayment of the Tax Allocation Bonds. On January 11, 2012, the Authority issued $24,060,000 in Brentwood Capital Improvement Revenue Refunding Bonds, Series 2012 to: 1) finance the refund of the 2001 CIP Bonds under a Facilities Lease and 2) refund a series of tax allocation bonds issued by the Brentwood Redevelopment Agency. Total annual debt service payments, including interest at 4.25 percent to 5.375 percent, range from $1,342,750 to $1,368,688.

The Successor Agency to the Brentwood Redevelopment Agency has pledged future tax revenues for the repayment of a portion of the bonds. Following the dissolution of the Redevelopment Agency, the Successor Agency is allocated funds for payment of obligations listed on the Successor Agency's six month ROPS and approved by the California State Department of Finance. The Successor Agency listed this debt obligation on its ROPS and the Department of Finance has approved its inclusion for each applicable ROPS period through December 31, 2013. The City has recorded a receivable for the debt obligations of the Successor Agency, as detailed in Note #4, pages 58 – 63. The pledge of future Successor Agency tax revenues ends upon repayment of the Successor Agency's $25,763,069 remaining share of debt service on the bonds, which is scheduled to occur in 2032.

- **Civic Center Project Lease Revenue Bonds**

On October 16, 2009, the Authority issued $48,000,000 in Civic Center Project Lease Revenue Bonds, Series 2009A, $4,055,000, and Taxable Series 2009B, $43,945,000, to finance the construction of a new City Hall, a new Community Center, a new Senior Center, plus library improvements and other public capital improvements. The Brentwood Redevelopment Agency entered into a Reimbursement agreement with the Authority which indicates the Agency will pay a proportionate amount of the City's Base Rental Payments for specific and allowable projects the Agency has agreed to fund. The Civic Center Project Lease Revenue Bonds generated $12,631,578 for allowable Agency projects.

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

The Successor Agency to the Brentwood Redevelopment Agency has pledged future tax revenues for the repayment of a portion of the bonds. Following the dissolution of the Redevelopment Agency, the Successor Agency is allocated funds for payment of obligations listed on the Successor Agency's six month ROPS and approved by the California State Department of Finance. As of June 30, 2013, the Successor Agency listed this debt obligation on its ROPS and the Department of Finance has approved its inclusion for each applicable ROPS period through December 31, 2013. The City has recorded a receivable for the debt obligations of the Successor Agency, as detailed in Note #4, pages 58 – 63. The pledge of future tax revenues ends upon repayment of the Successor Agency's $27,728,036 remaining share of debt service on the bonds. The repayment of the debt service is scheduled to occur in 2040.

Total debt service requirements for the Agency's two bond payment obligations are summarized below:

Year Ending June 30	Principal	Interest	Total
2014	$ 719,737	$ 1,696,150	$ 2,415,887
2015	750,000	1,664,791	2,414,791
2016	878,684	1,629,268	2,507,952
2017	904,211	1,590,547	2,494,758
2018	951,053	1,545,420	2,496,473
2019-2023	5,499,737	6,859,441	12,359,178
2024-2028	6,978,421	5,123,683	12,102,104
2029-2033	7,503,421	2,897,324	10,400,745
2034-2038	3,334,211	1,265,277	4,599,488
2039-2040	1,577,630	122,099	1,699,729
Total Payments Due	$ 29,097,105	$ 24,394,000	$ 53,491,105

ii. <u>Net OPEB Obligation</u>

The Successor Agency is responsible for a Net OPEB Obligation for its current and former employees. Details regarding the Net OPEB Obligation can be found in Note #11, pages 80 – 84. The Successor Agency's Net OPEB Obligation, as of June 30, 2013, was $5,857.

iii. <u>Accumulated Compensated Absences</u>

The long-term compensated absences balance as of June 30, 2013 was $3,285.

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

C. PLEDGED REVENUES

As discussed above, the Agency has pledged all future tax increment revenues for the repayment of its share of the CIP 2012 Revenue Refunding Bonds and the Civic Center Project Lease Revenue Bonds. The pledge of all future tax increment revenues ends upon repayment of $53,491,105 remaining debt service on the bonds, which is scheduled to occur in 2040. With the dissolution of the Redevelopment Agency discussed above, tax increment is no longer distributed and instead, the Successor Agency receives payments from the County's Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the bonds, with no distinction between housing and non-housing revenues. For fiscal year 2012/13, gross tax increment available to be distributed to the Successor Agency was $5,110,997, which represents coverage of 212% of the fiscal year 2012/13 debt service requirements.

D. COMMITMENTS AND CONTINGENCIES

i. State Approval of Enforceable Obligations

The Successor Agency prepares a ROPS semi-annually which contains all proposed expenditures for the subsequent six-month period. The ROPS is subject to the review and approval of the Oversight Board as well as the DOF. Although the DOF may elect not to question items included on the ROPS in one period, they may question the same items in a future period and disallow associated activities. The amount, if any, of current obligations that may be denied by the DOF cannot be determined at this time. The City is currently in litigation with the DOF regarding items on the ROPS. Refer to Note #14, page 92 for additional information.

ii. State Asset Transfer Review

The activities of the former Redevelopment Agency and the Successor Agency are subject to further examination by the State of California and the amount, if any, of expenditures which may be disallowed by the State cannot be determined at this time. In addition, the State Controller's Office will be conducting a review of the propriety of asset transfers between the former Redevelopment Agency or the Successor Agency and any public agency that occurred on or after January 1, 2011 and the amount, if any, of assets that may be required to be returned to the Successor.

The Successor Agency was also required to engage a licensed accountant to perform a Low and Moderate Income Housing Fund DDR and a separate DDR covering all funds other than the Low and Moderate Income Housing Fund. The Successor Agency submitted the Low and Moderate Income Housing Fund DDR to the DOF in December 2012 to determine the amount of cash and cash equivalents available for distribution to the affected taxing agencies. The DOF determined the Agency's Low and Moderate Income Housing Fund balance available for distribution was $4,072,553. This amount is comprised of the available amount per the DDR, $83,053, and a denial of the transfers of

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

funds for the Loan Agreement with Grove Sunset, L.P. for the Meta Housing project in the amount of $3,989,500. The amounts were remitted to the County in January 2013 and February 2013, respectively. The Successor Agency submitted the DDR covering all funds other than the Low and Moderate Income Housing Fund to DOF in January 2013. The DOF has determined that certain transfers disclosed in the DDR were invalid and the City disagrees with the findings of the DOF. The City is currently in litigation with the DOF regarding these disputed transfers. Refer to Note #14, page 92 for additional information.

iii. Construction Funding Commitments

As of June 30, 2013, the Successor Agency has committed funding totaling $3,416,950 to the City of Brentwood for the completion of several projects and as of June 30, 2013, and has made payments of $1,177,752. As of June 30, 2013, the Agency recognized $2,123,749 as payable to the City for funds spent on projects, while the remaining portion of $160,855 represents commitments to fund future project costs. The commitment of these funds was approved by the Brentwood Oversight Board and the funds were included on the Successor Agency's ROPS, although future payments are the subject of the litigation discussed in Note #14. Payment for these commitments began fiscal year 2012/13.

In addition, the Successor Agency had committed to funding $880,662 of Water Enterprise Fund projects, but the City determined that it would not pursue collection of the balance due to the denial of items included on the ROPS, and the reduction in the amount payable to the City has been reported as an extraordinary item.

NOTE #13 – CONTINGENT LIABILITIES

A. LITIGATION

The City is subject to litigation arising in the normal course of business. In the opinion of the City Attorney, there is no filed litigation, as of June 30, 2013 which is likely to have a material adverse effect on the financial position of the City. On July 17, 2013, subsequent to the fiscal year-end, the City and Successor Agency filed suit against the Department of Finance (DOF). Refer to Note #14 - Subsequent Events, for additional information.

B. STATE AND FEDERAL GRANTS

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

NOTE #13 – CONTINGENT LIABILITIES (Continued)

C. DEVELOPER FEE CREDITS

The City entered into several agreements with various developers and merchant builders who are developing residential and commercial projects throughout the City. The City agreed to grant these developers impact fee credits since they constructed certain improvements beyond what was needed to serve their specific projects. The value of these credits does not increase for inflation, nor do they accrue interest.

Any unused credits may be used by the developers on other projects located elsewhere in the City. The value of the credits, as of June 30, 2013, was $20,963,436, after a total of $4,078,361 was used as credits through fiscal year 2012/13. The accounting for the amounts due are not recorded as indebtedness since the payments (use of the credits) are contingent upon the collection of development fees from building growth which has not yet occurred.

D. CONSTRUCTION COMMITMENTS

As of June 30, 2013, the City had several commitments with respect to unfinished capital projects. The Successor Agency has committed funding totaling $3,462,356 to the City of Brentwood for the completion of those projects and, as of June 30, 2013, has made payments of $1,177,752. As of June 30, 2013, the City recognized $2,123,749 of this as a receivable from the Agency, offset with deferred inflows of resources, for project costs which have thus far been incurred. The remaining commitment of $160,855 represents Agency funding commitments for future project costs. The commitment of these funds was approved by the Brentwood Oversight Board and the funds were included on the Successor Agency's ROPS, although future payments are the subject of the litigation discussed in Note #14. Payment for these commitments began in fiscal year 2012/13.

As of June 30, 2013, the City had the following commitments with respect to unfinished major capital projects:

Project Name	Outstanding Commitments
Downtown Streetscape - Phases I & II	$ 213,934
John Muir/Foothill - Phase I	104,911
Library Relocation - Phase II	173,742
New City Hall	344,357
New Community Center	344,406
Sewer Manhole Rehabilitation	107,713
Solid Waste Transfer Station Expansion	1,706,148
	$ 2,995,211

NOTE #14 – SUBSEQUENT EVENTS

A. RDA LITIGATION

In April 2013, the California State Department of Finance (DOF) informed the City that it had denied $19,619,350 in transfers made from the former Brentwood Redevelopment Agency (RDA) to the City prior to the State of California's dissolution of Redevelopment. The transfers were made in accordance with third party contractual obligations entered into for the construction of five capital projects which had all commenced construction by 2011. Of the payment denied by DOF, $4,216,474 consisted of bond proceeds and/or investment income earned on the bond proceeds. The DOF also disallowed the transfer of nine parcels from the RDA to the City.

In May 2013, following a meet and confer session between the DOF and the City, the DOF reaffirmed its denial of the above transfers and ordered the City to return $4,216,474 in bond proceeds to the Successor Agency and remit $14,955,931 to the County Auditor-Controller for distribution to applicable taxing entities. The amounts required to be remitted to the County Auditor-Controller and Successor Agency were less than the total denial amount of the transfers as a result of a previously calculated negative balance available for distribution through the Due Diligence Review (DDR) process.

The City and Successor Agency have filed suit against the DOF claiming, among other things, that the DOF's DDR determination violates California Proposition 22 which prohibits the Legislature from reallocating tax increment; that the transfers made by the RDA were legally valid at the time they were made and were for enforceable obligations and third party contracts; that the transfers were made for the payment for goods and services which are broadly exempted from reversal as defined in California Health and Safety Code Section 34179.5(b)(3); that the DOF's enforcement of its final determination is unconstitutional; that the property transfers are not subject to the DDR process because they were not transferred with the meaning of California Health and Safety Code Section 34179.5 (b)(3); and that the property transfers were valid transfers in the first place.

A hearing on the merits of the litigation is scheduled for December 6, 2013. There has not been a final judicial or administrative determination regarding the legality of the retroactive provisions of ABx1 26 and AB1484. The amount, if any, of assets that may be required to be returned to the Successor Agency and/or remitted to the County Auditor-Controller cannot be determined at this time.

NOTE #15 – NET POSITION RESTATEMENT

The City has determined that a capital asset, received in the prior year and utilized as infrastructure in the Governmental Funds, was not reported in the prior year's financial statements. The asset has therefore been added to beginning net position in the Statement of Net Position and in the capital asset totals. The effects of the restatement on the beginning balance increased Governmental net position by $15,197,505.

GASB 65 requires retroactive restatement to July 1, 2012 for the removal of bond issuance costs in the financials. The effects of this restatement on the beginning balance are a decrease of $1,729,184 to the governmental activities and a decrease of $198,373 to the business-type activities.

Budgetary Comparison Schedule, General Fund

For Year Ended June 30, 2013

	Budget Amounts			
	Original Budget	**Final Budget**	**Actual**	**Variance**
REVENUES				
Taxes	$ 13,919,931	$ 13,919,931	$ 14,722,301	$ 802,370
Licenses	498,656	498,656	550,111	51,455
Permits and Fines	2,550,419	2,550,419	4,460,526	1,910,107
Uses of Money and Property	741,805	741,805	997,108	255,303
Intergovernmental	2,641,061	2,670,061	2,663,209	(6,852)
Franchises	1,284,409	1,284,409	1,254,136	(30,273)
Charges for Other Services	297,981	297,981	291,411	(6,570)
Charges to Other Funds	8,320,924	8,320,924	8,063,466	(257,458)
Fees and Other Revenues	1,799,288	1,841,724	1,938,906	97,182
Total Revenues	32,054,474	32,125,910	34,941,174	2,815,264
EXPENDITURES				
Current:				
General Government	5,924,612	5,902,612	5,270,516	632,096
Public Safety	16,646,342	16,646,342	16,369,327	277,015
Community Development	3,401,588	3,452,588	3,521,622	(69,034)
Engineering	2,634,256	2,634,256	2,438,310	195,946
Public Works	2,719,896	2,719,896	2,601,282	118,614
Parks and Recreation	4,931,087	4,936,887	4,769,710	167,177
Community Services	552,158	552,158	558,937	(6,779)
Total Expenditures	36,809,939	36,844,739	35,529,704	1,315,035
REVENUES OVER (UNDER) EXPENDITURES	(4,755,465)	(4,718,829)	(588,530)	4,130,299
OTHER FINANCING SOURCES (USES)				
Transfers In	6,259,852	6,259,852	5,292,620	(967,232)
Transfers Out	(2,321,006)	(5,294,426)	(5,209,375)	85,051
Total Other Financing Sources (Uses)	3,938,846	965,426	83,245	(882,181)
Net Change in Fund Balances	$ (816,619)	$ (3,753,403)	(505,285)	$ 3,248,118
Fund Balance, Beginning of Year			18,539,970	
Fund Balance, End of Year			$ 18,034,685	

NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

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

Combining Balance Sheet

Non-Major Governmental Funds

June 30, 2013

	Special Revenue Funds								
	Thoroughfares	Gas Tax	SB1186 Disability Access	Police Grants	Other Grants	Citywide Parks Districts	Community Facilities Districts	Community Facilities	Vehicle Abatement
ASSETS									
Current Assets:									
Cash and Investments	$ 3,649,437	$ -	$ 2,667	$ 134,172	$ -	$ 514,758	$ 129,164	$ 1,098,446	$ 79,608
Restricted Cash and Investments	-	-	-	-	-	-	-	-	-
Receivables	53,646	8	-	39,453	104,324	25	3	128,136	21,694
Prepaids	-	-	-	-	-	949	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-	-
Non-Current Assets:			-						
Interfund Advance Receivable	97,069	-	-	-	-	-	-	-	-
Total Assets	$ 3,800,152	$ 8	$ 2,667	$ 173,625	$ 104,324	$ 515,732	$ 129,167	$ 1,226,582	$ 101,302
LIABILITIES									
Liabilities:									
Accounts Payable and Accrued Liabilities	$ 1,192	$ -	$ 444	$ 186	$ 31,503	$ 199,143	$ 21	$ 1,345	$ 16
Due to Other Funds	-	-	-	-	59,281	-	-	-	-
Interfund Advance Payable	-	-	-	-	-	-	-	-	-
Total Liabilities	1,192	-	444	186	90,784	199,143	21	1,345	16
DEFERRED INFLOWS OF RESOURCES									
Unavailable Revenue - Accounts Receivable	53,588	-	-	-	11,848	-	-	128,107	-
Unavailable Revenue - Interfund Advance Receivable	97,069	-	-	-	-	-	-	-	-
Unavailable Revenue - Loans Receivable	-	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	150,657	-	-	-	11,848	-	-	128,107	-
FUND BALANCES									
Nonspendable	-	-	-	-	-	949	-	-	-
Restricted	-	8	2,223	173,439	1,692	-	-	-	-
Committed	3,648,303	-	-	-	-	315,640	129,146	1,097,130	101,286
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balances	3,648,303	8	2,223	173,439	1,692	316,589	129,146	1,097,130	101,286
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 3,800,152	$ 8	$ 2,667	$ 173,625	$ 104,324	$ 515,732	$ 129,167	$ 1,226,582	$ 101,302

Continued

Combining Balance Sheet

Non-Major Governmental Funds (Continued)

June 30, 2013

	Special Revenue Funds *(Continued)*							
	Infrastructure Improvements	City Low Income Housing	PEG Media	Asset Forfeiture	Measure C / J	Facility Fee Administration	Parks Advertising	Parks and Trails
ASSETS								
Current Assets:								
Cash and Investments	$ 5,989	$ 99,540	$ 809,607	$ 57,460	$ 1,474	$ 275,762	$ 44,291	$ -
Restricted Cash and Investments	-	-	-	-	-	-	-	-
Receivables	-	4,698,462	23	2	-	20,122	961	26,571
Prepaids	-	361	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-
Land Held for Resale	-	1,040,359	-	-	-	-	-	-
Non-Current Assets:								
Interfund Advance Receivable	-	-	-	-	-	-	-	-
Total Assets	$ 5,989	$ 5,838,722	$ 809,630	$ 57,462	$ 1,474	$ 295,884	$ 45,252	$ 26,571
LIABILITIES								
Liabilities:								
Accounts Payable and Accrued Liabilities	$ 1	$ 1,754	$ 147	$ 4,256	$ 2	$ 39	$ 6	$ 9
Due to Other Funds	-	-	-	-	-	-	-	-
Interfund Advance Payable	-	-	-	-	-	-	-	2,469,700
Total Liabilities	1	1,754	147	4,256	2	39	6	2,469,709
DEFERRED INFLOWS OF RESOURCES								
Unavailable Revenue - Accounts Receivable	-	-	-	-	-	20,115	-	26,571
Unavailable Revenue - Interfund Advance Receivable	-	-	-	-	-	-	-	-
Unavailable Revenue - Loans Receivable	-	4,698,458	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	4,698,458	-	-	-	20,115	-	26,571
FUND BALANCES								
Nonspendable	-	361	-	-	-	-	-	-
Restricted	-	1,138,149	809,483	53,206	1,472	275,730	-	-
Committed	5,988	-	-	-	-	-	45,246	-
Unassigned	-	-	-	-	-	-	-	(2,469,709)
Total Fund Balances	5,988	1,138,510	809,483	53,206	1,472	275,730	45,246	(2,469,709)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 5,989	$ 5,838,722	$ 809,630	$ 57,462	$ 1,474	$ 295,884	$ 45,252	$ 26,571

Continued

Combining Balance Sheet

Non-Major Governmental Funds (Continued)

June 30, 2013

	Special Revenue Funds *(Continued)*							
	Agriculture Administration	Public Art Administration	Public Art Acquisition	Arts Commission	Fire Fees	Agriculture Land	Parking In-Lieu	Lighting and Landscape Districts
ASSETS								
Current Assets:								
Cash and Investments	$ 514,786	$ 158,240	$ 783,715	$ 5,584	$ 3,235,758	$ 630,870	$ 27,206	$ 4,224,793
Restricted Cash and Investments	-	-	-	-	-	-	-	-
Receivables	15	4	22	-	52	16	1	8,734
Prepaids	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-
Non-Current Assets:								
Interfund Advance Receivable	-	-	-	-	-	-	-	-
Total Assets	$ 514,801	$ 158,244	$ 783,737	$ 5,584	$ 3,235,810	$ 630,886	$ 27,207	$ 4,233,527
LIABILITIES								
Liabilities:								
Accounts Payable and Accrued Liabilities	$ 91	$ 26	$ 146	$ 1	$ 323	$ 96	$ 5	$ 471,196
Due to Other Funds	-	-	-	-	-	-	-	-
Interfund Advance Payable	-	-	-	-	-	-	-	-
Total Liabilities	91	26	146	1	323	96	5	471,196
DEFERRED INFLOWS OF RESOURCES								
Unavailable Revenue - Accounts Receivable	-	-	-	-	-	-	-	8,600
Unavailable Revenue - Interfund Advance Receivable	-	-	-	-	-	-	-	-
Unavailable Revenue - Loans Receivable	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	8,600
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	514,710	158,218	783,591	5,583	3,235,487	630,790	27,202	3,753,731
Committed	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balances	514,710	158,218	783,591	5,583	3,235,487	630,790	27,202	3,753,731
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 514,801	$ 158,244	$ 783,737	$ 5,584	$ 3,235,810	$ 630,886	$ 27,207	$ 4,233,527

Continued

City of Brentwood

Combining Balance Sheet

Non-Major Governmental Funds (Continued)

June 30, 2013

	Debt Service Funds	Capital Project Funds			
	2002 General Obligation Bond	Capital Improvement Financing Program 2005-1	Capital Improvement Financing Program 2006-1	City Capital Improvement Financing Program	Civic Center Projects
ASSETS					
Current Assets:					
Cash and Investments	$ 49,789	$ -	$ -	$ 1,071,087	$ -
Restricted Cash and Investments	-	4,489,961	2,580,829	-	6,983,623
Receivables	8	-	-	31	201
Prepaids	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Land Held for Resale	-	-	-	-	-
Non-Current Assets:					-
Interfund Advance Receivable	-	-	-	-	-
Total Assets	$ 49,797	$ 4,489,961	$ 2,580,829	$ 1,071,118	$ 6,983,824
LIABILITIES					
Liabilities:					
Accounts Payable and Accrued Liabilities	$ 44	$ -	$ -	$ 221	$ 1,306
Due to Other Funds	-	-	-	-	-
Interfund Advance Payable	-	-	-	-	-
Total Liabilities	44	-	-	221	1,306
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Accounts Receivable	-	-	-	-	-
Unavailable Revenue - Interfund Advance Receivable	-	-	-	-	-
Unavailable Revenue - Loans Receivable	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	49,753	4,489,961	2,580,829	1,070,897	6,982,518
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	49,753	4,489,961	2,580,829	1,070,897	6,982,518
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 49,797	$ 4,489,961	$ 2,580,829	$ 1,071,118	$ 6,983,824

Continued

Combining Balance Sheet

Non-Major Governmental Funds (Continued)

June 30, 2013

	Capital Project Funds *(Continued)*						
	Community Facilities Improvement Projects	Park Improvement Projects	Drainage Improvement Projects	Street Improvement Projects	Economic Infrastructure Projects	Vineyards Projects	Total Non-Major Governmental Funds
ASSETS							
Current Assets:							
Cash and Investments	$ 1,331,449	$ -	$ 37,414	$ 3,071,849	$ 6,346,828	$ 1,854,642	$ 30,246,385
Restricted Cash and Investments	733,370	208,814	-	-	-	-	14,996,597
Receivables	1,499,961	1,651,437	1	659,214	183	53	8,913,363
Prepaids	-	-	-	-	-	-	1,310
Due from Other Funds	1,395,413	-	-	-	-	-	1,395,413
Land Held for Resale	-	-	-	-	-	-	1,040,359
Non-Current Assets:							
Interfund Advance Receivable	2,469,700	-	-	-	-	-	2,566,769
Total Assets	$ 7,429,893	$ 1,860,251	$ 37,415	$ 3,731,063	$ 6,347,011	$ 1,854,695	$ 59,160,196
LIABILITIES							
Liabilities:							
Accounts Payable and Accrued Liabilities	$ 1,034,054	$ 270,044	$ -	$ 604,976	$ 1,151	$ 330	$ 2,624,074
Due to Other Funds	-	1,336,132	-	-	-	-	1,395,413
Interfund Advance Payable	-	-	-	-	-	-	2,469,700
Total Liabilities	1,034,054	1,606,176	-	604,976	1,151	330	6,489,187
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue - Accounts Receivable	-	-	-	-	-	-	248,829
Unavailable Revenue - Interfund Advance Receivable	-	-	-	-	-	-	97,069
Unavailable Revenue - Loans Receivable	1,499,778	623,971	-	-	-	-	6,822,207
Total Deferred Inflows of Resources	1,499,778	623,971	-	-	-	-	7,168,105
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	1,310
Restricted	4,896,061	-	37,415	3,126,087	6,345,860	1,854,365	42,998,460
Committed	-	-	-	-	-	-	5,342,739
Unassigned	-	(369,896)	-	-	-	-	(2,839,605)
Total Fund Balances	4,896,061	(369,896)	37,415	3,126,087	6,345,860	1,854,365	45,502,904
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 7,429,893	$ 1,860,251	$ 37,415	$ 3,731,063	$ 6,347,011	$ 1,854,695	$ 59,160,196

This page intentionally left blank.

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-Major Governmental Funds

For Year Ended June 30, 2013

	Special Revenue Funds								
	Thoroughfares	Gas Tax	SB1186 Disability Access	Police Grants	Other Grants	Citywide Parks Districts	Community Facilities Districts	Community Facilities	Vehicle Abatement
REVENUES									
Taxes	$ -	$ -	$ -	$ -	$ -	$ 1,808,070	$ -	$ -	$ -
Uses of Money and Property	10,767	727	-	998	93	-	1,026	3,338	333
Intergovernmental	-	1,240,732	-	118,054	106,632	-	-	-	-
Fees and Other Revenues	2,729,470	-	2,346	-	-	43,772	3,285,231	934,242	113,335
Total Revenues	2,740,237	1,241,459	2,346	119,052	106,725	1,851,842	3,286,257	937,580	113,668
EXPENDITURES									
Current:									
General Government	2,430,495	-	123	-	118,480	-	-	59,142	-
Public Safety	-	-	-	105,479	-	-	-	-	75
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	2,640,669	-	-	-
Community Services	-	-	-	-	-	-	30,561	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Total Expenditures	2,430,495	-	123	105,479	118,480	2,640,669	30,561	59,142	75
REVENUES OVER (UNDER) EXPENDITURES	309,742	1,241,459	2,223	13,573	(11,755)	(788,827)	3,255,696	878,438	113,593
OTHER FINANCING SOURCES (USES)									
Transfers In	1,076,888	-	-	-	-	754,383	1,687,157	-	-
Transfers Out	(348,776)	(1,339,052)	-	-	-	-	(4,931,089)	(801,695)	(87,400)
Total Other Financing Sources (Uses)	728,112	(1,339,052)	-	-	-	754,383	(3,243,932)	(801,695)	(87,400)
Net Change in Fund Balances before Extraordinary Items	1,037,854	(97,593)	2,223	13,573	(11,755)	(34,444)	11,764	76,743	26,193
EXTRAORDINARY ITEMS									
Assets Transferred to Successor Agency	-	-	-	-	-	-	-	-	-
Total Extraordinary Items	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	1,037,854	(97,593)	2,223	13,573	(11,755)	(34,444)	11,764	76,743	26,193
Fund Balance, Beginning of Year	2,610,449	97,601	-	159,866	13,447	351,033	117,382	1,020,387	75,093
Fund Balance, End of Year	$ 3,648,303	$ 8	$ 2,223	$ 173,439	$ 1,692	$ 316,589	$ 129,146	$ 1,097,130	$ 101,286

Continued

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-Major Governmental Funds (Continued)

For Year Ended June 30, 2013

	Special Revenue Funds *(Continued)*							
	Infrastructure Improvements	City Low Income Housing	PEG Media	Asset Forfeiture	Measure C / J	Facility Fee Administration	Parks Advertising	Parks and Trails
REVENUES								
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Uses of Money and Property	33	27,980	4,407	403	1,548	105	65	-
Intergovernmental	-	-	-	-	691,116	-	-	-
Fees and Other Revenues	-	134,211	-	27,051	-	258,254	36,930	1,759,594
Total Revenues	33	162,191	4,407	27,454	692,664	258,359	36,995	1,759,594
EXPENDITURES								
Current:								
General Government	-	221,449	853	19,217	2,635	55,128	-	-
Public Safety	-	-	-	-	-	-	-	-
Community Development	6	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	22,626	1,728,381
Community Services	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Total Expenditures	6	221,449	853	19,217	2,635	55,128	22,626	1,728,381
REVENUES OVER (UNDER) EXPENDITURES	27	(59,258)	3,554	8,237	690,029	203,231	14,369	31,213
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	-	497
Transfers Out	-	-	(100,000)	-	(765,721)	-	-	-
Total Other Financing Sources (Uses)	-	-	(100,000)	-	(765,721)	-	-	497
Net Change in Fund Balances before Extraordinary Items	27	(59,258)	(96,446)	8,237	(75,692)	203,231	14,369	31,710
EXTRAORDINARY ITEMS								
Assets Transferred to Successor Agency	-	(3,989,500)	-	-	-	-	-	-
Total Extraordinary Items	-	(3,989,500)	-	-	-	-	-	-
Net Change in Fund Balances	27	(4,048,758)	(96,446)	8,237	(75,692)	203,231	14,369	31,710
Fund Balance, Beginning of Year	5,961	5,187,268	905,929	44,969	77,164	72,499	30,877	(2,501,419)
Fund Balance, End of Year	$ 5,988	$ 1,138,510	$ 809,483	$ 53,206	$ 1,472	$ 275,730	$ 45,246	$ (2,469,709)

Continued

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-Major Governmental Funds (Continued)

For Year Ended June 30, 2013

	Special Revenue Funds *(Continued)*							
	Agriculture Administration	Public Art Administration	Public Art Acquisition	Arts Commission	Fire Fees	Agriculture Land	Parking In-Lieu	Lighting and Landscape Districts
REVENUES								
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Uses of Money and Property	2,658	456	4,509	31	5,169	2,041	148	11,769
Intergovernmental	-	-	-	-	-	-	-	-
Fees and Other Revenues	45,848	63,235	147,684	-	273,799	183,393	-	5,173,978
Total Revenues	48,506	63,691	152,193	31	278,968	185,434	148	5,185,747
EXPENDITURES								
Current:								
General Government	43,770	117	11,514	758	1,398	21,019	28	-
Public Safety	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	5,398,220
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Total Expenditures	43,770	117	11,514	758	1,398	21,019	28	5,398,220
REVENUES OVER (UNDER) EXPENDITURES	4,736	63,574	140,679	(727)	277,570	164,415	120	(212,473)
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	1,922,480	-	-	-
Transfers Out	-	-	(100,000)	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	(100,000)	-	1,922,480	-	-	-
Net Change in Fund Balances before Extraordinary Items	4,736	63,574	40,679	(727)	2,200,050	164,415	120	(212,473)
EXTRAORDINARY ITEMS								
Assets Transferred to Successor Agency	-	-	-	-	-	-	-	-
Total Extraordinary Items	-	-	-	-	-	-	-	-
Net Change in Fund Balances	4,736	63,574	40,679	(727)	2,200,050	164,415	120	(212,473)
Fund Balance, Beginning of Year	509,974	94,644	742,912	6,310	1,035,437	466,375	27,082	3,966,204
Fund Balance, End of Year	$ 514,710	$ 158,218	$ 783,591	$ 5,583	$ 3,235,487	$ 630,790	$ 27,202	$ 3,753,731

Continued

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-Major Governmental Funds (Continued)

For Year Ended June 30, 2013

	Debt Service Funds	Capital Project Funds			
	2002 General Obligation Bond	Capital Improvement Financing Program 2005-1	Capital Improvement Financing Program 2006-1	City Capital Improvement Financing Program	Civic Center Projects
REVENUES					
Taxes	$ 394,838	$ -	$ -	$ -	$ -
Uses of Money and Property	-	19,626	8,413	9,723	45,038
Intergovernmental	-	-	-	-	-
Fees and Other Revenues	-	-	-	1,205,343	-
Total Revenues	394,838	19,626	8,413	1,215,066	45,038
EXPENDITURES					
Current:					
General Government	-	1,579,295	-	1,331	7,463
Public Safety	-	-	-	-	-
Community Development	5,979	-	-	-	-
Parks and Recreation	-	-	-	-	-
Community Services	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal	290,000	-	-	-	-
Interest and Fiscal Charges	94,836	-	-	-	-
Total Expenditures	390,815	1,579,295	-	1,331	7,463
REVENUES OVER (UNDER) EXPENDITURES	4,023	(1,559,669)	8,413	1,213,735	37,575
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	764,047	6,539
Transfers Out	-	-	-	(1,811,421)	(750,000)
Total Other Financing Sources (Uses)	-	-	-	(1,047,374)	(743,461)
Net Change in Fund Balances before Extraordinary Items	4,023	(1,559,669)	8,413	166,361	(705,886)
EXTRAORDINARY ITEMS					
Assets Transferred to Successor Agency	-	-	-	-	-
Total Extraordinary Items	-	-	-	-	-
Net Change in Fund Balances	4,023	(1,559,669)	8,413	166,361	(705,886)
Fund Balance, Beginning of Year	45,730	6,049,630	2,572,416	904,536	7,688,404
Fund Balance, End of Year	$ 49,753	$ 4,489,961	$ 2,580,829	$ 1,070,897	$ 6,982,518

Continued

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-Major Governmental Funds (Continued)

For Year Ended June 30, 2013

	Capital Project Funds *(Continued)*						
	Community Facilities Improvement Projects	**Park Improvement Projects**	**Drainage Improvement Projects**	**Street Improvement Projects**	**Economic Infrastructure Projects**	**Vineyards Projects**	**Total Non-Major Governmental Funds**
REVENUES							
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,202,908
Uses of Money and Property	48,722	310	592	32,231	34,555	9,348	287,162
Intergovernmental	662,752	1,660,680	-	1,183,839	-	-	5,663,805
Fees and Other Revenues	1,250	20,000	-	484,267	-	109,933	17,033,166
Total Revenues	712,724	1,680,990	592	1,700,337	34,555	119,281	25,187,041
EXPENDITURES							
Current:							
General Government	43,590	176,782	-	1,903,619	127,516	1,823	6,827,545
Public Safety	-	-	-	-	-	-	105,554
Community Development	-	-	-	-	-	-	5,985
Parks and Recreation	-	-	-	-	-	-	4,391,676
Community Services	-	-	-	-	-	-	5,428,781
Capital Outlay	3,774,327	1,086,293	97,694	832,741	-	-	5,791,055
Debt Service:							
Principal	-	-	-	-	-	-	290,000
Interest and Fiscal Charges	-	-	-	-	-	-	94,836
Total Expenditures	3,817,917	1,263,075	97,694	2,736,360	127,516	1,823	22,935,432
REVENUES OVER (UNDER) EXPENDITURES	(3,105,193)	417,915	(97,102)	(1,036,023)	(92,961)	117,458	2,251,609
OTHER FINANCING SOURCES (USES)							
Transfers In	2,014,789	137,971	53,581	1,456,043	-	-	9,874,375
Transfers Out	(2,026,735)	(9,082)	(592)	(1,404,531)	-	-	(14,476,094)
Total Other Financing Sources (Uses)	(11,946)	128,889	52,989	51,512	-	-	(4,601,719)
Net Change in Fund Balances before Extraordinary Items	(3,117,139)	546,804	(44,113)	(984,511)	(92,961)	117,458	(2,350,110)
EXTRAORDINARY ITEMS							
Assets Transferred to Successor Agency	-	-	-	-	-	-	(3,989,500)
Total Extraordinary Items	-	-	-	-	-	-	(3,989,500)
Net Change in Fund Balances	(3,117,139)	546,804	(44,113)	(984,511)	(92,961)	117,458	(6,339,610)
Fund Balance, Beginning of Year	8,013,200	(916,700)	81,528	4,110,598	6,438,821	1,736,907	51,842,514
Fund Balance, End of Year	$ 4,896,061	$ (369,896)	$ 37,415	$ 3,126,087	$ 6,345,860	$ 1,854,365	$ 45,502,904

This page intentionally left blank.

City of Brentwood

Combining Statement of Net Position

All Internal Service Funds

June 30, 2013

	Emergency Preparedness	Information Services	Equipment Replacement	Information Systems Replacement	Facilities Replacement	Tuition Program
ASSETS						
Current Assets:						
Cash and Investments	$ 3,107,082	$ 228,452	$ 8,707,347	$ 739,843	$ 2,051,164	$ 52,050
Receivables	89	92	247	21	58	2
Prepaids	-	2,418	-	-	-	-
Total Current Assets	3,107,171	230,962	8,707,594	739,864	2,051,222	52,052
Non-Current Assets:						
Capital Assets:						
Machinery and Equipment	-	-	3,394,174	-	-	-
Vehicles	-	-	8,305,938	-	-	-
Less Accumulated Depreciation	-	-	(6,964,384)	-	-	-
Total Capital Assets, Net of Accumulated Depreciation	-	-	4,735,728	-	-	-
Total Non-Current Assets	-	-	4,735,728	-	-	-
Total Assets	3,107,171	230,962	13,443,322	739,864	2,051,222	52,052
LIABILITIES						
Current Liabilities:						
Accounts Payable and Accrued Liabilities	2,806	21,253	386,420	25,326	12,989	9
Unearned Revenue	-	-	-	-	-	-
Long-Term Debt Due Within One Year	-	-	277,656	-	-	-
Compensated Absences Payable	-	53,608	-	-	-	-
Total Current Liabilities	2,806	74,861	664,076	25,326	12,989	9
Non-Current Liabilities Due in More Than One Year:						
Net OPEB Obligation	-	474,738	-	-	-	-
Compensated Absences Payable	-	35,738	-	-	-	-
Total Non-Current Liabilities	-	510,476	-	-	-	-
Total Liabilities	2,806	585,337	664,076	25,326	12,989	9
NET POSITION						
Net Investment in Capital Assets	-	-	4,448,217	-	-	-
Unrestricted	3,104,365	(354,375)	8,331,029	714,538	2,038,233	52,043
Total Net Position	$ 3,104,365	$ (354,375)	$ 12,779,246	$ 714,538	$ 2,038,233	$ 52,043

Continued

City of Brentwood

Combining Statement of Net Position

All Internal Service Funds (Continued)

June 30, 2013

	Fleet Maintenance	Facilities Maintenance Services	Parks and LLD Replacement	Insurance	Pension/Other Post-Employement Benefits Obligation	Totals
ASSETS						
Current Assets:						
Cash and Investments	$ 129,419	$ 333,391	$ 7,183,400	$ 263,204	$ 15,692,598	$ 38,487,950
Receivables	888	10	196	-	382	1,985
Prepaids	46,970	1,716	-	-	276,036	327,140
Total Current Assets	177,277	335,117	7,183,596	263,204	15,969,016	38,817,075
Non-Current Assets:						
Capital Assets:						
Machinery and Equipment	-	-	-	-	-	3,394,174
Vehicles	-	-	-	-	-	8,305,938
Less Accumulated Depreciation	-	-	-	-	-	(6,964,384)
Total Capital Assets, Net of Accumulated Depreciation	-	-	-	-	-	4,735,728
Total Non-Current Assets	-	-	-	-	-	4,735,728
Total Assets	177,277	335,117	7,183,596	263,204	15,969,016	43,552,803
LIABILITIES						
Current Liabilities:						
Accounts Payable and Accrued Liabilities	67,836	59,403	55,707	13,204	247,655	892,608
Unearned Revenue	888	-	-	-	-	888
Long-Term Debt Due Within One Year	-	-	-	-	-	277,656
Compensated Absences Payable	19,055	21,116	-	-	-	93,779
Total Current Liabilities	87,779	80,519	55,707	13,204	247,655	1,264,931
Non-Current Liabilities Due in More Than One Year:						
Net OPEB Obligation	194,893	311,494	-	-	-	981,125
Compensated Absences Payable	12,704	14,078	-	-	-	62,520
Total Non-Current Liabilities	207,597	325,572	-	-	-	1,043,645
Total Liabilities	295,376	406,091	55,707	13,204	247,655	2,308,576
NET POSITION						
Net Investment in Capital Assets	-	-	-	-	-	4,448,217
Unrestricted	(118,099)	(70,974)	7,127,889	250,000	15,721,361	36,796,010
Total Net Position	$ (118,099)	$ (70,974)	$ 7,127,889	$ 250,000	$ 15,721,361	$ 41,244,227

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

All Internal Service Funds

For Year Ended June 30, 2013

	Emergency Preparedness	Information Services	Equipment Replacement	Information Systems Replacement	Facilities Replacement	Tuition Program
Operating Revenues:						
Charges for Services	$ -	$ 1,809,614	$ 1,548,925	$ 731,926	$ 548,758	$ 19,903
Other Income	-	-	67,983	1,196	-	-
Total Operating Revenues	-	1,809,614	1,616,908	733,122	548,758	19,903
Operating Expenses:						
Personnel Services	-	1,462,614	-	-	-	-
Repairs and Maintenance	-	45	-	-	-	-
Materials, Supplies and Services	3,513	358,095	100,762	557,499	26,301	12,512
Depreciation and Amortization	-	-	1,099,791	-	-	-
Total Operating Expenses	3,513	1,820,754	1,200,553	557,499	26,301	12,512
Operating Income (Loss)	(3,513)	(11,140)	416,355	175,623	522,457	7,391
Non-Operating Revenue (Expenses):						
Interest Income	17,447	701	41,614	5,265	8,485	227
Total Non-Operating Revenues (Expenses)	17,447	701	41,614	5,265	8,485	227
Income (Loss) before Contributions and Transfers	13,934	(10,439)	457,969	180,888	530,942	7,618
Transfers In	25,000	7,810	22,535	12,568	1,567	-
Transfers Out	(107,447)	-	(354,000)	(350,000)	(125,000)	-
Change in Net Position	(68,513)	(2,629)	126,504	(156,544)	407,509	7,618
Net Position, Beginning of Year	3,172,878	(351,746)	12,652,742	871,082	1,630,724	44,425
Net Position, End of Year	$ 3,104,365	$ (354,375)	$ 12,779,246	$ 714,538	$ 2,038,233	$ 52,043

Continued

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

All Internal Service Funds (Continued)

For Year Ended June 30, 2013

	Fleet Maintenance	Facilities Maintenance Services	Parks and LLD Replacement	Insurance	Pension/Other Post-Employement Benefits Obligation	Totals
Operating Revenues:						
Charges for Services	$ 1,186,653	$ 1,409,365	$ 1,145,861	$ 875,826	$ 341,824	$ 9,618,655
Other Income	1,896	-	39,697	217,303	-	328,075
Total Operating Revenues	1,188,549	1,409,365	1,185,558	1,093,129	341,824	9,946,730
Operating Expenses:						
Personnel Services	605,933	873,855	-	-	-	2,942,402
Repairs and Maintenance	2,765	293	-	-	-	3,103
Materials, Supplies and Services	616,740	573,638	118,465	909,157	1,731,854	5,008,536
Depreciation and Amortization	-	-	-	-	-	1,099,791
Total Operating Expenses	1,225,438	1,447,786	118,465	909,157	1,731,854	9,053,832
Operating Income (Loss)	(36,889)	(38,421)	1,067,093	183,972	(1,390,030)	892,898
Non-Operating Revenue (Expenses):						
Interest Income	1,179	1,833	30,598	-	77,575	184,924
Total Non-Operating Revenues (Expenses)	1,179	1,833	30,598	-	77,575	184,924
Income (Loss) before Contributions and Transfers	(35,710)	(36,588)	1,097,691	183,972	(1,312,455)	1,077,822
Transfers In	4,549	5,557	408,772	-	6,598,852	7,087,210
Transfers Out	-	(45,000)	-	(3,648,852)	(57,575)	(4,687,874)
Change in Net Position	(31,161)	(76,031)	1,506,463	(3,464,880)	5,228,822	3,477,158
Net Position, Beginning of Year	(86,938)	5,057	5,621,426	3,714,880	10,492,539	37,767,069
Net Position, End of Year	$ (118,099)	$ (70,974)	$ 7,127,889	$ 250,000	$ 15,721,361	$ 41,244,227

Combining Statement of Cash Flows

All Internal Service Funds

For Year Ended June 30, 2013

	Emergency Preparedness	Information Services	Equipment Replacement	Information Systems Replacement	Facilities Replacement	Tuition Program
Cash Flows from Operating Activities						
Cash Received from Customers/Other Funds	$ 79	$ 1,809,357	$ 1,573,782	$ 731,990	$ 548,787	$ 19,904
Cash Payments to Suppliers of Goods and Services	(761)	(171,886)	(100,086)	(565,228)	(31,079)	(12,504)
Cash Payments to Employees for Services	-	(1,462,614)	-	-	-	-
Cash Payments for Interfund Services	-	(125,617)	-	-	-	-
Other Receipts	-	-	67,983	1,196	-	-
Net Cash Provided By (Used for) Operating Activities	(682)	49,240	1,541,679	167,958	517,708	7,400
Cash Flows from Non-Capital Financing Activities						
Transfers Received	25,000	7,810	22,535	12,568	1,567	-
Transfers Paid	(107,447)	-	(354,000)	(350,000)	(125,000)	-
Net Cash Provided By (Used for) Non-Capital Financing Activities	(82,447)	7,810	(331,465)	(337,432)	(123,433)	-
Cash Flows from Capital and Related Financing Activities						
Principal Paid on Debt	-	-	(277,657)	-	-	-
Acquisition and Construction of Capital Assets	-	-	(174,779)	-	-	-
Net Cash Provided By (Used for) Capital and Related Financing Activities	-	-	(452,436)	-	-	-
Cash Flows from Investing Activities						
Interest on Investments	17,447	701	41,614	5,265	8,485	227
Net Cash Provided By Investing Activities	17,447	701	41,614	5,265	8,485	227
Net Increase (Decrease) in Cash and Cash Equivalents	(65,682)	57,751	799,392	(164,209)	402,760	7,627
Cash and Cash Equivalents - Beginning of Year	3,172,764	170,701	7,907,955	904,052	1,648,404	44,423
Cash and Cash Equivalents - End of Year	$ 3,107,082	$ 228,452	$ 8,707,347	$ 739,843	$ 2,051,164	$ 52,050
Reconciliation of Operating Income to Net Cash Provided By (Used for) Operating Activities:						
Operating Income (Loss)	$ (3,513)	$ (11,140)	$ 416,355	$ 175,623	$ 522,457	$ 7,391
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used for) Operating Activities:						
Depreciation	-	-	1,099,791	-	-	-
Change in Assets and Liabilities:						
Receivables, Net	79	(83)	24,857	64	29	1
Prepaid Items	-	(174)	-	-	-	-
Accounts Payable and Other Payables	2,752	(9,563)	676	(7,729)	(4,778)	8
Net OPEB Obligation	-	62,865	-	-	-	-
Compensated Absences Payable	-	7,335	-	-	-	-
Net Cash Provided By (Used for) Operating Activities	$ (682)	$ 49,240	$ 1,541,679	$ 167,958	$ 517,708	$ 7,400
Noncash Capital Activities:						
Capital Asset Contributions	$ -	$ -	$ -	$ -	$ -	$ -

Continued

Combining Statement of Cash Flows

All Internal Service Funds (Continued)

For Year Ended June 30, 2013

	Fleet Maintenance	Facilities Maintenance Services	Parks and LLD Replacement	Insurance	Pension/Other Post-Employement Benefits Obligation	Totals
Cash Flows from Operating Activities						
Cash Received from Customers/Other Funds	$ 1,140,702	$ 1,409,283	$ 1,145,955	$ 1,290,381	$ 65,948	$ 9,736,168
Cash Payments to Suppliers of Goods and Services	(504,206)	(444,868)	(63,853)	(903,704)	(1,484,201)	(4,282,376)
Cash Payments to Employees for Services	(571,491)	(837,421)	-	-	-	(2,871,526)
Cash Payments for Interfund Services	(75,697)	(120,513)	-	-	-	(321,827)
Other Receipts	1,896	-	39,697	13,015	-	123,787
Net Cash Provided By (Used for) Operating Activities	(8,796)	6,481	1,121,799	399,692	(1,418,253)	2,384,226
Cash Flows from Non-Capital Financing Activities						
Transfers Received	4,549	5,557	408,772	-	6,598,852	7,087,210
Transfers Paid	-	(45,000)	-	(3,648,852)	(57,575)	(4,687,874)
Net Cash Provided By (Used for) Non-Capital Financing Activities	4,549	(39,443)	408,772	(3,648,852)	6,541,277	2,399,336
Cash Flows from Capital and Related Financing Activities						
Principal Paid on Debt	-	-	-	-	-	(277,657)
Acquisition and Construction of Capital Assets	-	-	-	-	-	(174,779)
Net Cash Provided By (Used for) Capital and Related Financing Activities	-	-	-	-	-	(452,436)
Cash Flows from Investing Activities						
Interest on Investments	1,179	1,833	30,598	-	77,575	184,924
Net Cash Provided By Investing Activities	1,179	1,833	30,598	-	77,575	184,924
Net Increase (Decrease) in Cash and Cash Equivalents	(3,068)	(31,129)	1,561,169	(3,249,160)	5,200,599	4,516,050
Cash and Cash Equivalents - Beginning of Year	132,487	364,520	5,622,231	3,512,364	10,491,999	33,971,900
Cash and Cash Equivalents - End of Year	$ 129,419	$ 333,391	$ 7,183,400	$ 263,204	$ 15,692,598	$ 38,487,950
Reconciliation of Operating Income to Net Cash Provided By (Used for) Operating Activities:						
Operating Income (Loss)	$ (36,889)	$ (38,421)	$ 1,067,093	$ 183,972	$ (1,390,030)	$ 892,898
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used for) Operating Activities:						
Depreciation	-	-	-	-	-	1,099,791
Change in Assets and Liabilities:						
Receivables, Net	7	10	94	226	158	25,442
Prepaid Items	(45,958)	(92)	-	210,041	(276,034)	(112,217)
Accounts Payable and Other Payables	70,922	46,341	54,612	5,453	247,653	406,347
Net OPEB Obligation	-	-	-	-	-	62,865
Compensated Absences Payable	3,122	(1,357)	-	-	-	64,630
Net Cash Provided By (Used for) Operating Activities	$ (8,796)	$ 6,481	$ 1,121,799	$ 399,692	$ (1,418,253)	$ 2,384,226
Noncash Capital Activities:						
Capital Asset Contributions	$ -	$ -	$ 35,000	$ -	$ -	$ 35,000

Combining Statement of Fiduciary Assets and Liabilities

Agency Funds

June 30, 2013

	Assessments	Pass-Through Funds	Asset Seizure	Totals
ASSETS				
Current Assets:				
Cash and Investments	$ 10,215,103	$ 1,344,192	$ 35,539	$ 11,594,834
Restricted Cash and Investments	6,409,426	-	-	6,409,426
Interest Receivable	366	32	1	399
Total Assets	$ 16,624,895	$ 1,344,224	$ 35,540	$ 18,004,659
LIABILITIES				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	$ 21,793	$ 1,344,224	$ -	$ 1,366,017
Due to Others	-	-	35,540	35,540
Total Current Liabilities	21,793	1,344,224	35,540	1,401,557
Non-Current Liabilities Due in More Than One Year:				
Due to Bondholders	16,603,102	-	-	16,603,102
Total Non-Current Liabilities	16,603,102	-	-	16,603,102
Total Liabilities	$ 16,624,895	$ 1,344,224	$ 35,540	$ 18,004,659

City of Brentwood

Combining Statement of Changes in Fiduciary Assets and Liabilities

Agency Funds

For Year Ended June 30, 2013

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
Assessments				
ASSETS				
Cash and Investments	$ 10,149,391	$ 27,434,123	$ 27,368,411	$ 10,215,103
Restricted Cash and Investments	5,911,112	1,895,473	1,397,159	6,409,426
Interest Receivable	511	877	1,022	366
Total Assets	$ 16,061,014	$ 29,330,473	$ 28,766,592	$ 16,624,895
LIABILITIES				
Accounts Payable and Accrued Liabilities	$ 48	$ 179,295	$ 157,550	$ 21,793
Due to Bondholders	16,060,966	26,277,560	25,735,424	16,603,102
Total Liabilities	$ 16,061,014	$ 26,456,855	$ 25,892,974	$ 16,624,895
Pass-Through Funds				
ASSETS				
Cash and Investments	$ 1,185,714	$ 2,987,567	$ 2,829,089	$ 1,344,192
Interest Receivable	54	86	108	32
Total Assets	$ 1,185,768	$ 2,987,653	$ 2,829,197	$ 1,344,224
LIABILITIES				
Accounts Payable and Accrued Liabilities	$ 1,185,768	$ 5,335,788	$ 5,177,332	$ 1,344,224
Total Liabilities	$ 1,185,768	$ 5,335,788	$ 5,177,332	$ 1,344,224
Asset Seizure				
ASSETS				
Cash and Investments	$ 35,345	$ 535	$ 341	$ 35,539
Interest Receivable	2	3	4	1
Total Assets	$ 35,347	$ 538	$ 345	$ 35,540
LIABILITIES				
Due to Others	$ 35,347	$ 533	$ 340	$ 35,540
Total Liabilities	$ 35,347	$ 533	$ 340	$ 35,540
Total - All Agency Funds				
ASSETS				
Cash and Investments	$ 11,370,450	$ 30,422,225	$ 30,197,841	$ 11,594,834
Restricted Cash and Investments	5,911,112	1,895,473	1,397,159	6,409,426
Interest Receivable	567	966	1,134	399
Total Assets	$ 17,282,129	$ 32,318,664	$ 31,596,134	$ 18,004,659
LIABILITIES				
Accounts Payable and Accrued Liabilities	$ 1,185,816	$ 5,515,083	$ 5,334,882	$ 1,366,017
Due to Others	35,347	533	340	35,540
Due to Bondholders	16,060,966	26,277,560	25,735,424	16,603,102
Total Liabilities	$ 17,282,129	$ 31,793,176	$ 31,070,646	$ 18,004,659

Balance Sheet

General Fund

June 30, 2013

		General Fund
ASSETS		
Current Assets:		
Cash and Investments	$	21,589,712
Receivables		1,265,289
Prepaids		302,936
Total Assets	$	23,157,937
LIABILITIES		
Liabilities:		
Accounts Payable and Accrued Liabilities	$	1,261,606
Unearned Revenue		147,619
Deposits Held		3,091,226
Total Liabilities		4,500,451
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue - Accounts Receivable		622,801
Total Deferred Inflows of Resources		622,801
FUND BALANCES		
Nonspendable		302,936
Restricted		74,426
Assigned		6,522,500
Unassigned		11,134,823
Total Fund Balances		18,034,685
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$	23,157,937

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

General Fund

For Year Ended June 30, 2013

	Budget	Actual	Variance
REVENUES			
Taxes	$ 13,919,931	$ 14,722,301	$ 802,370
Licenses	498,656	550,111	51,455
Permits and Fines	2,550,419	4,460,526	1,910,107
Uses of Money and Property	741,805	997,108	255,303
Intergovernmental	2,670,061	2,663,209	(6,852)
Franchises	1,284,409	1,254,136	(30,273)
Charges for Other Services	297,981	291,411	(6,570)
Charges to Other Funds	8,320,924	8,063,466	(257,458)
Fees and Other Revenues	1,841,724	1,938,906	97,182
Total Revenues	32,125,910	34,941,174	2,815,264
EXPENDITURES			
Current:			
General Government	5,902,612	5,270,516	632,096
Public Safety	16,646,342	16,369,327	277,015
Community Development	3,452,588	3,521,622	(69,034)
Engineering	2,634,256	2,438,310	195,946
Public Works	2,719,896	2,601,282	118,614
Parks and Recreation	4,936,887	4,769,710	167,177
Community Services	552,158	558,937	(6,779)
Total Expenditures	36,844,739	35,529,704	1,315,035
REVENUES OVER (UNDER) EXPENDITURES	(4,718,829)	(588,530)	4,130,299
OTHER FINANCING SOURCES (USES)			
Transfers In	6,259,852	5,292,620	(967,232)
Transfers Out	(5,294,426)	(5,209,375)	85,051
Total Other Financing Sources (Uses)	965,426	83,245	(882,181)
NET CHANGE IN FUND BALANCES	$ (3,753,403)	(505,285)	$ 3,248,118
Fund Balance, Beginning of Year		18,539,970	
Fund Balance, End of Year		$ 18,034,685	

Combining Balance Sheet
All Special Revenue Funds
June 30, 2013

	Thoroughfares	Gas Tax	SB1186 Disability Access	Police Grants	Other Grants	Citywide Parks Districts	Community Facilities Districts	Community Facilities	Vehicle Abatement
ASSETS									
Current Assets:									
Cash and Investments	$ 3,649,437	$ -	$ 2,667	$ 134,172	$ -	$ 514,758	$ 129,164	$ 1,098,446	$ 79,608
Receivables	53,646	8	-	39,453	104,324	25	3	128,136	21,694
Prepaids	-	-	-	-	-	949	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-	-
Non-Current Assets:									
Interfund Advance Receivable	97,069	-	-	-	-	-	-	-	-
Total Assets	$ 3,800,152	$ 8	$ 2,667	$ 173,625	$ 104,324	$ 515,732	$ 129,167	$ 1,226,582	$ 101,302
LIABILITIES									
Liabilities:									
Accounts Payable and Accrued Liabilities	$ 1,192	$ -	$ 444	$ 186	$ 31,503	$ 199,143	$ 21	$ 1,345	$ 16
Due to Other Funds	-	-	-	-	59,281	-	-	-	-
Interfund Advance Payable	-	-	-	-	-	-	-	-	-
Total Liabilities	1,192	-	444	186	90,784	199,143	21	1,345	16
DEFERRED INFLOWS OF RESOURCES									
Unavailable Revenue - Accounts Receivable	53,588	-	-	-	11,848	-	-	128,107	-
Unavailable Revenue - Interfund Advance Receivable	97,069	-	-	-	-	-	-	-	-
Unavailable Revenue - Loans Receivable	-	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	150,657	-	-	-	11,848	-	-	128,107	-
FUND BALANCES									
Nonspendable	-	-	-	-	-	949	-	-	-
Restricted	-	8	2,223	173,439	1,692	-	-	-	-
Committed	3,648,303	-	-	-	-	315,640	129,146	1,097,130	101,286
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balances	3,648,303	8	2,223	173,439	1,692	316,589	129,146	1,097,130	101,286
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 3,800,152	$ 8	$ 2,667	$ 173,625	$ 104,324	$ 515,732	$ 129,167	$ 1,226,582	$ 101,302

Continued

Combining Balance Sheet

All Special Revenue Funds (Continued)

June 30, 2013

	Infrastructure Improvements	City Low Income Housing	PEG Media	Asset Forfeiture	Measure C / J	Facility Fee Administration	Parks Advertising	Parks and Trails
ASSETS								
Current Assets:								
Cash and Investments	$ 5,989	$ 99,540	$ 809,607	$ 57,460	$ 1,474	$ 275,762	$ 44,291	$ -
Receivables	-	4,698,462	23	2	-	20,122	961	26,571
Prepaids	-	361	-	-	-	-	-	-
Land Held for Resale	-	1,040,359	-	-	-	-	-	-
Non-Current Assets:								
Interfund Advance Receivable	-	-	-	-	-	-	-	-
Total Assets	$ 5,989	$ 5,838,722	$ 809,630	$ 57,462	$ 1,474	$ 295,884	$ 45,252	$ 26,571
LIABILITIES								
Liabilities:								
Accounts Payable and Accrued Liabilities	$ 1	$ 1,754	$ 147	$ 4,256	$ 2	$ 39	$ 6	$ 9
Due to Other Funds	-	-	-	-	-	-	-	-
Deposits Held	-	-	-	-	-	-	-	-
Interfund Advance Payable	-	-	-	-	-	-	-	2,469,700
Total Liabilities	1	1,754	147	4,256	2	39	6	2,469,709
DEFERRED INFLOWS OF RESOURCES								
Unavailable Revenue - Accounts Receivable	-	-	-	-	-	20,115	-	26,571
Unavailable Revenue - Interfund Advance Receivable	-	-	-	-	-	-	-	-
Unavailable Revenue - Loans Receivable	-	4,698,458	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	4,698,458	-	-	-	20,115	-	26,571
FUND BALANCES								
Nonspendable	-	361	-	-	-	-	-	-
Restricted	-	1,138,149	809,483	53,206	1,472	275,730	-	-
Committed	5,988	-	-	-	-	-	45,246	-
Unassigned	-	-	-	-	-	-	-	(2,469,709)
Total Fund Balances	5,988	1,138,510	809,483	53,206	1,472	275,730	45,246	(2,469,709)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 5,989	$ 5,838,722	$ 809,630	$ 57,462	$ 1,474	$ 295,884	$ 45,252	$ 26,571

Continued

Combining Balance Sheet

All Special Revenue Funds (Continued)

June 30, 2013

	Agriculture Administration	Public Art Administration	Public Art Acquisition	Arts Commission	Fire Fees	Agriculture Land	Parking In-Lieu	Lighting and Landscape Districts	Totals
ASSETS									
Current Assets:									
Cash and Investments	$ 514,786	$ 158,240	$ 783,715	$ 5,584	$ 3,235,758	$ 630,870	$ 27,206	$ 4,224,793	$ 16,483,327
Receivables	15	4	22	-	52	16	1	8,734	5,102,274
Prepaids	-	-	-	-	-	-	-	-	1,310
Land Held for Resale	-	-	-	-	-	-	-	-	1,040,359
Non-Current Assets:									
Interfund Advance Receivable	-	-	-	-	-	-	-	-	97,069
Total Assets	$ 514,801	$ 158,244	$ 783,737	$ 5,584	$ 3,235,810	$ 630,886	$ 27,207	$ 4,233,527	$ 22,724,339
LIABILITIES									
Liabilities:									
Accounts Payable and Accrued Liabilities	$ 91	$ 26	$ 146	$ 1	$ 323	$ 96	$ 5	$ 471,196	$ 711,948
Due to Other Funds	-	-	-	-	-	-	-	-	59,281
Interfund Advance Payable	-	-	-	-	-	-	-	-	2,469,700
Total Liabilities	91	26	146	1	323	96	5	471,196	3,240,929
DEFERRED INFLOWS OF RESOURCES									
Unavailable Revenue - Accounts Receivable	-	-	-	-	-	-	-	8,600	248,829
Unavailable Revenue - Interfund Advance Receivable	-	-	-	-	-	-	-	-	97,069
Unavailable Revenue - Loans Receivable	-	-	-	-	-	-	-	-	4,698,458
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	8,600	5,044,356
FUND BALANCES									
Nonspendable	-	-	-	-	-	-	-	-	1,310
Restricted	514,710	158,218	783,591	5,583	3,235,487	630,790	27,202	3,753,731	11,564,714
Committed	-	-	-	-	-	-	-	-	5,342,739
Unassigned	-	-	-	-	-	-	-	-	(2,469,709)
Total Fund Balances	514,710	158,218	783,591	5,583	3,235,487	630,790	27,202	3,753,731	14,439,054
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 514,801	$ 158,244	$ 783,737	$ 5,584	$ 3,235,810	$ 630,886	$ 27,207	$ 4,233,527	$ 22,724,339

This page intentionally left blank.

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

All Special Revenue Funds

For Year Ended June 30, 2013

	Thoroughfares	Gas Tax	SB1186 Disability Access	Police Grants	Other Grants	Citywide Parks Districts	Community Facilities Districts	Community Facilities	Vehicle Abatement
REVENUES									
Taxes	$ -	$ -	$ -	$ -	$ -	$ 1,808,070	$ -	$ -	$ -
Uses of Money and Property	10,767	727	-	998	93	-	1,026	3,338	333
Intergovernmental	-	1,240,732	-	118,054	106,632	-	-	-	-
Fees and Other Revenues	2,729,470	-	2,346	-	-	43,772	3,285,231	934,242	113,335
Total Revenues	2,740,237	1,241,459	2,346	119,052	106,725	1,851,842	3,286,257	937,580	113,668
EXPENDITURES									
Current:									
General Government	2,430,495	-	123	-	118,480	-	-	59,142	-
Public Safety	-	-	-	105,479	-	-	-	-	75
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	2,640,669	-	-	-
Community Services	-	-	-	-	-	-	30,561	-	-
Total Expenditures	2,430,495	-	123	105,479	118,480	2,640,669	30,561	59,142	75
REVENUES OVER (UNDER) EXPENDITURES	309,742	1,241,459	2,223	13,573	(11,755)	(788,827)	3,255,696	878,438	113,593
OTHER FINANCING SOURCES (USES)									
Transfers In	1,076,888	-	-	-	-	754,383	1,687,157	-	-
Transfers Out	(348,776)	(1,339,052)	-	-	-	-	(4,931,089)	(801,695)	(87,400)
Total Other Financing Sources (Uses)	728,112	(1,339,052)	-	-	-	754,383	(3,243,932)	(801,695)	(87,400)
Net Change in Fund Balances before Extraordinary Items	1,037,854	(97,593)	2,223	13,573	(11,755)	(34,444)	11,764	76,743	26,193
EXTRAORDINARY ITEMS									
Assets Transferred to Successor Agency	-	-	-	-	-	-	-	-	-
Total Extraordinary Items	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	1,037,854	(97,593)	2,223	13,573	(11,755)	(34,444)	11,764	76,743	26,193
Fund Balance, Beginning of Year	2,610,449	97,601	-	159,866	13,447	351,033	117,382	1,020,387	75,093
Fund Balance, End of Year	$ 3,648,303	$ 8	$ 2,223	$ 173,439	$ 1,692	$ 316,589	$ 129,146	$ 1,097,130	$ 101,286

Continued

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

All Special Revenue Funds (Continued)

For Year Ended June 30, 2013

	Infrastructure Improvements	City Low Income Housing	PEG Media	Asset Forfeiture	Measure C / J	Facility Fee Administration	Parks Advertising	Parks and Trails
REVENUES								
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Uses of Money and Property	33	27,980	4,407	403	1,548	105	65	-
Intergovernmental	-	-	-	-	691,116	-	-	-
Fees and Other Revenues	-	134,211	-	27,051	-	258,254	36,930	1,759,594
Total Revenues	33	162,191	4,407	27,454	692,664	258,359	36,995	1,759,594
EXPENDITURES								
Current:								
General Government	-	221,449	853	19,217	2,635	55,128	-	-
Public Safety	-	-	-	-	-	-	-	-
Community Development	6	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	22,626	1,728,381
Community Services	-	-	-	-	-	-	-	-
Total Expenditures	6	221,449	853	19,217	2,635	55,128	22,626	1,728,381
REVENUES OVER (UNDER) EXPENDITURES	27	(59,258)	3,554	8,237	690,029	203,231	14,369	31,213
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	-	497
Transfers Out	-	-	(100,000)	-	(765,721)	-	-	-
Total Other Financing Sources (Uses)	-	-	(100,000)	-	(765,721)	-	-	497
Net Change in Fund Balances before Extraordinary Items	27	(59,258)	(96,446)	8,237	(75,692)	203,231	14,369	31,710
EXTRAORDINARY ITEMS								
Assets Transferred to Successor Agency	-	(3,989,500)	-	-	-	-	-	-
Total Extraordinary Items	-	(3,989,500)	-	-	-	-	-	-
Net Change in Fund Balances	27	(4,048,758)	(96,446)	8,237	(75,692)	203,231	14,369	31,710
Fund Balance, Beginning of Year	5,961	5,187,268	905,929	44,969	77,164	72,499	30,877	(2,501,419)
Fund Balance, End of Year	$ 5,988	$ 1,138,510	$ 809,483	$ 53,206	$ 1,472	$ 275,730	$ 45,246	$ (2,469,709)

Continued

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

All Special Revenue Funds (Continued)

For Year Ended June 30, 2013

	Agriculture Administration	Public Art Administration	Public Art Acquisition	Arts Commission	Fire Fees	Agriculture Land	Parking In-Lieu	Lighting and Landscape Districts	Totals
REVENUES									
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,808,070
Uses of Money and Property	2,658	456	4,509	31	5,169	2,041	148	11,769	78,604
Intergovernmental	-	-	-	-	-	-	-	-	2,156,534
Fees and Other Revenues	45,848	63,235	147,684	-	273,799	183,393	-	5,173,978	15,212,373
Total Revenues	48,506	63,691	152,193	31	278,968	185,434	148	5,185,747	19,255,581
EXPENDITURES									
Current:									
General Government	43,770	117	11,514	758	1,398	21,019	28	-	2,986,126
Public Safety	-	-	-	-	-	-	-	-	105,554
Community Development	-	-	-	-	-	-	-	-	6
Parks and Recreation	-	-	-	-	-	-	-	-	4,391,676
Community Services	-	-	-	-	-	-	-	5,398,220	5,428,781
Total Expenditures	43,770	117	11,514	758	1,398	21,019	28	5,398,220	12,912,143
REVENUES OVER (UNDER) EXPENDITURES	4,736	63,574	140,679	(727)	277,570	164,415	120	(212,473)	6,343,438
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	1,922,480	-	-	-	5,441,405
Transfers Out	-	-	(100,000)	-	-	-	-	-	(8,473,733)
Total Other Financing Sources (Uses)	-	-	(100,000)	-	1,922,480	-	-	-	(3,032,328)
Net Change in Fund Balances before Extraordinary Items	4,736	63,574	40,679	(727)	2,200,050	164,415	120	(212,473)	3,311,110
EXTRAORDINARY ITEMS									
Assets Transferred to Successor Agency	-	-	-	-	-	-	-	-	(3,989,500)
Total Extraordinary Items	-	-	-	-	-	-	-	-	(3,989,500)
Net Change in Fund Balances	4,736	63,574	40,679	(727)	2,200,050	164,415	120	(212,473)	(678,390)
Fund Balance, Beginning of Year	509,974	94,644	742,912	6,310	1,035,437	466,375	27,082	3,966,204	15,117,444
Fund Balance, End of Year	$ 514,710	$ 158,218	$ 783,591	$ 5,583	$ 3,235,487	$ 630,790	$ 27,202	$ 3,753,731	$ 14,439,054

This page intentionally left blank.

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds
For Year Ended June 30, 2013

	Thoroughfares			Gas Tax			SB1186 Disability Access			Police Grants		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES												
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Uses of Money and Property	10,634	10,767	133	4,945	727	(4,218)	-	-	-	2,000	998	(1,002)
Intergovernmental	-	-	-	1,420,591	1,240,732	(179,859)	-	-	-	143,472	118,054	(25,418)
Fees and Other Revenues	1,275,093	2,729,470	1,454,377	-	-	-	3,500	2,346	(1,154)	-	-	-
Total Revenues	1,285,727	2,740,237	1,454,510	1,425,536	1,241,459	(184,077)	3,500	2,346	(1,154)	145,472	119,052	(26,420)
EXPENDITURES												
Current:												
General Government	2,473,319	2,430,495	42,824	-	-	-	3,500	123	3,377	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-	168,672	105,479	63,193
Community Development	-	-	-	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	2,473,319	2,430,495	42,824	-	-	-	3,500	123	3,377	168,672	105,479	63,193
REVENUES OVER (UNDER) EXPENDITURES	(1,187,592)	309,742	1,497,334	1,425,536	1,241,459	(184,077)	-	2,223	2,223	(23,200)	13,573	36,773
OTHER FINANCING SOURCES (USES)												
Transfers In	715,036	1,076,888	361,852	-	-	-	-	-	-	-	-	-
Transfers Out	(359,081)	(348,776)	10,305	(1,425,586)	(1,339,052)	86,534	-	-	-	-	-	-
Total Other Financing Sources (Uses)	355,955	728,112	372,157	(1,425,586)	(1,339,052)	86,534	-	-	-	-	-	-
Net Change in Fund Balances before Extraordinary Items	(831,637)	1,037,854	1,869,491	(50)	(97,593)	(97,543)	-	2,223	2,223	(23,200)	13,573	36,773
EXTRAORDINARY ITEMS												
Assets Transferred to Successor Agency	-	-	-	-	-	-	-	-	-	-	-	-
Total Extraordinary Items	-	-	-	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	$ (831,637)	1,037,854	$ 1,869,491	$ (50)	(97,593)	$ (97,543)	$ -	2,223	$ 2,223	$ (23,200)	13,573	$ 36,773
Fund Balance, Beginning of Year		2,610,449			97,601			-			159,866	
Fund Balance, End of Year		$ 3,648,303			$ 8			$ 2,223			$ 173,439	

Continued

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds (Continued)
For Year Ended June 30, 2013

	Other Grants			Citywide Parks Districts			Community Facilities Districts		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	$ -	$ -	$ -	$ 1,800,459	$ 1,808,070	$ 7,611	$ -	$ -	$ -
Uses of Money and Property	300	93	(207)	4,000	-	(4,000)	600	1,026	426
Intergovernmental	119,000	106,632	(12,368)	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	-	43,772	43,772	3,258,445	3,285,231	26,786
Total Revenues	119,300	106,725	(12,575)	1,804,459	1,851,842	47,383	3,259,045	3,286,257	27,212
EXPENDITURES									
Current:									
General Government	129,000	118,480	10,520	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	2,658,115	2,640,669	17,446	-	-	-
Community Services	-	-	-	-	-	-	41,624	30,561	11,063
Total Expenditures	129,000	118,480	10,520	2,658,115	2,640,669	17,446	41,624	30,561	11,063
REVENUES OVER (UNDER) EXPENDITURES	(9,700)	(11,755)	(2,055)	(853,656)	(788,827)	64,829	3,217,421	3,255,696	38,275
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	754,383	754,383	-	1,680,141	1,687,157	7,016
Transfers Out	-	-	-	-	-	-	(4,938,766)	(4,931,089)	7,677
Total Other Financing Sources (Uses)	-	-	-	754,383	754,383	-	(3,258,625)	(3,243,932)	14,693
Net Change in Fund Balances before Extraordinary Items	(9,700)	(11,755)	(2,055)	(99,273)	(34,444)	64,829	(41,204)	11,764	52,968
EXTRAORDINARY ITEMS									
Assets Transferred to Successor Agency	-	-	-	-	-	-	-	-	-
Total Extraordinary Items	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	$ (9,700)	(11,755)	$ (2,055)	$ (99,273)	(34,444)	$ 64,829	$ (41,204)	11,764	$ 52,968
Fund Balance, Beginning of Year		13,447			351,033			117,382	
Fund Balance, End of Year		$ 1,692			$ 316,589			$ 129,146	

Continued

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds (Continued)
For Year Ended June 30, 2013

	Community Facilities			Vehicle Abatement			Infrastructure Improvements		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Uses of Money and Property	9,025	3,338	(5,687)	700	333	(367)	150	33	(117)
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	382,442	934,242	551,800	65,000	113,335	48,335	-	-	-
Total Revenues	391,467	937,580	546,113	65,700	113,668	47,968	150	33	(117)
EXPENDITURES									
Current:									
General Government	65,000	59,142	5,858	-	-	-	-	-	-
Public Safety	-	-	-	200	75	125	-	-	-
Community Development	-	-	-	-	-	-	50	6	44
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Total Expenditures	65,000	59,142	5,858	200	75	125	50	6	44
REVENUES OVER (UNDER) EXPENDITURES	326,467	878,438	551,971	65,500	113,593	48,093	100	27	(73)
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	(801,695)	(801,695)	-	(87,400)	(87,400)	-	-	-	-
Total Other Financing Sources (Uses)	(801,695)	(801,695)	-	(87,400)	(87,400)	-	-	-	-
Net Change in Fund Balances before Extraordinary Items	(475,228)	76,743	551,971	(21,900)	26,193	48,093	100	27	(73)
EXTRAORDINARY ITEMS									
Assets Transferred to Successor Agency	-	-	-	-	-	-	-	-	-
Total Extraordinary Items	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	$ (475,228)	76,743	$ 551,971	$ (21,900)	26,193	$ 48,093	$ 100	27	$ (73)
Fund Balance, Beginning of Year		1,020,387			75,093			5,961	
Fund Balance, End of Year		$ 1,097,130			$ 101,286			$ 5,988	

Continued

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds (Continued)
For Year Ended June 30, 2013

	City Low Income Housing			PEG Media			Asset Forfeiture		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Uses of Money and Property	-	27,980	27,980	21,000	4,407	(16,593)	2,000	403	(1,597)
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	144,140	134,211	(9,929)	-	-	-	10,000	27,051	17,051
Total Revenues	144,140	162,191	18,051	21,000	4,407	(16,593)	12,000	27,454	15,454
EXPENDITURES									
Current:									
General Government	4,055,942	221,449	3,834,493	1,500	853	647	40,200	19,217	20,983
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Total Expenditures	4,055,942	221,449	3,834,493	1,500	853	647	40,200	19,217	20,983
REVENUES OVER (UNDER) EXPENDITURES	(3,911,802)	(59,258)	3,852,544	19,500	3,554	(15,946)	(28,200)	8,237	36,437
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	(100,000)	(100,000)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	(100,000)	(100,000)	-	-	-	-
Net Change in Fund Balances before Extraordinary Items	(3,911,802)	(59,258)	3,852,544	(80,500)	(96,446)	(15,946)	(28,200)	8,237	36,437
EXTRAORDINARY ITEMS									
Assets Transferred to Successor Agency	(3,989,500)	(3,989,500)	-	-	-	-	-	-	-
Total Extraordinary Items	(3,989,500)	(3,989,500)	-	-	-	-	-	-	-
Net Change in Fund Balances	$ (7,901,302)	(4,048,758)	$ 3,852,544	$ (80,500)	(96,446)	$ (15,946)	$ (28,200)	8,237	$ 36,437
Fund Balance, Beginning of Year		5,187,268			905,929			44,969	
Fund Balance, End of Year		$ 1,138,510			$ 809,483			$ 53,206	

Continued

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds (Continued)
For Year Ended June 30, 2013

	Measure C / J			Facility Fee Administration			Parks Advertising		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Uses of Money and Property	2,000	1,548	(452)	150	105	(45)	300	65	(235)
Intergovernmental	692,158	691,116	(1,042)	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	59,512	258,254	198,742	39,000	36,930	(2,070)
Total Revenues	694,158	692,664	(1,494)	59,662	258,359	198,697	39,300	36,995	(2,305)
EXPENDITURES									
Current:									
General Government	2,350	2,635	(285)	56,000	55,128	872	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	39,020	22,626	16,394
Community Services	-	-	-	-	-	-	-	-	-
Total Expenditures	2,350	2,635	(285)	56,000	55,128	872	39,020	22,626	16,394
REVENUES OVER (UNDER) EXPENDITURES	691,808	690,029	(1,779)	3,662	203,231	199,569	280	14,369	14,089
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	(766,006)	(765,721)	285	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(766,006)	(765,721)	285	-	-	-	-	-	-
Net Change in Fund Balances before Extraordinary Items	(74,198)	(75,692)	(1,494)	3,662	203,231	199,569	280	14,369	14,089
EXTRAORDINARY ITEMS									
Assets Transferred to Successor Agency	-	-	-	-	-	-	-	-	-
Total Extraordinary Items	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	$ (74,198)	(75,692)	$ (1,494)	$ 3,662	203,231	$ 199,569	$ 280	14,369	$ 14,089
Fund Balance, Beginning of Year		77,164			72,499			30,877	
Fund Balance, End of Year		$ 1,472			$ 275,730			$ 45,246	

Continued

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds (Continued)
For Year Ended June 30, 2013

	Parks and Trails			Agriculture Administration			Public Art Administration		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Uses of Money and Property	-	-	-	10,000	2,658	(7,342)	1,300	456	(844)
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	686,975	1,759,594	1,072,619	-	45,848	45,848	12,000	63,235	51,235
Total Revenues	686,975	1,759,594	1,072,619	10,000	48,506	38,506	13,300	63,691	50,391
EXPENDITURES									
Current:									
General Government	-	-	-	62,100	43,770	18,330	150	117	33
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	1,733,329	1,728,381	4,948	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Total Expenditures	1,733,329	1,728,381	4,948	62,100	43,770	18,330	150	117	33
REVENUES OVER (UNDER) EXPENDITURES	(1,046,354)	31,213	1,077,567	(52,100)	4,736	56,836	13,150	63,574	50,424
OTHER FINANCING SOURCES (USES)									
Transfers In	25,000	497	(24,503)	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	25,000	497	(24,503)	-	-	-	-	-	-
Net Change in Fund Balances before Extraordinary Items	(1,021,354)	31,710	1,053,064	(52,100)	4,736	56,836	13,150	63,574	50,424
EXTRAORDINARY ITEMS									
Assets Transferred to Successor Agency	-	-	-	-	-	-	-	-	-
Total Extraordinary Items	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	$ (1,021,354)	31,710	$ 1,053,064	$ (52,100)	4,736	$ 56,836	$ 13,150	63,574	$ 50,424
Fund Balance, Beginning of Year		(2,501,419)			509,974			94,644	
Fund Balance, End of Year		$ (2,469,709)			$ 514,710			$ 158,218	

Continued

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds (Continued)
For Year Ended June 30, 2013

	Public Art Acquisition			Arts Commission			Fire Fees		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Uses of Money and Property	15,000	4,509	(10,491)	80	31	(49)	25,000	5,169	(19,831)
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	48,000	147,684	99,684	-	-	-	82,092	273,799	191,707
Total Revenues	63,000	152,193	89,193	80	31	(49)	107,092	278,968	171,876
EXPENDITURES									
Current:									
General Government	11,706	11,514	192	5,550	758	4,792	3,000	1,398	1,602
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Total Expenditures	11,706	11,514	192	5,550	758	4,792	3,000	1,398	1,602
REVENUES OVER (UNDER) EXPENDITURES	51,294	140,679	89,385	(5,470)	(727)	4,743	104,092	277,570	170,274
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	1,922,480	1,922,480
Transfers Out	(100,000)	(100,000)	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(100,000)	(100,000)	-	-	-	-	-	1,922,480	1,922,480
Net Change in Fund Balances before Extraordinary Items	(48,706)	40,679	89,385	(5,470)	(727)	4,743	104,092	2,200,050	2,092,754
EXTRAORDINARY ITEMS									
Assets Transferred to Successor Agency	-	-	-	-	-	-	-	-	-
Total Extraordinary Items	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	$ (48,706)	40,679	$ 89,385	$ (5,470)	(727)	$ 4,743	$ 104,092	2,200,050	$ 2,092,754
Fund Balance, Beginning of Year		742,912			6,310			1,035,437	
Fund Balance, End of Year		$ 783,591			$ 5,583			$ 3,235,487	

Continued

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds (Continued)
For Year Ended June 30, 2013

	Agriculture Land			Parking In-Lieu			Lighting and Landscape Districts			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES												
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,800,459	$ 1,808,070	$ 7,611
Uses of Money and Property	10,000	2,041	(7,959)	500	148	(352)	71,450	11,769	(59,681)	191,134	78,604	(112,530)
Intergovernmental	-	-	-	-	-	-	-	-	-	2,375,221	2,156,534	(218,687)
Fees and Other Revenues	-	183,393	183,393	-	-	-	5,165,619	5,173,978	8,359	11,231,818	15,212,373	3,980,555
Total Revenues	10,000	185,434	175,434	500	148	(352)	5,237,069	5,185,747	(51,322)	15,598,632	19,255,581	3,656,949
EXPENDITURES												
Current:												
General Government	666,105	21,019	645,086	150	28	122	-	-	-	7,575,572	2,986,126	4,589,446
Public Safety	-	-	-	-	-	-	-	-	-	168,872	105,554	63,318
Community Development	-	-	-	-	-	-	-	-	-	50	6	44
Parks and Recreation	-	-	-	-	-	-	-	-	-	4,430,464	4,391,676	38,788
Community Services	-	-	-	-	-	-	5,991,278	5,398,220	593,058	6,032,902	5,428,781	604,121
Total Expenditures	666,105	21,019	645,086	150	28	122	5,991,278	5,398,220	593,058	18,207,860	12,912,143	5,295,717
REVENUES OVER (UNDER) EXPENDITURES	(656,105)	164,415	820,520	350	120	(230)	(754,209)	(212,473)	541,736	(2,609,228)	6,343,438	8,952,666
OTHER FINANCING SOURCES (USES)												
Transfers In	-	-	-	-	-	-	-	-	-	3,174,560	5,441,405	2,266,845
Transfers Out	-	-	-	-	-	-	-	-	-	(8,578,534)	(8,473,733)	104,801
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	(5,403,974)	(3,032,328)	2,371,646
Net Change in Fund Balances before Extraordinary Items	(656,105)	164,415	820,520	350	120	(230)	(754,209)	(212,473)	541,736	(8,013,202)	3,311,110	11,324,312
EXTRAORDINARY ITEMS												
Assets Transferred to Successor Agency	-	-	-	-	-	-	-	-	-	(3,989,500)	(3,989,500)	-
Total Extraordinary Items	-	-	-	-	-	-	-	-	-	(3,989,500)	(3,989,500)	-
Net Change in Fund Balances	$ (656,105)	164,415	$ 820,520	$ 350	120	$ (230)	$ (754,209)	(212,473)	$ 541,736	$ (12,002,702)	(678,390)	$ 11,324,312
Fund Balance, Beginning of Year		466,375			27,082			3,966,204			15,117,444	
Fund Balance, End of Year		$ 630,790			$ 27,202			$ 3,753,731			$ 14,439,054	

Combining Balance Sheet

All Debt Service Funds

June 30, 2013

	Capital Improvement Revenue Refunding Bonds Series 2012	2002 General Obligation Bond	Civic Center Project Lease Revenue Bonds	Totals
ASSETS				
Current Assets:				
Cash and Investments	$ 167,413	$ 49,789	$ 24,684	$ 241,886
Restricted Cash and Investments	1,406,541	-	3,387,574	4,794,115
Receivables	16,630,013	8	12,467,106	29,097,127
Total Assets	$ 18,203,967	$ 49,797	$ 15,879,364	$ 34,133,128
LIABILITIES				
Liabilities:				
Accounts Payable and Accrued Liabilities	$ 68	$ 44	$ -	$ 112
Total Liabilities	68	44	-	112
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Loans Receivable	16,630,000	-	12,467,105	29,097,105
Total Deferred Inflows of Resources	16,630,000	-	12,467,105	29,097,105
FUND BALANCES				
Restricted	1,573,899	49,753	3,412,259	5,035,911
Total Fund Balances	1,573,899	49,753	3,412,259	5,035,911
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 18,203,967	$ 49,797	$ 15,879,364	$ 34,133,128

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

All Debt Service Funds

For Year Ended June 30, 2013

	Capital Improvement Revenue Refunding Bonds Series 2012	2002 General Obligation Bond	Civic Center Project Lease Revenue Bonds	Totals
REVENUES				
Taxes	$ -	$ 394,838	$ -	$ 394,838
Uses of Money and Property	72,785	-	46,759	119,544
Intergovernmental	1,321,708	-	2,178,907	3,500,615
Total Revenues	1,394,493	394,838	2,225,666	4,014,997
EXPENDITURES				
Current:				
Community Development	7,230	5,979	10,250	23,459
Debt Service:				
Principal	855,000	290,000	625,000	1,770,000
Interest and Fiscal Charges	1,080,988	94,836	3,365,328	4,541,152
Total Expenditures	1,943,218	390,815	4,000,578	6,334,611
REVENUES OVER (UNDER) EXPENDITURES	(548,725)	4,023	(1,774,912)	(2,319,614)
OTHER FINANCING SOURCES (USES)				
Transfers In	503,971	-	2,940,289	3,444,260
Transfers Out	(270,387)	-	(1,128,822)	(1,399,209)
Total Other Financing Sources (Uses)	233,584	-	1,811,467	2,045,051
Net Change in Fund Balances	(315,141)	4,023	36,555	(274,563)
Fund Balance, Beginning of Year	1,889,040	45,730	3,375,704	5,310,474
Fund Balance, End of Year	$ 1,573,899	$ 49,753	$ 3,412,259	$ 5,035,911

City of Brentwood

Combining Balance Sheet

All Capital Project Funds

June 30, 2013

	Capital Improvement Financing Program 2005-1	Capital Improvement Financing Program 2006-1	City Capital Improvement Financing Program	Civic Center Projects	Community Facilities Improvement Projects
ASSETS					
Current Assets:					
Cash and Investments	$ -	$ -	$ 1,071,087	$ -	$ 1,331,449
Restricted Cash and Investments	4,489,961	2,580,829	-	6,983,623	733,370
Receivables	-	-	31	201	1,499,961
Due from Other Funds	-	-	-	-	1,395,413
Non-Current Assets:					
Interfund Advance Receivable	-	-	-	-	2,469,700
Total Assets	$ 4,489,961	$ 2,580,829	$ 1,071,118	$ 6,983,824	$ 7,429,893
LIABILITIES					
Liabilities:					
Accounts Payable and Accrued Liabilities	$ -	$ -	$ 221	$ 1,306	$ 1,034,054
Due to Other Funds	-	-	-	-	-
Total Liabilities	-	-	221	1,306	1,034,054
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Loans Receivable	-	-	-	-	1,499,778
Total Deferred Inflows of Resources	-	-	-	-	1,499,778
FUND BALANCES					
Restricted	4,489,961	2,580,829	1,070,897	6,982,518	4,896,061
Unassigned	-	-	-	-	-
Total Fund Balances	4,489,961	2,580,829	1,070,897	6,982,518	4,896,061
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 4,489,961	$ 2,580,829	$ 1,071,118	$ 6,983,824	$ 7,429,893

Continued

City of Brentwood

Combining Balance Sheet

All Capital Project Funds (Continued)

June 30, 2013

	Park Improvement Projects	Drainage Improvement Projects	Street Improvement Projects	Economic Infrastructure Projects	Vineyards Projects	Totals
ASSETS						
Current Assets:						
Cash and Investments	$ -	$ 37,414	$ 3,071,849	$ 6,346,828	$ 1,854,642	$ 13,713,269
Restricted Cash and Investments	208,814	-	-	-	-	14,996,597
Receivables	1,651,437	1	659,214	183	53	3,811,081
Due from Other Funds	-	-	-	-	-	1,395,413
Non-Current Assets:						
Interfund Advance Receivable	-	-	-	-	-	2,469,700
Total Assets	$ 1,860,251	$ 37,415	$ 3,731,063	$ 6,347,011	$ 1,854,695	$ 36,386,060
LIABILITIES						
Liabilities:						
Accounts Payable and Accrued Liabilities	$ 270,044	$ -	$ 604,976	$ 1,151	$ 330	$ 1,912,082
Due to Other Funds	1,336,132	-	-	-	-	1,336,132
Total Liabilities	1,606,176	-	604,976	1,151	330	3,248,214
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue - Loans Receivable	623,971	-	-	-	-	2,123,749
Total Deferred Inflows of Resources	623,971	-	-	-	-	2,123,749
FUND BALANCES						
Restricted	-	37,415	3,126,087	6,345,860	1,854,365	31,383,993
Unassigned	(369,896)	-	-	-	-	(369,896)
Total Fund Balances	(369,896)	37,415	3,126,087	6,345,860	1,854,365	31,014,097
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 1,860,251	$ 37,415	$ 3,731,063	$ 6,347,011	$ 1,854,695	$ 36,386,060

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

All Capital Project Funds

For Year Ended June 30, 2013

	Capital Improvement Financing Program 2005-1	Capital Improvement Financing Program 2006-1	City Capital Improvement Financing Program	Civic Center Projects	Community Facilities Improvement Projects
REVENUES					
Uses of Money and Property	$ 19,626	$ 8,413	$ 9,723	$ 45,038	$ 48,722
Intergovernmental	-	-	-	-	662,752
Fees and Other Revenues	-	-	1,205,343	-	1,250
Total Revenues	19,626	8,413	1,215,066	45,038	712,724
EXPENDITURES					
Current:					
General Government	1,579,295	-	1,331	7,463	43,590
Capital Outlay	-	-	-	-	3,774,327
Total Expenditures	1,579,295	-	1,331	7,463	3,817,917
REVENUES OVER (UNDER) EXPENDITURES	(1,559,669)	8,413	1,213,735	37,575	(3,105,193)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	764,047	6,539	2,014,789
Transfers Out	-	-	(1,811,421)	(750,000)	(2,026,735)
Total Other Financing Sources (Uses)	-	-	(1,047,374)	(743,461)	(11,946)
Net Change in Fund Balances	(1,559,669)	8,413	166,361	(705,886)	(3,117,139)
Fund Balance, Beginning of Year	6,049,630	2,572,416	904,536	7,688,404	8,013,200
Fund Balance, End of Year	$ 4,489,961	$ 2,580,829	$ 1,070,897	$ 6,982,518	$ 4,896,061

Continued

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

All Capital Project Funds (Continued)

For Year Ended June 30, 2013

	Park Improvement Projects	Drainage Improvement Projects	Street Improvement Projects	Economic Infrastructure Projects	Vineyards Projects	Totals
REVENUES						
Uses of Money and Property	$ 310	$ 592	$ 32,231	$ 34,555	$ 9,348	$ 208,558
Intergovernmental	1,660,680	-	1,183,839	-	-	3,507,271
Fees and Other Revenues	20,000	-	484,267	-	109,933	1,820,793
Total Revenues	1,680,990	592	1,700,337	34,555	119,281	5,536,622
EXPENDITURES						
Current:						
General Government	176,782	-	1,903,619	127,516	1,823	3,841,419
Capital Outlay	1,086,293	97,694	832,741	-	-	5,791,055
Total Expenditures	1,263,075	97,694	2,736,360	127,516	1,823	9,632,474
REVENUES OVER (UNDER) EXPENDITURES	417,915	(97,102)	(1,036,023)	(92,961)	117,458	(4,095,852)
OTHER FINANCING SOURCES (USES)						
Transfers In	137,971	53,581	1,456,043	-	-	4,432,970
Transfers Out	(9,082)	(592)	(1,404,531)	-	-	(6,002,361)
Total Other Financing Sources (Uses)	128,889	52,989	51,512	-	-	(1,569,391)
Net Change in Fund Balances	546,804	(44,113)	(984,511)	(92,961)	117,458	(5,665,243)
Fund Balance, Beginning of Year	(916,700)	81,528	4,110,598	6,438,821	1,736,907	36,679,340
Fund Balance, End of Year	$ (369,896)	$ 37,415	$ 3,126,087	$ 6,345,860	$ 1,854,365	$ 31,014,097

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Certain Capital Project Funds
For Year Ended June 30, 2013

	City Capital Improvement Financing Program			Civic Center Projects			Economic Infrastructure Projects		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Uses of Money and Property	$ 23,000	$ 9,723	$ (13,277)	$ 60,000	$ 45,038	$ (14,962)	$ 100,000	$ 34,555	$ (65,445)
Fees and Other Revenues	1,211,013	1,205,343	(5,670)	-	-	-		-	-
Total Revenues	1,234,013	1,215,066	(18,947)	60,000	45,038	(14,962)	100,000	34,555	(65,445)
EXPENDITURES									
Current:									
General Government	5,000	1,331	3,669	7,463	7,463	-	148,974	127,516	21,458
Total Expenditures	5,000	1,331	3,669	7,463	7,463	-	148,974	127,516	21,458
REVENUES OVER (UNDER) EXPENDITURES	1,229,013	1,213,735	(15,278)	52,537	37,575	(14,962)	(48,974)	(92,961)	(43,987)
OTHER FINANCING SOURCES (USES)									
Transfers In	750,000	764,047	14,047	-	6,539	6,539	-	-	-
Transfers Out	(1,817,028)	(1,811,421)	5,607	(750,000)	(750,000)	-		-	-
Total Other Financing Sources (Uses)	(1,067,028)	(1,047,374)	19,654	(750,000)	(743,461)	6,539	-	-	-
Net Change in Fund Balances	$ 161,985	166,361	$ 4,376	$ (697,463)	(705,886)	$ (8,423)	$ (48,974)	(92,961)	$ (43,987)
Fund Balance, Beginning of Year		904,536			7,688,404			6,438,821	
Fund Balance, End of Year		$ 1,070,897			$ 6,982,518			$ 6,345,860	

Continued

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual

Certain Capital Projects Fund (Continued)

For Year Ended June 30, 2013

	Vineyards Projects			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES						
Uses of Money and Property	$ 35,000	$ 9,348	$ (25,652)	$ 218,000	$ 98,664	$ (119,336)
Fees and Other Revenues	-	109,933	109,933	1,211,013	1,315,276	104,263
Total Revenues	35,000	119,281	84,281	1,429,013	1,413,940	(15,073)
EXPENDITURES						
Current:						
General Government	2,500	1,823	677	163,937	138,133	25,804
Total Expenditures	2,500	1,823	677	163,937	138,133	25,804
REVENUES OVER (UNDER) EXPENDITURES	32,500	117,458	84,958	1,265,076	1,275,807	10,731
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	750,000	770,586	20,586
Transfers Out	-	-	-	(2,567,028)	(2,561,421)	5,607
Total Other Financing Sources (Uses)	-	-	-	(1,817,028)	(1,790,835)	26,193
Net Change in Fund Balances	$ 32,500	117,458	$ 84,958	$ (551,952)	(515,028)	$ 36,924
Fund Balance, Beginning of Year		1,736,907			16,768,668	
Fund Balance, End of Year		$ 1,854,365			$ 16,253,640	

STATISTICAL SECTION CONTENTS

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

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

City of Brentwood

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

(Unaudited)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities										
Net Investment in Capital Assets	$ 197,015,674	$ 215,720,615	$ 294,803,288	$ 339,857,455	$ 372,951,683	$ 396,500,516	$ 387,736,385	$ 391,780,662	$ 396,203,826	$ 451,053,113
Restricted	48,177,025	34,678,623	81,395,898	79,233,723	80,452,738	84,103,392	90,938,293	71,281,324	55,501,023	50,993,394
Unrestricted	27,120,013	53,776,481	53,977,292	59,130,425	54,508,073	48,649,648	41,892,809	50,583,234	79,793,101	47,881,478
Total Governmental Activities Net Position	$ 272,312,712	$ 304,175,719	$ 430,176,478	$ 478,221,603	$ 507,912,494	$ 529,253,556	$ 520,567,487	$ 513,645,220	$ 531,497,950	$ 549,927,985
Business-Type Activities										
Net Investment in Capital Assets	$ 134,896,047	$ 144,514,270	$ 104,790,118	$ 124,783,446	$ 137,697,679	$ 151,887,435	$ 152,324,676	$ 154,107,936	$ 155,440,943	$ 174,173,837
Restricted	12,359,754	27,021,249	30,182,173	31,204,635	28,721,075	26,202,644	31,503,932	33,796,393	35,030,908	25,789,668
Unrestricted	(5,426,178)	14,373,836	14,140,500	22,052,908	33,177,282	39,191,354	38,179,045	41,033,910	37,633,231	37,558,177
Total Business-Type Activities Net Position	$ 141,829,623	$ 185,909,355	$ 149,112,791	$ 178,040,989	$ 199,596,036	$ 217,281,433	$ 222,007,653	$ 228,938,239	$ 228,105,082	$ 237,521,682
Primary Government										
Net Investment in Capital Assets	$ 331,911,721	$ 360,234,885	$ 399,593,406	$ 464,640,901	$ 510,649,362	$ 548,387,951	$ 540,061,061	$ 545,888,598	$ 551,644,769	$ 625,226,950
Restricted	60,536,779	61,699,872	111,578,071	110,438,358	109,173,813	110,306,036	122,442,225	105,077,717	90,531,931	76,783,062
Unrestricted	21,693,835	68,150,317	68,117,792	81,183,333	87,685,355	87,841,002	80,071,854	91,617,144	117,426,332	85,439,655
Total Primary Government Net Position	$ 414,142,335	$ 490,085,074	$ 579,289,269	$ 656,262,592	$ 707,508,530	$ 746,534,989	$ 742,575,140	$ 742,583,459	$ 759,603,032	$ 787,449,667

City of Brentwood

CHANGES IN NET POSITION - GOVERNMENTAL ACTIVITIES

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

(Unaudited)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities:										
Expenses										
General Government	$ 19,799,793	$ 22,019,514	$ 17,927,800	$ 26,103,080	$ 26,566,890	$ 14,258,630	$ 16,337,699	$ 21,178,861	$ 14,136,546	$ 14,092,802
Public Safety	9,970,436	9,563,065	10,952,967	12,768,274	13,770,801	15,024,872	18,770,435	16,444,355	17,504,773	16,984,814
Community Development	4,804,009	5,103,462	3,960,793	5,704,796	5,581,469	4,871,191	5,688,738	4,614,882	3,330,613	3,486,844
Engineering	2,469,775	3,821,479	4,063,792	2,332,730	2,420,953	2,500,979	2,195,775	2,287,863	2,426,348	2,425,560
Public Works	3,491,159	1,796,006	1,815,288	4,967,567	5,441,455	6,417,940	6,702,090	7,563,837	7,785,203	7,481,326
Parks and Recreation	1,613,411	2,442,686	6,965,572	8,129,353	9,312,868	8,721,904	9,595,992	9,831,303	9,966,107	11,278,035
Community Services	226,732	237,458	2,059,834	3,402,377	3,728,537	4,771,816	5,665,988	5,193,300	5,507,421	5,979,870
Other	512,952	1,008,158	2,918,908	-	-	-	-	-	-	-
Interest on Long-Term Debt	1,883,951	1,949,670	1,766,038	1,839,058	1,557,776	1,729,621	3,129,383	5,068,172	5,121,265	4,763,277
Total Expenses	44,772,218	47,941,498	52,430,992	65,247,235	68,380,749	58,296,953	68,086,100	72,182,573	65,778,276	66,492,528
Program Revenues										
Charges for Services:										
General Government	4,120,088	4,707,870	3,803,913	5,050,422	4,832,281	5,374,316	6,137,929	7,180,354	7,579,622	9,248,908
Public Safety	391,286	417,939	463,693	563,191	611,166	512,853	555,434	498,354	512,727	485,363
Community Development	7,048,216	7,541,354	5,992,652	3,371,910	2,021,118	870,595	1,204,973	1,112,381	1,273,788	2,436,201
Engineering	4,642,625	4,842,578	4,088,577	3,499,111	2,218,835	1,549,735	1,760,861	1,191,544	1,457,470	1,780,644
Public Works	15,953	20,260	36,618	53,474	87,670	84,910	119,960	75,927	39,302	1,250
Parks and Recreation	-	-	1,804,256	1,687,292	1,128,180	936,023	920,233	962,966	1,061,842	1,173,781
Operating Grants and Contributions	165,107	114,791	200,915	6,443,633	9,868,672	9,594,707	10,547,689	12,109,521	11,266,602	15,474,137
Capital Grants and Contributions	128,384	166,951	212,611	50,529,249	35,633,756	21,356,537	7,393,607	13,903,165	6,384,355	21,785,963
Total Program Revenues	16,511,659	17,811,743	16,603,235	71,198,282	56,401,678	40,279,676	28,640,686	37,034,212	29,575,708	52,386,247
Total Governmental Activities Net Expense	(28,260,559)	(30,129,755)	(35,827,757)	5,951,047	(11,979,071)	(18,017,277)	(39,445,414)	(35,148,361)	(36,202,568)	(14,106,281)
General Revenues and Other Changes in Net Position										
Taxes:										
Property Taxes	7,990,595	9,932,342	14,887,469	19,676,078	20,802,069	19,580,300	16,247,078	15,684,496	12,682,260	10,090,453
Sales Tax	3,644,368	4,442,764	5,411,724	4,661,529	4,827,706	4,803,716	5,038,880	5,258,382	5,691,384	6,060,363
Franchise Fees	738,525	851,237	1,021,258	1,230,265	1,362,484	1,057,537	1,168,412	1,183,245	1,216,589	1,254,136
Public Service Taxes	743,890	914,426	1,000,573	527,766	342,627	298,911	283,407	251,092	257,426	396,148
Measure C / J, TOT	457,883	480,838	532,035	598,358	635,411	674,000	676,635	775,964	885,565	960,804
Motor Vehicle Taxes	1,508,664	2,198,750	3,502,237	3,597,495	3,942,089	3,570,432	2,955,583	2,925,219	2,593,907	2,540,474
Other Taxes	-	-	188,636	260,577	-	-	-	-	-	-
Investment Earnings	3,312,556	3,185,671	3,639,789	8,960,696	8,191,379	6,821,377	3,456,502	2,256,133	1,626,128	679,229
Contributions - Impact Fees and Credits	28,218,482	29,584,350	31,600,393	-	-	-	-	-	-	-
Capital Contributions	(931,403)	3,592,176	33,424,231	-	-	-	-	-	-	-
Capital Assets Contributed to/from Other Funds	12,868,344	126,356	-	-	-	-	-	-	-	-
Intergovernmental	-	862,624	1,151,837	42,737	-	-	-	-	-	-
Interfund Services	-	3,570,121	4,627,478	48,484	-	-	-	-	-	-
Miscellaneous	12,817,467	4,098,758	3,328,605	2,726,006	1,421,715	906,456	848,732	317,681	1,338,025	1,149,975
Transfers	3,810,805	(1,847,651)	57,512,251	2,111,311	144,482	1,645,610	84,116	(426,118)	99,753	(74,087)
Extraordinary Items										
Assets Transferred To/Liabilities Assumed by Successor Agency	-	-	-	-	-	-	-	-	27,664,261	(3,989,500)
Total General Revenues and Other Changes in Net Position	75,180,176	61,992,762	161,828,516	44,441,302	41,669,962	39,358,339	30,759,345	28,226,094	54,055,298	19,067,995
Total Governmental Activities Change in Net Position	$ 46,919,617	$ 31,863,007	$ 126,000,759	$ 50,392,349	$ 29,690,891	$ 21,341,062	$ (8,686,069)	$ (6,922,267)	$ 17,852,730	$ 4,961,714

City of Brentwood

CHANGES IN NET POSITION - BUSINESS-TYPE ACTIVITIES

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

(Unaudited)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Business-Type Activities:										
Expenses										
Wastewater	$ 8,461,336	$ 5,713,763	$ 5,995,237	$ 6,264,947	$ 6,734,960	$ 6,956,281	$ 7,387,756	$ 7,706,249	$ 7,980,916	$ 8,281,521
Solid Waste	3,833,171	4,266,665	6,018,649	6,259,740	6,620,638	6,870,616	7,530,880	7,839,662	8,050,319	8,871,904
Water	7,395,878	8,594,319	12,073,423	11,181,295	12,304,859	15,721,076	18,381,997	17,122,586	18,787,680	18,987,430
Parks and Recreation	3,647,580	3,854,606	-	-	-	-	-	-	-	-
City Rentals	436,287	434,243	728,604	729,754	654,428	248,505	253,241	218,218	182,239	150,179
Housing	7,504	1,022,306	1,215,548	1,481,274	792,055	307,298	419,217	430,024	4,699,623	686,241
Total Expenses	23,781,756	23,885,902	26,031,461	25,917,010	27,106,940	30,103,776	33,973,091	33,316,739	39,700,777	36,977,275
Program Revenues										
Charges for Services:										
Wastewater	4,214,471	4,549,961	5,979,653	6,441,711	6,966,204	7,666,143	7,936,737	8,333,225	9,388,285	10,891,301
Solid Waste	5,102,561	6,236,643	8,025,919	8,826,499	9,284,062	9,119,685	8,856,687	9,045,607	9,139,494	9,246,212
Water	9,406,429	10,231,960	12,264,649	15,348,469	16,279,479	16,201,887	15,760,490	16,114,907	17,254,244	18,657,623
Parks and Recreation	776,465	1,443,029	-	-	-	-	-	-	-	-
City Rentals	740,110	778,437	767,270	717,539	467,271	421,957	425,832	425,607	435,736	428,869
Housing	-	1,000	30,290	117,601	174,368	188,137	175,186	193,610	184,524	196,900
Capital Grants and Contributions	-	-	6,287,482	22,969,310	11,971,155	12,590,057	3,996,082	4,635,461	1,629,204	6,679,473
Total Program Revenues	20,240,036	23,241,030	33,355,263	54,421,129	45,142,539	46,187,866	37,151,014	38,748,417	38,031,487	46,100,378
Total Business-Type Activities Net Expense	(3,541,720)	(644,872)	7,323,802	28,504,119	18,035,599	16,084,090	3,177,923	5,431,678	(1,669,290)	9,123,103
General Revenues and Other Changes in Net Position										
Taxes:										
Property Taxes	868,369	1,073,421	-	-	-	-	-	-	-	-
Connection Fees Paid	(11,305,768)	-	-	-	-	-	-	-	-	-
Grants and Contributions Not Restricted to Specific Programs	-	177,600	-	-	-	-	-	-	-	-
Investment Earnings	1,284,161	534,586	1,199,763	2,535,390	3,663,930	3,246,917	1,632,413	1,072,790	935,886	417,783
Contributions - Impact Fees and Credits	20,104,810	17,844,231	11,381,912	-	-	-	-	-	-	-
Capital Contributions	(432,136)	21,325,932	-	-	-	-	-	-	-	-
Capital Assets Contributed to/from Other Funds	-	(126,356)	-	-	-	-	-	-	-	-
Miscellaneous	150,000	-	-	-	-	-	-	-	-	-
Transfers	(3,810,805)	1,847,651	(57,512,251)	(2,111,311)	(144,482)	(1,645,610)	(84,116)	426,118	(99,753)	74,087
Total General Revenues and Other Changes in Net Position	6,858,631	42,677,065	(44,930,576)	424,079	3,519,448	1,601,307	1,548,297	1,498,908	836,133	491,870
Total Business-Type Activities Change in Net Position	3,316,911	42,032,193	(37,606,774)	28,928,198	21,555,047	17,685,397	4,726,220	6,930,586	(833,157)	9,614,973
Total Primary Government Change in Net Position	$ 50,236,528	$ 73,895,200	$ 88,393,985	$ 79,320,547	$ 51,245,938	$ 39,026,459	$ (3,959,849)	$ 8,319	$ 17,019,573	$ 14,576,687

City of Brentwood

FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

(Unaudited)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved	$ 728,885	$ 122,935	$ 204,076	$ 124,588	$ 69,008	$ 115,603	$ -	$ -	$ -	$ -
Unreserved	22,101,506	19,377,628	22,310,261	25,274,977	23,942,011	15,469,215	-	-	-	-
Nonspendable*	-	-	-	-	-	-	69,383	168,127	75,163	302,936
Restricted*	-	-	-	-	-	-	-	-	27,500	74,426
Committed*	-	-	-	-	-	-	600,000	600,000	-	-
Assigned*	-	-	-	-	-	-	2,200,000	7,667,955	7,676,327	6,522,500
Unassigned*	-	-	-	-	-	-	12,464,539	9,835,437	10,760,980	11,134,823
Total General Fund	$ 22,830,391	$ 19,500,563	$ 22,514,337	$ 25,399,565	$ 24,011,019	$ 15,584,818	$ 15,333,922	$ 18,271,519	$ 18,539,970	$ 18,034,685
All Other Governmental Funds										
Reserved	$ 47,445,393	$ 46,924,689	$ 93,318,376	$ 94,569,236	$ 81,456,062	$ 86,822,877	$ -	$ -	$ -	$ -
Unreserved, Reported In:										
Special Revenue Funds	(1,872,055)	5,640,986	3,657,471	(2,292,254)	6,156,567	8,180,937	-	-	-	-
Capital Project Funds	-	-	-	(35,867)	(59,329)	(3,705,510)	-	-	-	-
Debt Service Funds	-	-	-	-	-	-	-			
Nonspendable*	-	-	-	-	-	-	2,371,064	2,237	1,324	1,310
Restricted*	-	-	-	-	-	-	119,080,851	78,571,539	56,313,736	47,984,618
Committed*	-	-	-	-	-	-	4,477,489	3,027,135	4,210,317	5,342,739
Assigned*	-	-	-	-	-	-	-	-	-	-
Unassigned*	-	-	-	-	-	-	(2,586,983)	(2,550,292)	248,829	(2,839,605)
Total All Other Governmental Funds	$ 45,573,338	$ 52,565,675	$ 96,975,847	$ 92,241,115	$ 87,553,300	$ 91,298,304	$ 123,342,421	$ 79,050,619	$ 60,774,206	$ 50,489,062

* The City of Brentwood implemented GASB 54 for the fiscal year ended June 30, 2010. Historical data has not been converted.

City of Brentwood

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

(Unaudited)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
REVENUES										
Taxes	$ 12,489,155	$ 15,405,971	$ 21,606,946	$ 25,842,811	$ 26,218,592	$ 24,965,670	$ 21,892,844	$ 21,496,574	$ 18,966,729	$ 16,925,209
Licenses	325,143	405,246	471,668	509,618	454,678	530,025	494,958	486,963	519,368	550,111
Permits and Fines	10,184,552	11,361,424	9,647,761	6,130,221	3,311,232	1,699,070	2,419,184	2,695,972	2,866,498	4,460,526
Uses of Money and Property	3,022,093	4,156,725	3,381,068	8,263,044	7,820,815	5,714,526	2,939,018	1,990,331	1,477,010	1,403,814
Intergovernmental	4,339,487	3,727,774	5,537,709	5,022,850	8,072,443	6,559,025	6,491,361	7,696,877	6,626,172	11,827,629
Franchises	584,868	672,172	808,389	965,066	1,018,540	1,057,537	1,168,412	1,183,245	1,216,589	1,254,136
Charges for Other Services	570,455	546,251	1,580,198	776,584	515,471	407,429	437,338	522,681	409,699	291,411
Charges to Other Funds	5,073,565	5,161,708	5,506,136	5,590,646	5,293,754	5,507,561	6,101,449	5,887,152	6,362,471	8,063,466
Fees and Other Revenues	26,807,306	27,280,529	52,281,640	21,786,740	16,301,455	12,630,551	12,772,501	13,219,741	15,976,157	18,972,072
Total Revenues	63,396,624	68,717,800	100,821,515	74,887,580	69,006,980	59,071,394	54,717,065	55,179,536	54,420,693	63,748,374
EXPENDITURES										
Current:										
General Government	16,407,013	18,411,773	12,505,987	26,029,125	24,471,337	13,876,807	13,903,858	18,213,011	12,289,354	12,098,061
Public Safety	10,781,506	10,697,057	12,774,097	14,129,475	14,343,676	14,277,133	15,029,062	15,806,664	16,627,126	16,474,881
Community Development	5,074,939	5,418,378	4,415,273	6,092,241	5,756,412	4,803,810	6,530,394	4,658,637	3,218,317	3,545,087
Engineering	2,656,493	2,166,280	2,476,437	2,532,147	2,574,651	2,523,897	2,124,818	2,241,604	2,383,174	2,438,310
Public Works	1,821,818	2,208,201	2,292,826	2,486,963	2,676,479	2,385,896	2,342,121	2,687,175	2,723,127	2,601,282
Parks and Recreation	1,658,400	1,838,817	7,634,708	7,924,624	8,191,336	7,039,392	7,387,946	7,782,777	7,673,881	9,161,386
Community Services	226,732	237,458	2,073,780	3,414,448	3,739,616	4,777,007	5,668,438	5,199,083	5,510,055	5,987,718
Other	512,952	1,008,158	2,918,908	-	-	-	-	-	-	-
Capital Outlay	29,822,905	17,688,834	9,166,838	11,367,755	11,795,273	11,417,725	9,534,182	28,347,984	18,649,014	5,791,055
Debt Service:										
Principal	1,933,865	1,655,889	1,817,780	832,754	967,369	1,003,379	2,412,705	1,085,407	1,075,000	1,770,000
Interest and Fiscal Charges	1,715,358	1,684,978	1,671,308	1,647,122	1,354,955	1,515,337	2,902,943	4,795,892	4,849,723	4,541,152
Total Expenditures	72,611,981	63,015,823	59,747,942	76,456,654	75,871,104	63,620,383	67,836,467	90,818,234	74,998,771	64,408,932
REVENUES OVER (UNDER) EXPENDITURES	(9,215,357)	5,701,977	41,073,573	(1,569,074)	(6,864,124)	(4,548,989)	(13,119,402)	(35,638,698)	(20,578,078)	(660,558)
OTHER FINANCING SOURCES (USES)										
Issuance of Debt	4,245,101	-	-	-	-	-	48,000,000	-	-	-
Premium on Bonds Issued	-	-	-	-	-	-	129,172	-	1,266,396	-
Refunding Bonds Issued	-	-	-	-	-	-	-	-	24,060,000	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	-	-	-	(26,049,390)	-
Transfer of Land Held to Governmental Activities	-	-	-	-	-	-	-	(1,327,029)	-	-
Transfers In	31,537,600	22,122,072	30,346,807	27,208,242	19,712,817	19,833,305	89,614,732	71,012,558	18,534,332	18,611,255
Transfers Out	(28,604,973)	(24,161,540)	(23,996,434)	(25,128,377)	(19,053,054)	(19,965,513)	(92,831,281)	(75,401,036)	(16,777,751)	(21,084,678)
Total Other Financing Sources (Uses)	7,177,728	(2,039,468)	6,350,373	2,079,865	659,763	(132,208)	44,912,623	(5,715,507)	1,033,587	(2,473,423)
Net Change in Fund Balances before Extraordinary Items	$ (2,037,629)	$ 3,662,509	$ 47,423,946	$ 510,791	$ (6,204,361)	$ (4,681,197)	$ 31,793,221	$ (41,354,205)	$ (19,544,491)	$ (3,133,981)
EXTRAORDINARY ITEMS										
Assets Transferred to Successor Agency	-	-	-	-	-	-	-	-	(7,438,601)	(3,989,500)
Assets Transferred from Successor Agency	-	-	-	-	-	-	-	-	5,308,182	-
Total Extraordinary Items	-	-	-	-	-	-	-	-	(2,130,419)	(3,989,500)
Net Change in Fund Balances	$ (2,037,629)	$ 3,662,509	$ 47,423,946	$ 510,791	$ (6,204,361)	$ (4,681,197)	$ 31,793,221	$ (41,354,205)	$ (21,674,910)	$ (7,123,481)
Debt Service as a Percentage of Noncapital Expenditures	8.53%	7.37%	6.90%	3.81%	3.62%	4.82%	9.12%	9.41%	10.51%	10.77%

City of Brentwood

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN TAX YEARS

(Unaudited)

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2004	$ 3,042,749,265	$ 186,451,612	$ 36,523,807	$ 386,365,328	$ 80,350,496	$ 3,571,739,516	1.0063%
2005	3,515,069,389	287,458,470	40,651,651	736,390,251	82,710,234	4,496,859,527	1.0051%
2006	4,154,730,562	349,720,006	36,479,015	1,151,608,684	93,209,265	5,599,329,002	1.0040%
2007	6,113,626,591	470,049,609	59,128,465	626,092,781	96,882,748	7,172,014,698	1.0038%
2008	6,846,457,166	523,981,184	72,172,090	783,572,929	107,975,826	8,118,207,543	1.0032%
2009	6,028,251,325	653,859,546	117,670,976	717,049,367	112,118,379	7,404,712,835	1.0039%
2010	4,785,876,213	786,006,109	85,597,901	333,871,740	118,631,364	6,109,983,327	1.0054%
2011	4,660,132,845	723,838,787	50,993,755	302,157,802	122,763,045	5,859,886,234	1.0060%
2012	4,496,112,577	674,651,088	46,231,581	240,964,117	140,434,070	5,598,393,433	1.0068%
2013	4,370,940,651	657,806,317	43,444,913	257,743,760	149,219,848	5,479,155,489	1.0072%

Source: Contra Costa County Auditor / Controller

Note: General property taxes are calculated at 1% of total assessed value less local exemptions.

City of Brentwood

DIRECT AND OVERLAPPING PROPERTY TAXES

LAST TEN TAX YEARS

(Unaudited)

	City Direct Rates			Overlapping Rates [1]		
Fiscal Year	Basic Rate	General Obligation Debt Service	Total Direct Tax Rate	Liberty Union High School District	Brentwood Union School District	Other Districts
2004	1.00%	0.0063%	1.0063%	0.0405%	0.0405%	0.0095%
2005	1.00%	0.0051%	1.0051%	0.0489%	0.0517%	0.0099%
2006	1.00%	0.0040%	1.0040%	0.0379%	0.0519%	0.0152%
2007	1.00%	0.0038%	1.0038%	0.0331%	0.0444%	0.0178%
2008	1.00%	0.0032%	1.0032%	0.0276%	0.0470%	0.0264%
2009	1.00%	0.0039%	1.0039%	0.0289%	0.0587%	0.0256%
2010	1.00%	0.0054%	1.0054%	0.0376%	0.0682%	0.0291%
2011	1.00%	0.0060%	1.0060%	0.0390%	0.0715%	0.0248%
2012	1.00%	0.0068%	1.0068%	0.0386%	0.0688%	0.0256%
2013	1.00%	0.0072%	1.0072%	0.0364%	0.0685%	0.0181%

Source: HdL Coren & Cone, Contra Costa County Auditor / Controller

Note: General property taxes are calculated at 1% of total assessed value less local exemptions.

(1) Overlapping rates are those of local and county governments that apply to property owners within the City of Brentwood.
Not all overlapping rates apply to all Brentwood property owners.

City of Brentwood

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

(Unaudited)

	Fiscal Year 2013			Fiscal Year 2004		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percent of City's Total Taxable Value**	**Taxable Assessed Value**	**Rank**	**Percent of City's Total Taxable Value**
G and I VII Brentwood LP	$ 94,407,500	1	1.72%	$ -		-
Sand Creek Crossing LLC	41,532,800	2	0.76%	-		-
John Muir Mt Diablo Health	37,353,346	3	0.68%	-		-
DS Lone Tree Plaza LLC	32,600,360	4	0.59%	-		-
Trilogy Vineyards LLC	26,869,207	5	0.49%	-		-
Brentwood Arbor Ridge LP	21,549,503	6	0.39%	-		-
New Urban Comm Sciortno LLC	19,775,100	7	0.36%	-		-
Towncentre-Balfour LP	19,346,870	8	0.35%	-		-
AFE Brentwood Park LLC	19,073,348	9	0.35%	-		-
Brentwood Assisted Living LLC	17,000,000	10	0.31%	-		-
Pulte Home Corporation	-		-	51,200,718	1	1.43%
AIG Baker Brentwood LLC	-		-	46,000,000	2	1.29%
Brookfield Brentwood Lakes Inc.	-		-	39,264,569	3	1.10%
KB Home South Bay Inc.	-		-	33,550,271	4	0.94%
Western Pacific Housing Inc.	-		-	30,461,302	5	0.85%
California Sun Properties	-		-	26,587,689	6	0.74%
HPH Properties LP	-		-	24,558,499	7	0.69%
Len-Brentwood LLC	-		-	19,782,285	8	0.55%
Signature Properties Inc.	-		-	18,875,322	9	0.53%
Shea Homes LP	-		-	18,259,556	10	0.51%
Total	$ 329,508,034		6.00%	$ 308,540,211		8.63%

Source: HdL Coren & Cone, Contra Costa County Assessor

City of Brentwood

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN TAX YEARS

(Unaudited)

Fiscal Year Ended June 30	Taxes Levied For The Fiscal Year [1]	Collected Within the Fiscal Year of the Levy [2]	
		Amount	Percentage of Levy
2004	$ 7,990,595	$ 7,990,595	100.00%
2005	9,932,342	9,932,342	100.00%
2006	14,887,469	14,887,469	100.00%
2007	19,676,078	19,676,078	100.00%
2008	20,802,069	20,802,069	100.00%
2009	19,580,300	19,580,300	100.00%
2010	16,247,076	16,247,076	100.00%
2011	15,684,496	15,684,496	100.00%
2012	12,682,260	12,682,260	100.00%
2013	10,090,453	10,090,453	100.00%

Source: Contra Costa County Auditor / Controller

(1) General property taxes are calculated at 1% of total assessed value less local exemptions. The City's portion is determined by the individual tax rate areas in the City.

(2) Tax assessments collected are the same as the amount levied, because Contra Costa County follows California's alternate method of apportionment (the Teeter Plan). Under the Teeter Plan, all amounts levied are apportioned to agencies regardless of whether they are collected in the current year or not. A tax loss reserve fund insures losses resulting when a property is sold for taxes and the proceeds are insufficient to pay the outstanding amounts due.

City of Brentwood

TAXABLE SALES BY CATEGORY

LAST TEN CALENDAR YEARS

(In Thousands of Dollars)

(Unaudited)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Apparel Stores	$ 13,172	$ 13,267	$ 15,101	$ 17,378	$ 18,290	$ 24,627	$ 38,865	$ 41,433	$ 43,872	$ 47,782
Food Stores	27,238	33,055	35,792	38,168	38,950	41,689	44,121	42,134	42,881	44,710
Eating & Drinking Establishments	25,885	29,024	38,910	43,813	49,450	50,980	58,853	64,109	70,917	80,693
Building Materials	19,551	57,865	74,435	66,356	60,287	53,169	47,048	51,067	55,213	57,644
Auto Dealers and Supplies	47,542	48,276	57,392	62,402	57,183	33,284	39,949	43,762	41,466	39,996
Service Stations	40,790	51,628	63,121	75,209	85,806	103,954	77,494	86,144	100,906	105,065
Other Retail Stores	33,587	49,076	70,513	73,740	92,255	103,163	111,769	115,702	120,480	126,723
All Other Outlets	59,351	90,038	94,051	96,786	93,659	92,659	88,465	91,820	103,895	111,150
Total	$ 267,116	$ 372,229	$ 449,315	$ 473,852	$ 495,880	$ 503,525	$ 506,564	$ 536,171	$ 579,630	$ 613,763
City Direct Sales Tax Rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

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

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

City of Brentwood

DIRECT AND OVERLAPPING SALES TAX RATES

LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year	City Direct Rate	Contra Costa County	State	Total
2004	1.00%	1.00%	6.25%	8.25%
2005	1.00%	1.00%	6.25%	8.25%
2006	1.00%	1.00%	6.25%	8.25%
2007	1.00%	1.00%	6.25%	8.25%
2008	1.00%	1.00%	6.25%	8.25%
2009	1.00%	1.00%	7.25% (1)	9.25%
2010	1.00%	1.00%	7.25% (1)	9.25%
2011	1.00%	1.00%	6.25% (1)	8.25%
2012	1.00%	1.00%	6.25%	8.25%
2013	1.00%	1.00%	6.50% (2)	8.50%

Source: State Board of Equalization

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

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

(2) On January 1, 2013 the State rate was increased by .25%.

City of Brentwood

TOP 25 SALES TAX PRODUCERS

CURRENT YEAR AND NINE YEARS AGO

(Unaudited)

2013		2004	
Tax Remitter [1]	**Business Category**	**Tax Remitter [1]**	**Business Category**
Arco AM PM	Service Stations	Ace Hardware	Hardware Stores
AT&T Mobility	Electronics/Appliance Store	Albertsons	Grocery Stores - Liquor
Best Buy	Electronics/Appliance Store	Arco AM PM	Service Stations
Bill Brandt Ford	New Motor Vehicle Dealers	Big B Lumber	Lumber/Building Materials
BJs Restaurant & Brewhouse	Restaurants - Liquor	Bill Brandt Ford	New Motor Vehicle Dealers
Brentwood Ready Mix	Contractors	Brentwood Auto Parts	Automotive Supply Stores
Brentwood Service Station	Service Stations	Brentwood Dodge Chrysler Jeep	New Motor Vehicle Dealers
Chevron	Service Stations	Chevron	Service Stations
Circle K Gas	Service Stations	Dallas Shanks Services	Service Stations
D Devi Oil Shell	Service Stations	Golden Gate Petroleum	Petroleum Prod/Equipment
Dallas Shanks Chevron	Service Stations	Home Depot	Lumber/Building Materials
Home Depot	Lumber/Building Materials	Home Goods	Home Furnishings
Home Goods	Home Furnishings	Kelly Moore Paint	Paint/Glass/Wallpaper
Kohl's	Department Stores	Longs	Drug Stores
Michaels Arts & Crafts	Art/Gift/Novelty Stores	Pee Wee Muldoon's	Restaurants - Liquor
Quick Stop	Service Stations	Precision Cabinets	Contractors
Raley's	Grocery Stores - Liquor	Quick Stop Markets	Service Stations
Ross	Family Apparel	Raley's	Grocery Stores - Liquor
Safeway	Grocery Stores - Liquor	Ross	Family Apparel
Save Mart	Grocery Stores - Liquor	Safeway	Grocery Stores - Liquor
TJ Maxx	Family Apparel	Savers Fuel Mart	Service Stations
Tower Mart	Service Stations	TJ Maxx	Family Apparel
Verizon Wireless	Electronics/Appliance Store	Tower Mart	Service Stations
Walgreens	Drug Stores	Winco Foods	Grocery Stores - Liquor
Winco Foods	Grocery Stores - Liquor	Winco Foods	Grocery Stores - Liquor
Percent of Fiscal Year Total Paid by Top 25 Accounts = 50.05%		**Percent of Fiscal Year Total Paid by Top 25 Accounts = 63.85%**	

Source: HdL Coren & Cone

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

City of Brentwood

WATER USE REVENUE BY CUSTOMER TYPE

LAST EIGHT FISCAL YEARS

(Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013
Type of Customer								
Residential	$ 6,618,564	$ 8,037,936	$ 7,967,434	$ 7,771,514	$ 7,298,520	$ 7,559,361	$ 8,018,220	$ 9,104,775
Commercial	1,243,223	1,588,280	1,535,388	1,353,079	1,243,055	1,270,571	1,351,106	1,505,393
Industrial	86,581	104,434	308,275	594,218	474,029	502,181	496,542	588,820
Government	379,228	596,973	828,672	1,062,688	1,129,991	1,000,586	1,001,728	1,278,646
Total	$ 8,327,596	$ 10,327,622	$ 10,639,768	$ 10,781,499	$ 10,145,595	$ 10,332,699	$ 10,867,596	$ 12,477,634

Source: City of Brentwood Finance Department, Utility Billing

Note: Information isn't available prior to 2006.

City of Brentwood

WATER RATES
LAST TEN FISCAL YEARS
(Unaudited)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Monthly Base Rate										
5/8" or 3/4" meter	$ 14.00	$ 14.59	$ 15.24	$ 15.98	$ 16.46	$ 16.95	$ 17.46	$ 17.99	$ 18.53	$ 19.08
1" meter	21.09	21.98	22.96	24.07	24.69	25.43	26.19	26.98	27.79	28.62
1 1/2" meter	41.90	43.68	45.62	47.84	49.38	50.86	52.39	53.96	55.58	57.24
2" meter	69.89	72.85	76.09	79.79	82.30	84.77	87.31	89.93	92.63	95.40
3" meter	116.50	120.60	125.96	132.08	148.13	152.58	157.16	161.87	166.73	171.73
4" meter	186.39	194.30	202.94	212.80	213.97	220.39	227.00	233.81	240.83	248.05
6" meter	372.87	388.70	405.99	425.70	444.40	457.74	471.47	485.61	500.18	515.19
Consumption Charge (per 1,000 gallons = 1 unit)										
Residential Tiers										
Tier 1: Units 1-10	$ 2.19	$ 2.28	$ 2.38	$ 2.50	$ 2.58	$ 2.65	$ 2.73	$ 2.81	$ 2.90	$ 2.99
Tier 2: Units 11-20	2.61	2.72	2.84	2.98	3.07	3.16	3.26	3.35	3.45	3.56
Tier 3: Units 21-30	3.13	3.26	3.41	3.57	3.68	3.79	3.90	4.02	4.14	4.26
Tier 4: Units 31+	3.65	3.80	3.97	4.16	4.28	4.41	4.55	4.68	4.82	4.97
Non Residential Tiers										
Tier 1: Units 1-10	$ 2.19	$ 2.28	$ 2.38	$ 2.50	$ 2.58	$ 2.65	$ 2.73	$ 2.81	$ 2.90	$ 2.99
Tier 2: Units 11+	2.61	2.72	2.84	2.98	3.07	3.16	3.26	3.35	3.45	3.56
Non Potable										
Tier 1: Units 1+	N/A	N/A	N/A	N/A	$ 0.95	$ 0.98	$ 1.01	$ 1.04	$ 1.07	$ 1.10

Source: City of Brentwood Finance Department, Utility Billing

City of Brentwood

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

(Unaudited)

	Governmental Activities						
Fiscal Year	General Obligation Bonds [1]	2001 CIP Revenue Bonds	2012 CIP Revenue Refunding Bonds	Civic Center Project Lease Revenue Bonds	Notes Payable	Capital Leases (Internal Service)	Capital Leases (Governmental)
2004	$ 6,255,771	$ 31,025,000	$ -	$ -	$ -	$ 69,108	$ 206,930
2005	6,411,571	30,390,000	-	-	2,355,868	35,500	140,061
2006	6,384,302	29,740,000	-	-	1,867,208	-	17,754
2007	6,436,238	29,065,000	-	-	1,738,860	-	-
2008	6,479,059	28,370,000	-	-	1,626,491	-	-
2009	6,513,343	27,645,000	-	-	1,528,112	-	-
2010	6,534,783	26,890,000	-	48,000,000	75,407	-	-
2011	6,544,040	26,110,000	-	48,000,000	-	-	-
2012	6,536,845	-	24,060,000	48,000,000	-	-	555,313
2013	6,513,998	-	23,205,000	47,375,000	-	-	277,656

	Business-Type Activities									
Fiscal Year	2008 Water Revenue Bonds	Water Revenue Bonds	1994 Water Revenue Bonds	Wastewater Revenue Bonds	Capital Leases	State Water Resources Loan (Wastewater)	Notes Payable	Total Primary Government	Percentage of Personal Income [2]	Per Capita [2]
2004	$ -	$ 8,587,423	$ -	$ 2,207,578	$ 642,764	$ 36,188,841	$ 16,611,959	$ 101,795,374	11.03%	$ 3,087
2005	-	8,372,637	-	2,152,363	423,675	34,574,866	10,711,564	95,568,105	8.52%	2,566
2006	-	8,145,920	-	2,094,080	190,955	32,931,790	9,799,478	91,171,487	6.93%	2,168
2007	-	7,911,248	-	2,033,752	-	31,458,362	9,082,956	87,726,416	5.56%	1,908
2008	-	7,664,643	-	1,970,357	-	29,744,923	8,441,719	84,297,192	4.74%	1,732
2009	52,780,000	-	-	-	-	28,000,554	7,691,719	124,158,728	6.63%	2,455
2010	52,500,000	-	-	-	-	26,224,698	7,432,445	167,657,333	9.09%	3,227
2011	52,200,000	-	-	-	-	24,416,786	7,432,445	164,703,271	10.62%	3,205
2012	51,100,000	-	-	-	-	22,576,240	7,358,875	160,187,273	10.69%	3,079
2013	49,955,000	-	-	-	-	20,702,469	7,382,250	155,411,373	9.99%	2,953

Note: Details regarding the City's outstanding debt can be found in Note #6, found on pages 66 - 74 of this report.

(1) The City issued $6 million of debt for the Police Station project on February 22, 2002.

(2) See Schedule 19 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

City of Brentwood

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year	General Obligation Bonds	Total	Percentage of Actual Taxable Value of Property	Per Capita
2004	$ 6,255,771	$ 6,255,771	0.18%	$ 165
2005	6,411,571	6,411,571	0.14%	155
2006	6,384,302	6,384,302	0.11%	142
2007	6,436,238	6,436,238	0.09%	135
2008	6,479,059	6,479,059	0.08%	130
2009	6,513,343	6,513,343	0.09%	128
2010	6,534,783	6,534,783	0.11%	127
2011	6,544,040	6,544,040	0.11%	126
2012	6,536,845	6,536,845	0.12%	124
2013	6,513,998	6,513,998	0.11%	124

Note: Details regarding the City's outstanding debt can be found in Note #6, found on pages 66 - 74 of this report. The General Obligation Bond was issued in Fiscal Year 2002.

Source: City of Brentwood Finance Department

City of Brentwood

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of June 30, 2013

(Unaudited)

2012-13 Assessed Valuation:	$ 5,479,155,489
Redevelopment Incremental Valuation:	525,871,821
Adjusted Assessed Valuation:	$ 4,953,283,668

	Total Debt 6/30/13	Percentage Applicable [1]	City's Share of Debt 6/30/13
DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:			
Bay Area Rapid Transit	$ 410,690,000	1.090%	$ 4,476,521
Contra Costa Community College District	209,930,000	3.879%	8,143,185
Liberty Union High School District	53,140,000	50.307%	26,733,140
Brentwood Union School District	48,964,704	92.462%	45,273,745
Oakley Union School District	22,185,000	0.003%	666
City of Brentwood	**6,513,998** [2]	**100.000%**	**6,513,998**
City of Brentwood Community Facilities Districts	19,947,369	100.000%	19,947,369
City of Brentwood 1915 Act Bonds	154,337,388	100.000%	154,337,388
California Statewide Communities Development Authority Assessment District No. 04-1& 05-1	9,078,430	100.000%	9,078,430
East Bay Regional Park District	135,565,000	1.685%	2,284,270
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT	$ 1,070,351,889		$ 276,788,712
DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:			
Contra Costa County General Fund Obligations	$ 282,641,006	3.864%	$ 10,921,248
Contra Costa County Pension Obligations	310,110,000	3.864%	11,982,650
Contra Costa Community College District Certificates of Participation	780,000	3.879%	30,256
Brentwood Union School District Certificates of Participation	2,316,455	92.462%	2,141,841
City of Brentwood General Fund Obligations	**6,575,000**	100.000%	**6,575,000**
GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT	$ 602,422,461		$ 31,650,995
Less: Contra Costa Obligations Supported From Revenue Funds			4,056,919
NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			$ 27,594,076
OVERLAPPING TAX INCREMENT DEBT (SUCCESSOR AGENCY)	29,097,104	97.501%	$ 28,369,967
TOTAL DIRECT DEBT			**$ 13,088,998**
TOTAL GROSS OVERLAPPING DEBT			$ 323,720,676
TOTAL NET OVERLAPPING DEBT			$ 319,663,757
GROSS COMBINED TOTAL DEBT			$ 336,809,674 [3]
NET COMBINED TOTAL DEBT			$ 332,752,755

Ratios to Adjusted Assessed Valuation:

Total Direct Debt ($13,088,998) …….……..	**0.26%**
Gross Combined Total Debt …….……	6.80%
Net Combined Total Debt …….	6.72%

Source: California Municipal Statistics, Inc.

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundries of the city divided by the district's total taxable assessed value.

(2) Includes $2,309,022 accreted value.

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

City of Brentwood

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

(Unaudited)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt Limit	$ 133,940,232	$ 168,632,232	$ 209,974,838	$ 268,950,551	$ 304,432,783	$ 277,676,731	$ 229,124,375	$ 219,745,734	$ 209,939,754	$ 205,468,331
Total Net Debt Applicable to Limit	6,255,771	6,411,571	6,384,302	6,436,238	6,479,059	6,513,343	6,534,783	6,544,040	6,536,845	6,513,998
Legal Debt Margin	$ 127,684,461	$ 162,220,661	$ 203,590,536	$ 262,514,313	$ 297,953,724	$ 271,163,388	$ 222,589,592	$ 213,201,694	$ 203,402,909	$ 198,954,333
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	4.67%	3.80%	3.04%	2.39%	2.13%	2.35%	2.85%	2.98%	3.11%	3.17%

Legal Debt Margin Calculation for Fiscal Year 2013	
Assessed Value [1]	$5,479,155,489
Debt Limit (3.75% of Assessed Value)[2]	205,468,331
Debt Applicable to Limit:	
General Obligation Bonds	6,513,998
Total Net Debt Applicable to Limit	6,513,998
Legal Debt Margin	$ 198,954,333

Source: Contra Costa County Assessor

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

City of Brentwood

PLEDGED REVENUE COVERAGE
LAST FIVE FISCAL YEARS
(Unaudited)

Water Revenue Bonds, Series 2008

Fiscal Year	Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2009*	$ 17,620,443	$ 11,356,551	$ 6,263,892	$ 420,000	$ 1,858,366	2.75
2010	16,596,134	11,876,489	4,719,645	280,000	2,915,363	1.48
2011	16,674,462	11,336,197	5,338,265	300,000	2,902,763	1.67
2012	18,205,250	12,910,278	5,294,972	1,100,000	2,889,263	1.33
2013	19,761,476	13,153,649	6,607,827	1,145,000	2,839,763	1.66

Source: City of Brentwood Finance Department

Note: Details regarding the City's outstanding debt can be found in Note #6, found on pages 66 - 74 of this report. Operating revenues include developer connection fees. Operating expenses do not include depreciation or amortization expenses.

* The Water Revenue Bonds were issued in October 2008; therefore, fiscal year 2009 is the first reportable year. The obligation of the City to make such payments is a special obligation of the City payable solely from Net Water Revenues.

City of Brentwood

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN CALENDAR YEARS

(Unaudited)

Calendar Year	Population[1]	Personal Income (In Thousands)[2]	Per Capita Personal Income	Median Age[3]	School Enrollment[4]	Unemployment Rate[5]
2003	33,699	922,703	27,381	37.4	10,510	5.4%
2004	37,867	1,121,457	29,616	31.1	10,645	4.8%
2005	41,343	1,315,334	31,815	32.7	11,949	4.3%
2006	44,992	1,576,491	35,039	32.8	14,003	3.8%
2007	47,846	1,777,197	37,144	33.0	14,982	4.1%
2008	49,710	1,871,658	37,652	32.8	15,196	5.4%
2009	50,997	1,844,650	36,172	32.0	15,615	9.2%
2010	51,453	1,550,929	30,143	35.1	15,744	10.0%
2011	52,030	1,498,335	28,798	34.8	15,940	9.2%
2012	52,635	1,556,037	29,563	35.1	16,240	6.2%

Sources:
(1) California Department of Finance, data is as of January 1 of each year.
(2) US Census Bureau; based on last available Census and projected post census trends.
(3) Demographic Data is totaled from Census Block Groups that overlap City boundaries.
(4) Liberty Union High School and Brentwood Union School Districts.
(5) CA Employment Development Department.

Note:
Pre 2010 – Income, Age and Economic Data are based on the last available census. Projections are developed by incorporating all of the prior census data released to date.

2010 - present – Income, Age and Economic Data is based on the most recent American Community Survey, US Census Bureau.

City of Brentwood

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

(Unaudited)

	2013			2004		
Employer	**Employees**	**Rank**	**Percent of Total City Employment**	**Employees**	**Rank**	**Percent of Total City Employment**
Brentwood Union School District	400-450	1	3.63%	300-400	1	4.01%
Liberty Union High School District	250-300	2	2.35%	200-300	2	2.67%
City of Brentwood	250-300	2	2.35%	200-300	2	2.67%
Safeway Stores, Inc.	200-250	4	1.92%	50-100	7	0.67%
Precision Cabinets	150-200	5	1.54%	150-200	4	2.01%
BJ's Brewhouse	150-200	5	1.54%	-	-	-
Home Depot	150-200	7	1.37%	-	-	-
Winco Foods, Inc.	150-200	7	1.37%	-	-	-
Rodda Electric & Solar	100-150	9	1.20%	-	-	-
Walgreen Co.	100-150	10	1.07%	100-150	5	1.34%
Kohl's	100-150	10	1.07%	-	-	-
John Muir	100-150	10	1.07%	-	-	-
Buffalo Wild Wings	100-150	10	1.07%	-	-	-
Albertsons	-	-	-	100-150	5	1.34%
US Print	-	-	-	50-100	7	0.67%
Lucky Stores, Inc.	-	-	-	50-100	7	0.67%
Brentwood Dodge Chrysler Plymouth	-	-	-	25-50	10	0.33%
Total	2,200-2,850		21.55%	1,225-1,850		16.38%

Source: City of Brentwood Community Development Department

City of Brentwood

AUTHORIZED FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

(Unaudited)

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government	29	33	35	39	39	39	37	37	37	37
Public Safety	71	78	77	77	78	78	79	79	79	79
Community Development	34	37	38	39	29	27	26	26	23	23
Engineering	37	35	32	31	20	12	12	13	13	13
Public Works	15	19	19	19	20	20	20	23	23	23
Parks and Recreation	26	32	32	33	29	27	27	24	24	24
Wastewater	14	15	16	16	16	17	17	17	17	17
Solid Waste	18	20	20	22	23	23	23	24	24	24
Water	17	21	21	22	23	25	25	25	26	26
City Rentals	2	2	2	2	2	-	-	-	-	-
Housing	-	3	3	3	2	1	1	1	2	1
Total	263	295	295	303	281	269	267	269	268	267

Source: City of Brentwood Finance Department

City of Brentwood

OPERATING INDICATORS BY FUNCTION / PROGRAM

LAST TEN FISCAL YEARS

(Unaudited)

Function / Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
Building Permits Issued	1,421	1,452	978	404	129	31	136	109	175	290
Accounts Payable Invoices Processed	15,855	15,357	15,686	15,255	15,093	13,695	12,085	10,272	10,885	10,458
Purchase Orders Issued [1]	487	581	526	414	382	319	238	280	320	355
Checks Issued	16,624	17,215	18,058	17,628	16,968	15,043	14,328	14,366	14,047	14,064
Public Works										
Street Miles Swept	18,481	22,488	21,715	20,869	20,308	18,031	17,885	17,237	14,547	14,266
Debris Collected (tons)	1,987	2,265	2,215	2,215	2,017	2,047	1,832	2,226	1,995	2,229
Streetlights Maintenance Requests	656	576	438	570	834	871	760	806	659	680
Police										
Physical Arrests (est.)	1,202	1,339	1,314	1,500	1,852	1,603	1,625	1,448	1,745	1,626
Calls for Service (est.) [2]	21,190	22,491	23,553	26,000	27,953	32,608	38,922	35,168	37,124	36,781
Case Files Taken (est.)	5,367	5,449	5,571	6,000	6,162	5,941	6,117	5,450	6,044	5,823
Parks and Recreation										
Total Programs Offered (est.)	1,214	1,464	1,975	2,123	2,231	945	832	986	1,053	997
Total Participants and Spectators at Events	539,276	640,137	980,300	1,071,658	937,187	749,922	642,612	729,046	605,391	762,312
Refuse Collection										
Refuse Collected (tons per day)	52	64	71	82	99	96	95	90	88	93
Yard Waste (tons per day)	14	17	18	23	29	29	31	32	34	35
Recyclables Collected (tons per day)	15	18	19	21	25	22	22	22	22	22
Residential Services	12,303	13,540	14,489	15,183	14,893	15,263	15,469	15,562	15,907	16,337
Commercial Services	624	541	546	475	463	453	459	468	451	468
Water										
New Connections	1,800	961	900	536	225	39	113	117	125	197
Average Daily Consumption (millions of gallons)	5	8	9	11	11	10	10	9	9	11
Peak Daily Consumption (millions of gallons)	14	15	15	17	17	16	16	16	15	16
Number of Utility Customers	12,581	13,995	15,289	16,078	16,324	16,442	16,769	16,827	16,952	17,120
Wastewater										
New Connections	1,916	886	830	1,049	225	39	113	119	125	199
Average Daily Sewage Treatment (millions of gallons)	3	3	3	4	4	4	3	3	3	3

Source: Various City Departments

[1] Beginning in FY 2007, change orders were no longer included in the total number of purchase orders.

[2] Beginning in FY 2010, calls for service figures include pedestrian and vehicle stops. There were 11,542 of these stops reported in the 2010 figures.

City of Brentwood

CAPITAL ASSET STATISTICS BY FUNCTION / PROGRAM

LAST TEN FISCAL YEARS

(Unaudited)

Function / Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	-	-	-	-	-	1	1	1	1	1
Patrol Vehicles	33	36	40	52	52	50	50	51	51	51
Parks and Recreation										
Developed Park Acreage (1)	148	171	194	228	256	256	256	256	260	221
Play Areas	25	32	40	40	43	43	45	45	46	48
Multi-Use Trails (miles)	13	15	15	15	16	16	16	16	16	16
Multi-Use Ball and Soccer Fields	17	20	23	23	23	23	23	23	23	23
Picnic Areas/Tables (2)	23	25	214	253	276	276	276	276	287	290
Refuse Collection										
Collection Trucks	12	12	13	14	14	14	14	14	14	14
Water										
Water Mains (miles)	149	164	173	173	173	173	184	191	219	256
Fire Hydrants	1,397	1,521	1,628	1,628	1,869	1,910	1,940	1,945	2,153	2,535
Number of Wells	8	9	10	10	9	9	9	9	8	7
Number of Reservoirs	4	5	5	6	6	6	6	6	6	6
Storage Capacity (millions of gallons)	11	15	15	19	19	19	19	19	19	19
Wastewater										
Sanitary Sewers (miles)	92	101	138	150	150	150	150	152	179	202
Lift Stations	3	3	3	2	3	2	2	2	2	2
Other Public Works										
Streets (miles)	145	161	168	168	168	190	190	190	190	192
Street Lights	3,614	3,873	3,882	4,255	5,299	5,836	5,836	5,836	5,889	5,948

Source: Various City Departments

(1) Beginning with FY 2013, a new map system was implemented with rescaled acreage.

(2) Beginning with FY 2006, the number shown is for picnic tables, not picnic areas.

City of Brentwood

General Information
(Unaudited)

Date of Incorporation:	January 19, 1948
Forms of Government:	General Law Council-Manager
Fiscal Year Begins:	July 1
Area of City:	14.83 Sq Miles
Population as of January 2012:	52,635

Number of Full-time Equivalent Positions	Year End
267.00	2013
268.00	2012
268.75	2011
267.25	2010
269.25	2009
281.25	2008
302.75	2007
294.75	2006
294.75	2005
263.45	2004

Public Schools	
Elementary	7
Intermediate	3
High School	2
Alternative High Schools	2

Miles of Streets	
Miles of Streets	192
Miles of Sanitary Sewers	202
Miles of Water Mains	256
Number of Street Lights	5,948

Municipal Wastewater System	
Number of Lift Stations	2
Sanitary	3
Storm	1
Number of Connections	16,800
Average Daily Flow	3.4 MGD

Municipal Water System	
Number of Wells	7
Number of Reservoirs	6
Storage Capacity (gallons)	19 MG
Average Daily Consumption	10.5 MGD
Peak Daily Consumption	16.5 MGD
Number of Fire Hydrants	2,535
Number of Connections	17,120

Municipal Solid Waste	
Number of Residential Services	16,322
Number of Commercial Services	495

Parks and Recreation	
Neighborhood Parks	221
Aquatic Complex	7.5 acres
Skate Park	.50 acres
Play Areas	48
Sunset Park Athletic Complex	38 acres
Veterans Park	10.5 acres

Parks Facilities	
Multi-Use Trails	16 miles
Multi-Use Ball and Soccer Fields	23
Tennis Courts	2
Basketball Courts	13
Bocce Ball Courts	6
Volleyball Courts	3
Horseshoe Courts	2
Gazebos	2
Picnic Areas/Tables	290
BBQ Areas	26
Restrooms (Permanent)	8

Police Protection	
Sworn Officers	62
Non-Sworn	17
Reserves	0
Vehicles	51
Motorcycles	4

East Diablo Fire District	
Stations Located in Brentwood	2
Firefighters in Brentwood	18

Source: Various City Departments