

ANNUAL COMPREHENSIVE FINANCIAL REPORT

*Fiscal Year Ended
June 30, 2024*



150 City Park Way
Brentwood, CA 94513





For Fiscal Year Ended June 30, 2024

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December 10, 2024

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

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

We are pleased to submit the Annual Comprehensive Financial Report for the City of Brentwood, California ("the City"), for the fiscal year (FY) ended June 30, 2024. Each year, the City publishes a complete set of financial statements that are presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited by an independent, certified public accounting firm.

The City's Finance and Information Systems Department prepared this report. Responsibility for both the accuracy of the data and the completeness and fairness of the information, including all disclosures, rests with the City. To the best of the City staff's knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner to fairly present the financial position and results of the operations of the various entities of the City. All disclosures necessary for the reader to understand the City's financial activities have been included. GAAP requires that management provide a narrative introduction overview and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal complements the MD&A, which can be found immediately following the report of the independent auditors.

INTERNAL CONTROLS

The Finance and Information Systems Department accounts for the City's programs and activities. In conjunction with the City's management, the Finance and Information Systems Department is responsible for maintaining the integrity of the City's recorded financial data and establishing and maintaining an internal control structure to ensure that the City's assets are protected from loss, theft or misuse. The internal control structure is designed to provide reasonable assurance these objectives are met, while recognizing that this assurance is not absolute. The concept of reasonable assurance recognizes: 1) the cost of a control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits requires estimates and judgments by management. City management believes the existing internal control systems are adequate to provide reasonable assurance the City's assets are safeguarded against loss and that the financial records are reliable for preparing financial statements and maintaining accountability for assets. This belief is supported by the "unmodified" audit opinion issued by the City's independent external auditors for the fiscal year ended June 30, 2024.

INDEPENDENT AUDIT

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

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

In addition to meeting the requirements set forth in state statutes, the audit meets the requirements of the Federal Single Audit Act, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). The standards governing Single Audit engagements require the independent auditor to report both on the fair presentation of the financial statements and on the audited government's internal controls and compliance with legal requirements.

PROFILE OF BRENTWOOD

The City was founded in 1878 and incorporated in 1948 as a general law city under the laws of the State of California. Brentwood encompasses approximately 14.83 square miles and is located in eastern Contra Costa County, 55 miles east of San Francisco and 62 miles south of Sacramento. The City is governed by a five-member City Council, under the Council-Manager form of government. As of January 1, 2024, the City had an estimated population of 64,811.

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

The City was financially accountable for the Brentwood Redevelopment Agency prior to its dissolution, effective February 1, 2012 as a matter of State law. At that time, the City opted to become the Successor Agency to the Brentwood Redevelopment Agency ("Successor Agency"). Financial data of the Successor Agency has been segregated in a private-purpose trust fund. In addition, the City is financially accountable for the Brentwood Infrastructure Financing Authority (the "Authority"), a component unit of the City. Although a legally separate entity, this blended component unit is also substantively part of the government's operations. Financial data for the Authority is combined with the data of the primary government. For accounting purposes, the Authority, the Successor Agency and the City all have a June 30 year-end date. See Note #1A for a more detailed discussion of the reporting entity.

The City's annual budget serves as the foundation for planning and controlling the City's finances. As such, the City maintains extensive budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. For additional budgetary information, see Note #2A. The City operates on a two-year budget cycle with the budget process beginning in November and culminating with final Council approval in June. The adopted two-year budget is then formally reviewed by the City Council at a public meeting every six months for adjustments. The City's adopted budget includes legally required budgets for the activities of the General Fund, Special Revenue Funds, Fiduciary Funds, Internal Service Funds and certain Capital Project Funds. Additionally, although not legally required, Debt Service budget information is also included.

ECONOMIC CONDITION AND FINANCIAL OUTLOOK

Despite significant challenges, the U.S. economy has remained solid and periods of high inflation and geopolitical turmoil have not yet resulted in the recession that many economists had projected. Despite this strength, there are declines in leading economic indicators that may indicate potential weakness in the overall economy. There is a good possibility of a coming general economic slowdown, as the higher cost of both government and personal borrowing may crowd out consumer spending - the primary driver of the US economy.

Although inflationary pressures appear to be cooling and have fallen below 3%, the recent period of persistently high inflation has led to a substantial increase in the City's cost to provide services to the public and build infrastructure. With limitations on the ability of the City to increase revenues, income growth may not be sufficient to cover cost increases driven by high inflation in the past few fiscal years. Adding to the economic uncertainty, the State continues to pass regulatory requirements without accompanying funding. Costs for compliance in the area of solid waste organics processing has already had impacts on the budget. Similarly, additional regulation that mandates electric vehicle fleets for public entities is among the many factors that could add significant infrastructure and ongoing operational costs. The General Fund provides funding for the majority of City services, including street maintenance, parks and police. General Fund operations for FY 2023/24 resulted in a surplus, with revenues exceeding expenses and amounts set aside for reserves by \$2.7 million. Included in these results are \$1.1 million in one-time investment fair market value gains and \$1.2 million released from a future planned project. Pursuant to City Council policy and as a part of the City's long-term fiscal sustainability strategy, half of the surplus will be used to reduce unfunded pension obligations. Via resolution, City Council directed exclusion of the \$1.2 million in reduced project spending from the calculation of the required pension payment. As a result, \$733,826 of the surplus will be used for a pension payoff.

Property taxes, the General Fund's top revenue source, has risen by an average of approximately 5% per year over the past five years, providing the City with a means to offset some of the inflationary cost pressures. Property tax revenue growth rates are projected to slow to the 3%-4% range over the next few fiscal years due to higher mortgage rates and declining housing affordability. A sign of potential stress in the real estate market is evident in declining property turnover rates during FY 2023/24, which are now at historically low levels. Sales tax, the General Fund's second largest revenue source, has rebounded to surpass pre-pandemic levels. However, sales tax growth for FY 2023/24 was flat when compared to the prior fiscal year. Revenues are expected to grow modestly in future fiscal years, although the City is expecting a significant boost from the planned opening of a new Costco location in the spring of 2025.

On the expenditure side, City operational and infrastructure costs have increased significantly over the past several years, and while inflation appears to have abated, the higher cost structure is likely to persist. The City is also facing longer-term labor cost uncertainty due to the June 30, 2024 expiration of Memoranda of Understanding with all of the City's labor bargaining units. One successor contract has thus far been approved, with negotiations continuing with the unsettled bargaining groups. Increased costs are likely to be incurred once the successor contracts are approved.

The City also expects significant intermediate-term pension cost increases as California Public Employees' Retirement System (CalPERS) requires increasing annual payments to be made to against the City's unfunded pension obligation in addition to the amounts being paid for current benefit accruals. These cost increases would have a greater impact on the fiscal health of the City, if not for the current and historical proactive approach to actively paying down unfunded pension and retiree medical liabilities. During FY 2018/19, the City Council approved a policy providing for annual pay downs of pension or retiree medical unfunded liabilities when certain levels of excess reserves are available. In the last six fiscal years, the City has made pension prepayments of \$23.8 million against the City's net pension liability, which will help mitigate the impacts of increases in funding requirements following CalPERS investment losses. Additionally, the City has taken steps to address funding required for retiree medical liabilities by making significant pre-funding contributions on an annual basis.

The City's Water, Wastewater and Solid Waste Enterprise Funds were impacted by significant account delinquencies resulting from restrictions on collection-related service interruptions during the pandemic. Delinquency rates, however, have returned to pre-pandemic levels and all three of the City's enterprise funds met the 30% cash reserve policy goal in FY 2023/24. Going forward the City anticipates higher costs as a result of inflationary pressures and increasingly stringent operating requirements from the State of California.

During FY 2022/23, a five-year rate study was approved by City Council that set rates for Water, Wastewater and Solid Waste services through FY 2027/28. The rate studies incorporated updated assumptions to account for new organics regulations affecting both the Solid Waste and Wastewater Enterprises. All three studies included updated assumptions to account for changes in operating costs and capital outlay requirements. The rate study took effect July 1, 2023, with the most recent rate adjustment implemented as of July 1, 2024.

The City's Strategic Plan continues to focus on economic development strategies to attract future sources of sales tax revenue and employment opportunities for the community. The Innovation Center @ Brentwood Infrastructure project will construct various infrastructure improvements within the project area including roadways, wet utilities and land acquisition, in order to ready this area for development. The City envisions this location emerging as one of the primary future employment centers, offering individuals and businesses access and opportunities to create high-quality jobs across a diverse array of industries.

Although the City's forecasts indicate that it can maintain its strong financial position, caution is warranted as fiscal conditions are evolving and more challenging conditions could be experienced in the future. The City continues to remain vigilant in maintaining its fiscal strength. As required by policy, the City has maintained an unassigned General Fund balance of at least 30% of the annual operating expenditures as a hedge against this economic uncertainty.

Balanced Budget

The City's Budget and Fiscal Policy requires the City to maintain a balanced General Fund budget over the two-year Operating Budget period. Each fiscal year, current revenues must meet or exceed operating expenditures, including debt service. Use of fund balance commitments to offset non-operating expenditures may allow for current expenditures to exceed current revenues in a fiscal year. Pursuant to Council policy, City staff will present a General Fund budget for City Council consideration that maintains 30% of the annual operating appropriations and transfers in the unassigned fund balance. The City will also strive to maintain cash reserves in the Enterprise Funds of 30% of annual operating appropriations and transfers.

Long-Term Financial Planning

To help ensure the City remains financially healthy in the future, a General Fund Fiscal Model ("Fiscal Model") is prepared as part of the Operating Budget process. The Fiscal Model provides detailed analysis and projections of the next ten years of revenues, expenses and fund balance of the General Fund. The Fiscal Model provides the City Council with a tool to help determine the financial feasibility of priorities and goals they may wish to adopt through the Strategic Planning process. The Fiscal Model can also alert management and the City Council of potential future financial changes and affords the time to develop practical solutions with minimal impacts to the services provided to the residents of Brentwood.

The Fiscal Model projects the City will achieve a balanced General Fund budget for each year of the model, although transfers in from the Pension/Other Post-Employment Benefits (OPEB) Obligation Fund are likely to be necessary. The Pension/OPEB Obligation Fund is comprised of accumulated General Fund savings from previous fiscal years and can be used for budget stabilization purposes, offsetting increasing pension and retiree medical costs in future years, and for Pension/OPEB prefunding purposes. Use of the fund allows the City to meet the goal of maintaining 30% of the annual operating appropriations and transfers in the General Fund's unassigned fund balance throughout the ten-year period. Over the longer-term, the City is projecting pension and retiree medical costs to ease, reducing or eliminating the need for Pension/OPEB Obligation Fund transfers to balance the budget.

Along with the Fiscal Model, the City internally prepares ten-year projections for the Solid Waste, Water and Wastewater Enterprises. These projections serve a similar purpose as the Fiscal Model in providing tools for City staff to analyze the health of the Enterprises and identify potential future economic changes allowing sufficient time to develop solutions. Rate studies are conducted periodically to ensure the Enterprise rates are sufficient to cover: operating expenses; capital improvements; upgrades and costs associated with meeting both State and Federal guidelines and regulations. The ten-year projections provide the essential support needed to complete these rate studies.

Strategic Planning

The City of Brentwood Strategic Plan FY 2022/23 - FY 2023/24 ("Strategic Plan"), adopted in February 2022, is the most recent Strategic Plan and includes numerous initiatives and capital projects in support of the Council's vision for the future of the City. The 2024/25 – 2025/26 Operating Budget includes the funding and appropriations necessary to complete several carryover initiatives from the Strategic Plan, including the Sand Creek Sports Complex and the Innovation Center @ Brentwood Infrastructure project with the goal of bringing a significant number of jobs to the City.

The Strategic Plan focuses on the City's economic development, land use, infrastructure and parks and recreation programs and facilities. Through strong business growth and thoughtful land use and

planning, the City will ensure that the quality of life enjoyed by Brentwood residents today will be enjoyed by future generations.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

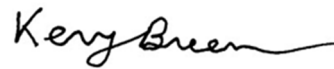
ACKNOWLEDGEMENTS

A great deal of effort and attention to detail, representing many hours of work by staff members throughout the organization, is required to produce a report of this quality. We would like to express our appreciation to all of the City Departments who participated in the development of this year's Annual Comprehensive Financial Report. Special recognition is given to the Finance and Information Systems Department and specifically the Business Services and Financial Services staff. We wish to thank and express our appreciation to the Mayor and the City Council for providing the policy direction used to prepare this Annual Comprehensive Financial Report and for their interest and support in planning and conducting the financial activities of the City in a responsible manner.

Respectfully submitted,



Tim Ogden
City Manager



Kerry Breen
City Treasurer
Director of Finance & Information Systems



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Brentwood
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO



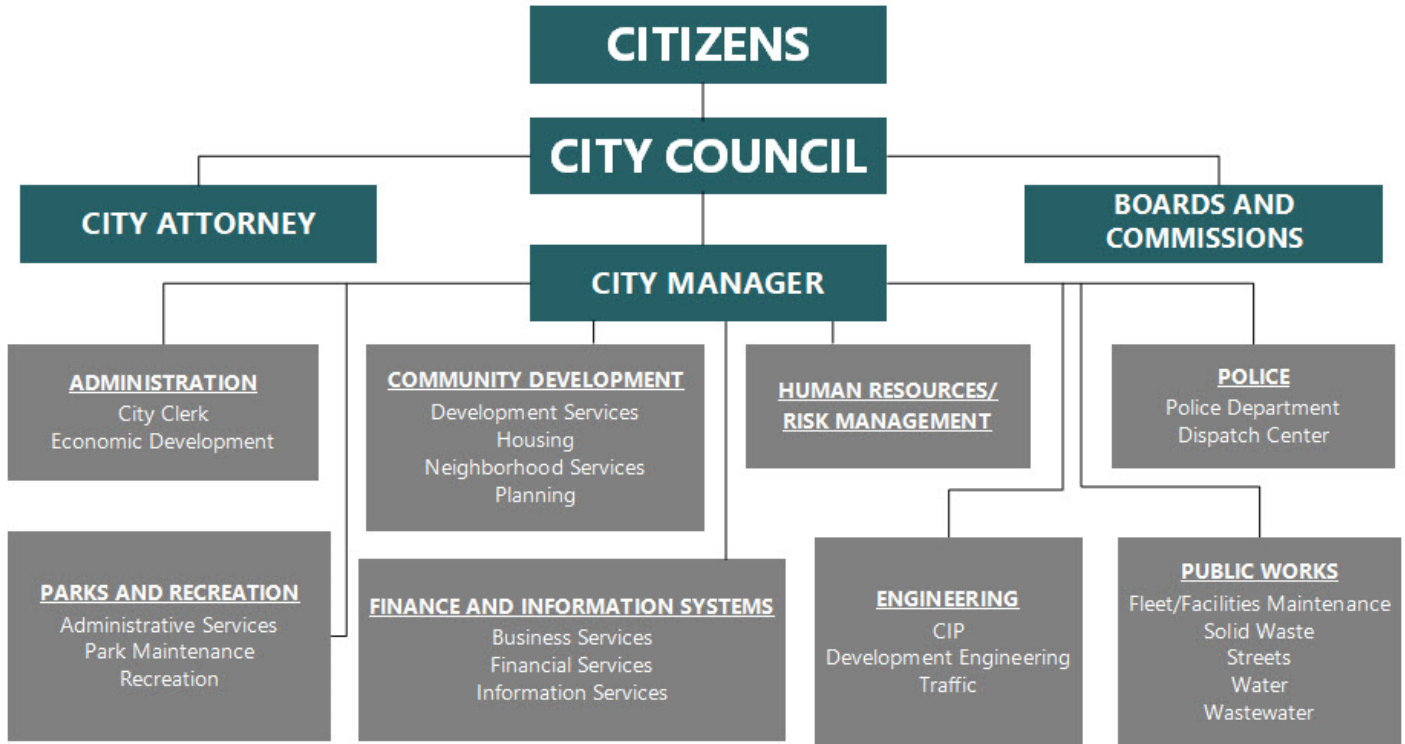
City Council as of June 30, 2024

Joel Bryant.....Mayor
Susannah Meyer Vice Mayor
Jovita Mendoza..... Council Member
Tony Oerlemans Council Member
Pa'tanisha Pierson..... Council Member

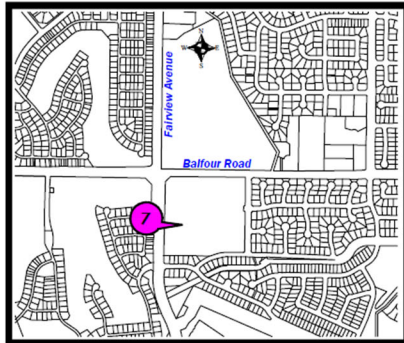
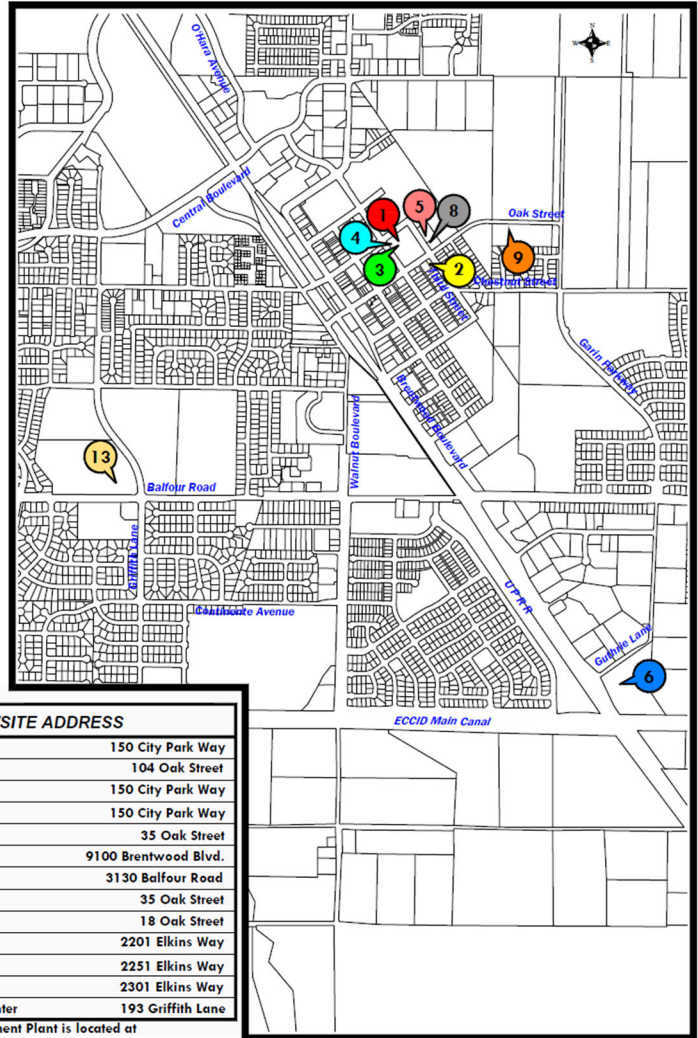
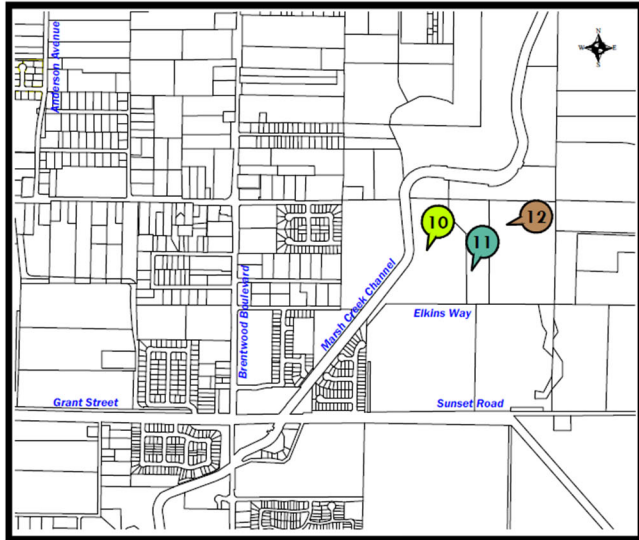
Executive Team as of June 30, 2024

Tim Ogden.....City Manager
Katherine Wisinski..... City Attorney
Allen Baquilar..... Director of Engineering/City Engineer
Sukari Beshears Director of Human Resources/Risk Manager
Kerry Breen City Treasurer/Director of Finance and Information Systems
Darin Gale Assistant City Manager
Tim HerbertChief of Police
Alexis Morris..... Director of Community Development
Bruce Mulder Director of Parks and Recreation
Casey Wichert.....Director of Public Works

City Organizational Chart



COMMUNITY SERVICES Location Map



NO.	FACILITY/SITE ADDRESS
1	Administration/Finance 150 City Park Way
2	Library 104 Oak Street
3	Engineering/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 3130 Balfour Road
8	Chamber of Commerce 35 Oak Street
9	Post Office 18 Oak Street
10	Public Works/Corp. Yard 2201 Elkins Way
11	Wastewater Treatment Plant 2251 Elkins Way
12	Solid Waste Transfer Facility 2301 Elkins Way
13	Brentwood Senior Activity Center 193 Griffith Lane

Note: Brentwood Water Treatment Plant is located at 3760 Neroly Road, Oakley

Mission Statement

Bringing Brentwood's Vision to Reality



Vision and Culture

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

Awards

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

The City was recognized by the Arbor Day Foundation as a **“Tree City USA Community”** for 2023.

The City received the following 2023 Best of Brentwood Awards from ThePress.net:

- **Place for Family Fun – Brentwood Family Aquatic Complex (Gold) and City Park (Bronze)**
- **Event Center – Brentwood Community Center (Gold) and Brentwood Senior Activity Center (Bronze)**
- **Family Community Event – Concerts in the Park (Bronze)**
- **Place for Live Music – Concerts in the Park (Silver)**
- **Favorite Park – Creekside Park (Gold), Veterans Park (Silver) and City Park (Bronze)**

The City received the following 2023 California Park and Recreation Society District 3 Awards:

- **Outstanding Non-Profit Organization Partner** – City of Brentwood and East Contra Costa Historical Society
- **Outstanding Recreation Program or Outstanding Special Event** – 75th Birthday Party

The City received the GFOA award for the following:

- **“Certificate of Achievement for Excellence in Financial Reporting Fiscal Year 2022/23”**
- **“Distinguished Budget Presentation Award”** for the two-year Operating Budget beginning July 1, 2022

The City received the CSMFO award for the following:

- **“Capital Budget Excellence Award Fiscal Year 2023/24”**
- **“Operating Budget Excellence Award Fiscal Years 2022/23 & 2023/24”**



INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council
City of Brentwood, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brentwood, California (City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Supplementary Information, as listed in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Pleasant Hill, California
November 21, 2024

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, 2024. Please read it in conjunction with the Letter of Transmittal, the Basic Financial Statements and the accompanying Notes to the Basic Financial Statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$1,007.5 million. Of this amount, \$141.8 million may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$22.5 million in FY 2023/24, with an increase of \$7.6 million attributable to governmental activities and an increase of \$14.9 million attributable to business-type activities.
- The change in net position from governmental activities was due mainly to the following:
 - An increase in net investment in capital assets of \$7.6 million is comprised of additions and payments on related long-term liabilities totaling \$23.9 million. This increase was offset by depreciation, amortization and disposals of \$12.8 million; an increase in subscription liability of \$1.1 million; and an increase of capital-related accounts payable of \$2.4 million. Total asset additions of \$19.6 million included \$1.6 million of development contributions.
 - An increase in net position of \$1.5 million in the Landscape and Lighting Assessment Districts Special Revenue Fund from the accumulation of funds in support of future operational costs.
 - A decrease in net position of \$3.9 million in the accounts associated with pension obligations, comprised of an increase in Net Pension Liability of \$3.9 million, offset by a decrease in Deferred Outflows Related to Pensions of \$0.7 million and a decrease in Deferred Inflows Related to Pensions of \$0.7 million.
- The change in net position for business-type activities was due mainly to the following:
 - An increase in unrestricted net position of \$16.4 million from user fee revenue exceeding expenditures in preparation of funding increased operational costs for new facilities and providing a source of funding for major future capital projects.
 - An increase in net investment in capital assets of \$2.7 million. The increase in net investment was inclusive of asset additions of \$21.5 million from large capital projects and contributions from development. This increase was offset by depreciation, amortization and disposals of \$6.5 million; a decrease in State Water Resources (SWR) loan disbursements receivable of \$4.4 million; a net increase in long-term liabilities related to capital assets of \$4.3 million, consisting of an increase of \$7.0 million in SWR Loans for Wastewater Fund capital projects, offset by \$2.7 million in principal payments; and an increase of capital-related accounts payable of \$3.3 million.
 - Decrease in net position restricted for capital projects of \$4.2 million due to the funding of large business-type capital projects.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$135.4 million, a decrease of \$5.5 million, or 3.9%, in comparison to the prior year balance.
- Enterprise Funds reported a net position of \$384.7 million, an increase of \$14.9 million, or 4.0%, from the prior fiscal year ending balance. The increase was primarily attributable to the Wastewater

Fund (\$6.8 million), Solid Waste Fund (\$3.2 million) and Water Fund (\$5.1 million) net position increases. These three Enterprise Funds had increases in operational income from rate adjustments.

- The City's total long-term obligations increased by \$9.4 million from the prior fiscal year-end, mainly due to an increase in Net Pension Liability (\$4.6 million), an increase in Net OPEB Liability (\$5.8 million), a net increase in SWR loans for Wastewater Fund capital projects (\$6.6 million), and a net increase in other long-term liabilities (\$0.9 million). The increases were offset by other annual debt principal payments (\$8.5 million).
- Internal Service Funds reported a net position of \$78.4 million at year-end, which is an increase of \$6.9 million from the prior year. This increase was attributable to amounts set aside for future replacement costs, increasing net position in the following funds: Vehicle and Equipment Replacement Fund, \$1.4 million; Facilities Replacement Fund, \$0.9 million; and Parks and Landscape and Lighting Assessment District (LLAD) Replacement Fund, \$2.2 million. The Pension/OPEB Obligation Fund net position increased \$1.2 million due to the transfer in of \$2.7 million General Fund balance in excess of the required reserve of 30% of operating appropriations and transfers required by budget policy, offset by the funding of OPEB benefits and an additional discretionary payment against long-term pension liabilities. The additional discretionary payment made during the fiscal year was \$3.1 million. Transfers in of \$1.0 million from the Enterprise and Internal Service Funds were made in support of this additional discretionary payment.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

The **Statement of Net Position** and the **Statement of Activities and Changes in Net Position** report information about the City as a whole. All of the current year's revenues and expenses are taken into account, regardless of when cash is received or paid. In addition, these two statements report the City's net position and changes in them. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. Other factors to consider are changes in the

City's property tax base and the condition of the City's roads. The Government-Wide Financial Statements can be found on pages 35 – 36 of this report.

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

The City's Fund Financial Statements are divided into three categories – Governmental Funds, Proprietary Funds and Fiduciary Funds. The Governmental Fund financials are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The Proprietary Fund financials are prepared using the economic resources measurement focus and the accrual basis of accounting. The City's Fiduciary Funds include Custodial Funds, which have a measurement focus of operational results, Private-Purpose Trust Funds which, in addition to being custodial in nature, also include operational activities under which the principal and income benefit several specific local taxing entities, and an Other Employee Benefit Trust Fund - Variable Annuity Life Insurance Company (VALIC), which includes assets and activities of the City's single-employer deferred compensation plan held by a third-party administrator. The Fund Financial Statements can be found on pages 37 – 45 of this report.

Most of the City's basic services are reported in **Governmental Funds**, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The Governmental Fund statements provide a detailed, short-term view of the City's general government operations and the basic services it provides. Governmental Fund information helps determine whether there are more or fewer financial resources, which can be spent in the near future, to finance the City's programs. The differences of results in the Governmental Fund Financial Statements, to those in the Government-Wide Financial Statements, are explained in a reconciliation following each Governmental Fund Financial Statement. The Governmental Fund Financial Statements can be found on pages 37 – 40 of this report.

When the City charges customers for services it provides, whether to outside customers or other units of the City, these monies are generally reported in **Proprietary Funds**. The City maintains two different types of Proprietary Funds – Enterprise Funds and Internal Service Funds. Enterprise Funds are used to report the same functions presented as business-type activities in the Government-Wide Financial Statements. Examples of Enterprise Funds include the Water and Solid Waste Funds. Internal Service Funds are used to report activities, which provide supplies and services for the City's other programs, and activities. Two examples are the Information Systems Replacement Fund and the Fleet Maintenance Services Fund. Internal Service Funds are reported with governmental activities in the Government-Wide Financial Statements, found on pages 35 – 36 of this report.

Proprietary Fund Financial Statements provide a more detailed version of the information provided in the Government-Wide Financial Statements. Cash flows for the Enterprise Funds and the Internal Service Funds are provided, as well as combining statements for the individual Internal Service Funds. The Proprietary Fund Financial Statements can be found on pages 41 – 43 of this report.

The City has monies held by trustees for certain amounts held on behalf of developers, property owners, governmental agencies, City employees and others. The City's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. These activities

are excluded from the Government-Wide Financial Statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in the **Fiduciary Funds** are used for their intended purposes. The Fiduciary Fund Financial Statements can be found on pages 44 – 45 of this report.

The **Notes to the Basic Financial Statements** provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements. The Notes to the Basic Financial Statements can be found on pages 46 – 116 of this report.

In addition to the basic financial statements, and accompanying notes, this report also presents certain **Required Supplementary Information** concerning budgetary comparison schedules for the General Fund and other Major Funds and schedules related to the City's net pension liability, net OPEB liability and contributions. Required Supplementary Information can be found on pages 117 – 125 of this report.

Combining and Individual Fund Statements and Schedules for the Non-Major Governmental Funds and Internal Service Funds can be found on pages 126 – 152 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The net position for the City as a whole increased by \$22.5 million, or 2.3%, from \$985.0 million at June 30, 2023 to \$1,007.5 million at June 30, 2024. The increase is summarized by the change in net position as recorded in the Statement of Activities, which flows through the Statement of Net Position. Net investment in capital assets and capacity rights increased \$10.3 million to a balance of \$717.4 million as of June 30, 2024. Although the City's investment in capital assets and capacity rights is reported net of related debt, the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. Restricted net position of \$148.2 million at June 30, 2024 decreased by \$0.1 million from June 30, 2023, primarily due to a decrease in development-related restricted net position of \$10.2 million. These funds are the source of funding for capital projects and use of the resources are subject to external restrictions. This decrease was offset by an increase of \$8.3 million in amounts restricted for capital projects (\$4.3 million) and the reclassification of the net position for the Citywide Park Assessment District from unrestricted to restricted (\$4.0 million). The unrestricted net position balance of \$141.8 million may be used to meet the City's ongoing obligations to citizens and creditors.



Management's Discussion and Analysis

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Current Assets	\$ 203,480,874	\$ 199,409,399	\$ 147,882,575	\$ 141,460,743	\$ 351,363,449	\$ 340,870,142
Capital Assets	514,982,781	508,198,493	349,721,215	334,705,440	864,703,996	842,903,933
Other Non-Current Assets	18,126,052	19,393,684	747,338	771,314	18,873,390	20,164,998
Total Assets	736,589,707	727,001,576	498,351,128	476,937,497	1,234,940,835	1,203,939,073
Deferred Outflows of Resources	32,844,416	28,380,713	13,932,130	12,228,019	46,776,546	40,608,732
Total Deferred Outflows of Resources	32,844,416	28,380,713	13,932,130	12,228,019	46,776,546	40,608,732
Current Liabilities	18,790,169	15,040,318	11,938,729	10,050,754	30,728,898	25,091,072
Long-Term Liabilities Outstanding	118,903,670	115,878,342	113,401,285	107,044,208	232,304,955	222,922,550
Total Liabilities	137,693,839	130,918,660	125,340,014	117,094,962	263,033,853	248,013,622
Deferred Inflows of Resources	8,963,108	9,299,004	2,214,025	2,193,759	11,177,133	11,492,763
Total Deferred Inflows of Resources	8,963,108	9,299,004	2,214,025	2,193,759	11,177,133	11,492,763
Net Investment in Capital Assets and Capacity Rights	458,294,923	450,695,117	259,130,097	256,399,994	717,425,020	707,095,111
Restricted	108,401,964	104,166,207	39,844,327	44,156,526	148,246,291	148,322,733
Unrestricted	56,080,289	60,303,301	85,754,795	69,320,275	141,835,084	129,623,576
Total Net Position	\$ 622,777,176	\$ 615,164,625	\$ 384,729,219	\$ 369,876,795	\$ 1,007,506,395	\$ 985,041,420

Governmental Activities

The City's net position from governmental activities increased by \$7.6 million, or 1.2%, from \$615.1 million to \$622.7 million. As discussed above, the increase in net position from governmental activities was due mainly to an increase in net investment in capital assets from spending on large capital projects and payments on capital project debt, and an increase in balances in the LLAD Special Revenue Fund for the accumulation of funds in support of future operating costs. These increases were offset by a decrease in net position from the balances associated with pension obligations.

The City issued 57 single-family building permits during the fiscal year. In comparing results to the prior year, the City received \$0.5 million, or 2.7%, more in property taxes, reflective of annual taxable value increases and a more moderate level of property sales. Sales tax revenue decreased \$29,000, or 0.3%, from the prior year. Sales tax revenue increases from the opening of new brick and mortar businesses was offset by a decline in revenue allocations for online sales from the County pool. Investment income was \$6.9 million more than the prior year due to higher interest rates and a favorable fair market value adjustment. Operating Grants and Contributions decreased by \$5.5 million primarily due to a decrease of \$6.9 million as one-time American Rescue Plan Act funding for Public Safety was realized in the prior year. Capital Grants and Contributions decreased by \$3.4 million due to a \$6.1 million decrease due primarily to reduced development-related contributions, offset by an increase of \$2.7 million due to a contribution from the County for the Sand Creek Road Extension project.

Expenses increased by \$3.5 million or 3.7% from the prior fiscal year. This increase was primarily due to an increase in Personnel costs from annual cost of living adjustments and benefit cost increases, in addition to increases in materials, supplies and services costs due to inflation.

Business-Type Activities

The City's net position from Business-Type activities increased \$14.9 million, or 4.0%. As discussed above, net investment in capital assets increased for capital asset additions from large capital projects and development contributions. This was offset by increases in related long-term liabilities for SWR loans used to fund major capital projects, net of payments on other related long-term debt, depreciation, amortization and disposals. Revenue from charges for services increased \$3.4 million, or 5.5%, over the prior year, mainly



Management's Discussion and Analysis

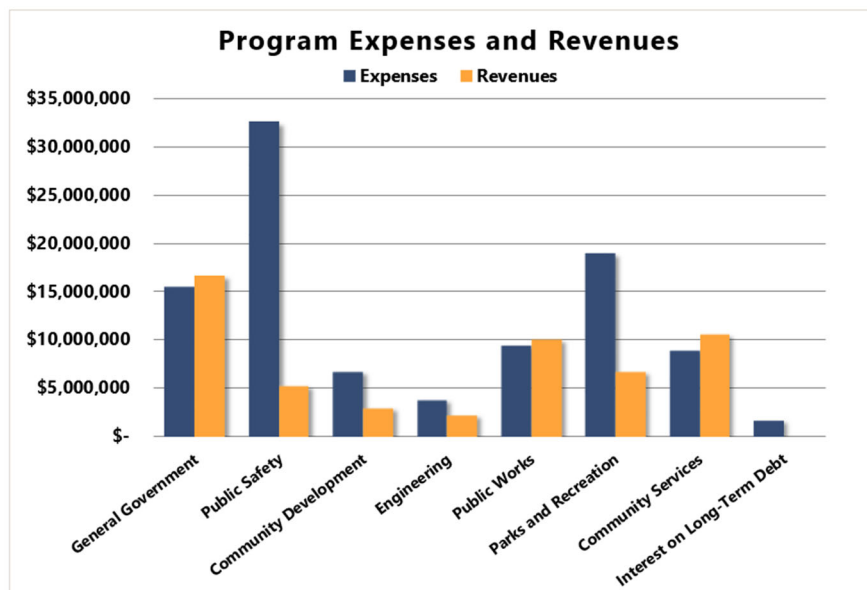
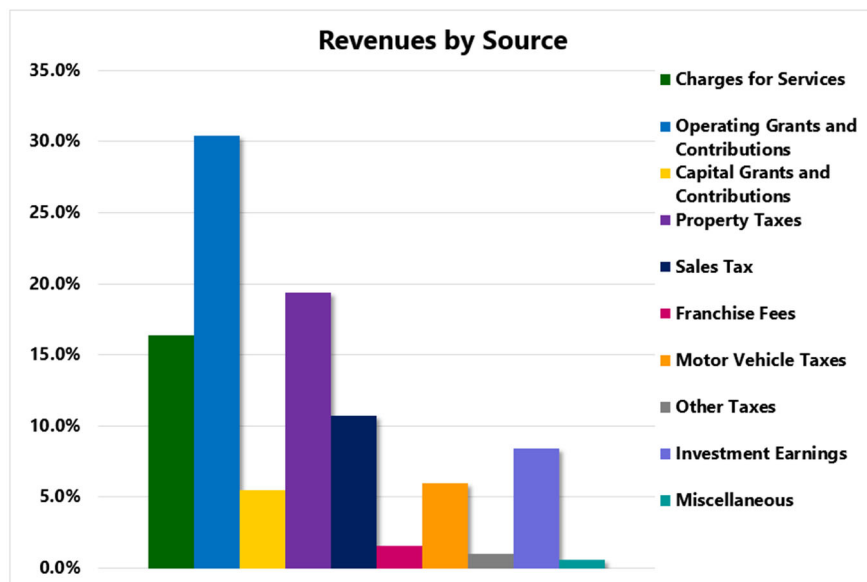
due to annual utility rate increases in the Enterprise Funds. Investment income was \$5.2 million more than the prior year from higher interest rates and a favorable fair market value adjustment. Expenses increased by \$2.0 million, or 3.7%, from the prior fiscal year due to an increase in Personnel costs from annual cost of living adjustments and benefit costs, along with increases in materials, supplies and services costs due to inflation. Overall, the unrestricted net position was \$85.8 million at the fiscal year-end.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program Revenues:						
Charges for Services	\$ 17,061,340	\$ 16,649,594	\$ 64,812,445	\$ 61,433,270	\$ 81,873,785	\$ 78,082,864
Operating Grants and Contributions	28,903,481	34,425,385	431,354	239,312	29,334,835	34,664,697
Capital Grants and Contributions	8,474,201	11,875,300	1,944,270	3,609,350	10,418,471	15,484,650
General Revenues:						
Taxes:						
Property Taxes	20,169,793	19,631,984	-	-	20,169,793	19,631,984
Sales Tax	11,162,609	11,191,139	-	-	11,162,609	11,191,139
Franchise Fees	1,645,223	1,649,986	-	-	1,645,223	1,649,986
Real Property Transfer Tax	460,558	464,723	-	-	460,558	464,723
Transient Occupancy Tax	604,525	688,606	-	-	604,525	688,606
Motor Vehicle Taxes	6,310,048	5,969,216	-	-	6,310,048	5,969,216
Investment Earnings	8,806,561	1,887,705	6,367,600	1,174,233	15,174,161	3,061,938
Gain/Loss on Disposal of Real Property	196,343	267,927	-	-	196,343	267,927
Miscellaneous	397,503	417,729	-	-	397,503	417,729
Total Revenues	104,192,185	105,119,294	73,555,669	66,456,165	177,747,854	171,575,459
Expenses:						
General Government	15,501,108	16,811,978	-	-	15,501,108	16,811,978
Public Safety	32,577,720	31,823,344	-	-	32,577,720	31,823,344
Community Development	6,715,451	6,142,789	-	-	6,715,451	6,142,789
Engineering	3,762,120	3,314,324	-	-	3,762,120	3,314,324
Public Works	9,410,141	8,734,183	-	-	9,410,141	8,734,183
Parks and Recreation	18,967,380	17,326,837	-	-	18,967,380	17,326,837
Community Services	8,967,495	8,161,482	-	-	8,967,495	8,161,482
Interest on Long-Term Debt	1,717,740	1,828,523	-	-	1,717,740	1,828,523
Wastewater	-	-	14,340,756	13,800,911	14,340,756	13,800,911
Solid Waste	-	-	16,125,176	14,670,911	16,125,176	14,670,911
Water	-	-	26,311,556	26,208,986	26,311,556	26,208,986
City Rentals	-	-	-	102,045	-	102,045
Housing	-	-	886,236	845,819	886,236	845,819
Total Expenses	97,619,155	94,143,460	57,663,724	55,628,672	155,282,879	149,772,132
Change in Net Position Before Transfers	6,573,030	10,975,834	15,891,945	10,827,493	22,464,975	21,803,327
Transfers	1,039,521	(285,437)	(1,039,521)	285,437	-	-
Change in Net Position	7,612,551	10,690,397	14,852,424	11,112,930	22,464,975	21,803,327
Net Position 7/1	615,164,625	604,474,228	369,876,795	358,763,865	985,041,420	963,238,093
Net Position 6/30	\$ 622,777,176	\$ 615,164,625	\$ 384,729,219	\$ 369,876,795	\$ 1,007,506,395	\$ 985,041,420

Governmental Activities

The cost of all Governmental activities this year was \$97.6 million. Net expenses, as shown in the Statement of Activities and Changes in Net Position found on page 36, were \$43.2 million. A portion of the cost for these activities was paid either by those who directly benefited from the programs (\$17.1 million), by other governments and organizations that subsidized certain programs with operating grants and contributions (\$28.9 million), or capital grants and contributions (\$8.4 million). Overall, the City's governmental program revenues were \$54.4 million.

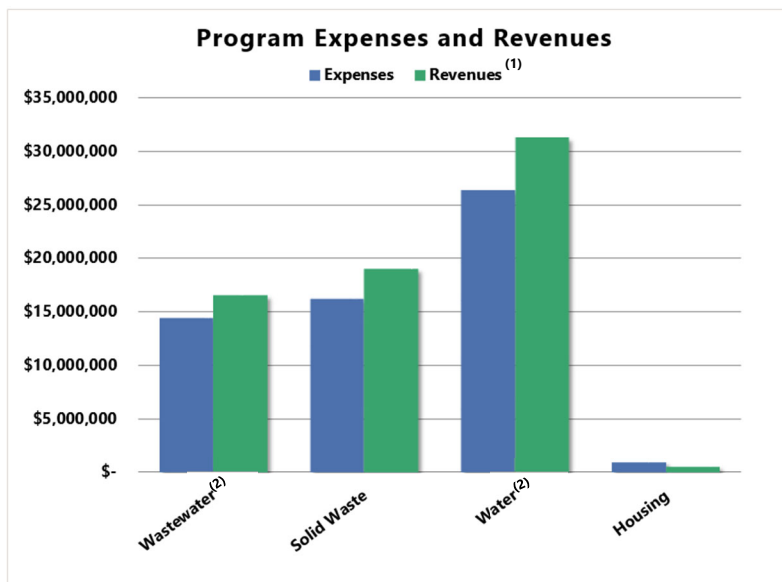
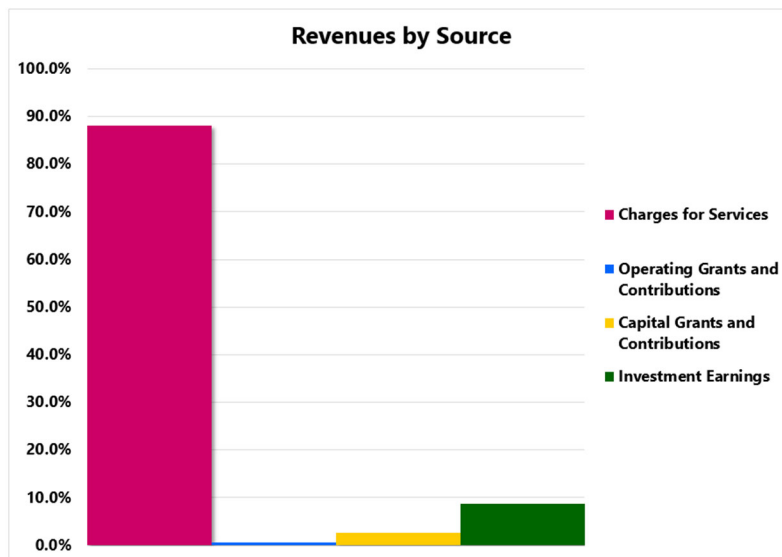
Total resources available during the year to finance governmental operations were \$720.3 million consisting of net position at July 1, 2023 of \$615.1 million, program revenues of \$54.4 million and general revenues and transfers of \$50.8 million. Total governmental activities expenses during the year were \$97.6 million, thus net position increased by \$7.6 million to \$622.7 million.



Business-Type Activities

The cost of all Business-Type activities this year was \$57.7 million. As shown in the Statement of Activities and Changes in Net Position, found on page 36, the amounts paid by users of the services were \$64.8 million. Capital grants and contributions totaled \$1.9 million, operating grants and contributions were \$0.4 million, and investment earnings were \$6.4 million.

Total resources available during the year to finance Business-Type activities were \$443.4 million, consisting of net position at July 1, 2023 of \$369.9 million, charges for services of \$64.8 million, contributions of \$2.3 million, and investment earnings of \$6.4 million. Total Business-Type activities and net transfers out during the year were \$58.7 million, thus net position increased by \$14.8 million to \$384.7 million.



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

(2) Loan principal payments are excluded from Wastewater and Water.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

The City's General Fund had a year-end fund balance of \$29.4 million, a decrease of \$2.4 million compared to the prior year. The decrease in fund balance is after the effect of transfers to the Pension/OPEB Obligation fund of \$2.7 million, representing the unassigned General Fund balance in excess of the 30% of annual operating appropriations and transfers out set by budget policy. Committed fund balance increased by \$0.8 million due to a City Council action to increase funds committed for Future Capital Projects offset by the release of funds previously committed to Strategic Initiatives. The City's two largest revenue sources, Property Tax and Sales Tax, increased 2.7% and decreased 0.3%, respectively, from the prior year. Property Tax revenues benefited from a 2% CPI increase on all classes of property which was combined with valuation increases from new development and the transfer of ownership of properties. Both property value increases and sales volumes slowed in comparison with the prior year. General Fund expenditures were up 6.5% from prior year due to personnel increases from annual cost of living and benefit cost increases, combined with inflationary increases in supplies and services.

The LLAD Fund, which is reported as a Special Revenue Fund, had an increase in fund balance of \$1.5 million. This increase was due to planned accumulation of funds in support of future operational costs.

The Roadway Improvements Fund, which is reported as a Capital Project Fund, had an increase in fund balance of \$3.1 million. This increase was primarily due to project funding transfers in excess of expenditures for the Pavement Management Program and Lone Tree Way Roadway Improvements projects.

The Citywide Park Assessment District Fund, which is reported as a Special Revenue Fund, had an increase in fund balance of \$0.9 million. This increase was due to assessment revenue, and transfers in from LLADs, exceeding expenditures to increase the reserve balance in the Fund.

The Roadway Development Impact Fee Fund, which is reported as a Special Revenue Fund, had a fund balance decrease of \$9.2 million. This decrease was due to transfers out for funding of the Lone Tree Way Roadway Improvements and Sand Creek Road Extension projects.

The Parks and Trails Development Impact Fee Fund, which is reported as a Special Revenue Fund, had a fund balance decrease of \$1.9 million. This decrease was primarily due to transfers out for funding of the Sand Creek Sports Complex project.

The Parks and Trails Improvements Fund, which is reported as a Capital Project Fund, had an increase in fund balance of \$4.4 million. This increase was primarily due to transfers in funding the Sand Creek Sports Complex project.

The City Capital Improvement Financing Program Fund, which is reported as a Capital Project Fund, had a decrease in fund balance of \$2.1 million due to transfers out for funding of the Sand Creek Sports Complex project.

The Wastewater Fund, which is reported as an Enterprise Fund, had an increase in net position of \$6.8 million. This increase was due to increases in operational income from rate adjustments in anticipation of rising operational costs anticipated from the expansion of the treatment plant and from investment income of \$3.0 million due to higher interest rates and a favorable fair market value adjustment.

The Solid Waste Fund, which is reported as an Enterprise Fund, had an increase in net position of \$3.2 million. This increase was primarily due to increases in operational income from rate adjustments in anticipation of increasing costs arising from new organic waste disposal laws and from investment income of \$0.9 million due to higher interest rates and a favorable fair market value adjustment.

The Water Fund, which is reported as an Enterprise Fund, had an increase in net position of \$5.1 million. This increase was primarily due to increases in operational income from rate adjustments in anticipation of rising operational costs of the water treatment plant, increases in conveyance costs, and from investment income of \$2.2 million due to higher interest rates and a favorable fair market value adjustment.

GENERAL FUND BUDGETARY HIGHLIGHTS

Comparing the FY 2023/24 original budget (adopted June 2022) General Fund expenditures and transfers out in the amount of \$74,057,008, to the final budget amount of \$79,922,978, there was an increase in budgeted expenditures and transfers out of \$5,865,970. The causes for these increases are summarized on the next page.

During the fiscal year, the total revenues, other financing sources and transfers in for the General Fund were \$71,615,598, which was \$742,971 more than budgeted. The total expenditures and transfers out for the General Fund were \$73,989,939, which was \$5,933,039 less than budgeted. The expenditures and transfer out figures include the year-end transfer of \$2,667,652 to the Pension/OPEB Obligation Fund, which is the amount of General Fund resources above the 30% of operating appropriations and transfers reserve set by budget policy. From an operational standpoint, General Fund expenses and transfers out totaled \$69,362,379, or \$5,933,039 less than budgeted.

General Fund revenues and transfers exceeded budget by \$0.7 million. This variance was a combination of a positive variance in Total Revenues of \$1.4 million and a net unfavorable variance in Other Financing Sources of \$0.7 million.

Total Revenues exceeded budget due to investment income and a positive year-end fair market value adjustment that was \$1.0 million higher than expected; development revenue that was \$0.5 million higher than budget due primarily to revenue from improvements to existing development; and citation and fine revenue \$0.2 million higher than budget.

The Other Financing Sources unfavorable variance of \$0.7 million was due to \$1.8 million in expected transfers in to the General Fund that did not occur, mainly from the Pension/OPEB Obligation Fund (\$1.4 million). The transfer in from the Pension/OPEB Fund was not required in the current fiscal year due to the \$2.4 million General Fund surplus. This unfavorable variance was offset by \$1.1 million of other financing revenue source for a material agreement recorded in accordance with the requirements of Governmental Accounting Standards Board (GASB) Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs).

On the expenditure side, operational costs were \$5.9 million under budget, due mainly to personnel savings from increased vacancy rates. Supplies and services expenses were under budgetary pressure from supply chain issues and inflation, however the City continued to operate efficiently, reducing costs wherever possible resulting in some moderate budget savings.

Supplemental changes to the FY 2023/24 General Fund expenditures and transfers out budget were:

- Increase of \$2,667,652 for transfers out to the Pension/OPEB Obligation fund for the unassigned General Fund balance in excess of the 30% of annual operating appropriations and transfers out set by budget policy
- Increase of \$1,722,959 for project funding transfers to the Parks and Trails Improvements Capital Project Fund, primarily for the funding of the Sand Creek Sports Complex
- A decrease in personnel costs of \$1,096,176 due to lower than budgeted annual CalPERS lump sum payment, offset by an increase of \$298,903 due to negotiated labor cost increases and authorization of additional staff
- Increase of \$750,840 in Parks and Recreation expenditures for increases in program participation costs, utility costs and vehicle purchases budgeted in FY 2022/23, but not able to be procured
- Increase of \$698,822 for Strategic Initiative budgets carried over from fiscal year 2022/23
- Decrease of \$678,000 for project funding transfers to the Roadway Improvements Capital Project Fund
- Increase of \$382,939 in Police Department and Dispatch for increased utility, insurance and contractual services costs and vehicle equipment purchases budgeted in FY 2022/23, but not able to be procured
- Increase of \$270,531 in Public Works for contractual services, increased utility costs and vehicle purchases budgeted in FY 2022/23, but not able to be procured
- Increase of \$238,838 in transfers out for increased information systems and insurance costs
- Increase of \$200,000 in City Attorney Department costs for special counsel services
- Increase of \$129,202 in Community Development for contractual services
- Increase of \$100,557 in Human Resources Department for contractual and professional services and increase in diversity, equity and inclusion program costs
- Increase of \$96,470 in Non-Departmental costs for contractual services, increased utility costs and the City's 75th Anniversary budget carried over from FY 2022/23
- Increase of \$93,938 in Community Services contributions for library information technology and increase utility costs and Family Justice Center payment timing, offset by a decrease of \$41,505 for animal services
- Increase of \$30,000 for project funding transfers to the Community Facilities Improvements Capital Project Fund

CAPITAL ASSETS AND LONG-TERM OBLIGATIONS

Capital Assets

The capital assets of the City are used in the performance of the City's functions. At June 30, 2024, capital assets, net of accumulated amortization and depreciation, of the Governmental activities totaled \$514.9 million. Capital assets, net of accumulated amortization and depreciation, of the Business-Type activities totaled \$349.7 million. Depreciation and amortization on capital assets is recognized in the Government-Wide financial statements. Refer to Note #5 of this report for detailed information regarding capital assets. The City has elected to use the depreciation and amortization method for infrastructure reporting.



	Original Cost	Accumulated Depreciation and Amortization	Book Value
Capital Assets – Governmental:			
Intangible Assets	\$ 6,258,156	\$ 1,844,044	\$ 4,414,112
Land	38,801,779	-	38,801,779
Buildings	72,197,665	17,097,820	55,099,845
Infrastructure	506,055,296	150,303,167	355,752,129
Machinery and Equipment	14,401,169	8,273,203	6,127,966
Vehicles	22,269,260	12,699,422	9,569,838
Land Improvements	35,801,124	9,981,852	25,819,272
Subscription Assets	1,134,501	113,450	1,021,051
Work in Progress – CIP and Infrastructure	18,376,789	-	18,376,789
Total Capital Assets – Governmental	\$ 715,295,739	\$ 200,312,958	\$ 514,982,781
Capital Assets – Business-Type:			
Intangible Assets	\$ 18,950,632	\$ 6,249,465	\$ 12,701,167
Land	2,661,597	-	2,661,597
Buildings	30,763,464	10,693,861	20,069,603
Infrastructure	304,555,672	78,080,114	226,475,558
Machinery and Equipment	9,490,576	3,473,630	6,016,946
Land Improvements	11,046,659	4,158,460	6,888,199
Work in Progress – CIP and Infrastructure	74,908,145	-	74,908,145
Total Capital Assets – Business-Type	\$ 452,376,745	\$ 102,655,530	\$ 349,721,215

Long-Term Obligations

Debt, considered a liability of Governmental Activities, increased during the fiscal year by \$3.3 million. Included in this amount was an increase in net OPEB liability of \$4.3 million, primarily due to actuarial changes in assumptions, and an increase in net pension liability of \$3.9 million, primarily due to CalPERS' lower than expected investment returns. Adding to the increase was a net increase in subscription liability of \$0.8 million, resulting from the requirements of GASB Statement No. 96, SBITAs, and an increase in accumulated compensated absences of \$0.2 million. These increases were offset by a \$5.9 million decrease in outstanding bonds and notes payable from annual debt service payments. Debt, considered a liability of Business-Type Activities, increased by \$6.5 million during the fiscal year. During the year, increases to notes payable totaled \$7.0 million due to SWR loan draws for the Wastewater Treatment Plant Expansion – Phase II project. Additionally, net OPEB liability increased by \$1.5 million and net pension liability increased by \$0.7 million. This increase was offset by a \$2.7 million decrease due to annual debt service payments on outstanding notes and bonds payable. Per capita debt outstanding (excluding pension, OPEB and accumulated compensated absences obligations) decreased from \$2,230 to \$2,367 compared to the prior fiscal year.

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



	<u>Balance</u> <u>July 1, 2023</u>	<u>Incurred or</u> <u>Issued</u>	<u>Satisfied or</u> <u>Matured</u>	<u>Balance</u> <u>June 30, 2024</u>
Governmental Activities:				
Bonds Payable	\$ 57,503,376	\$ 278,436 ⁽¹⁾	\$ 4,383,224	\$ 53,398,588
Notes Payable	4,331,214	-	1,826,938	2,504,276
Net OPEB Liability	20,016,894	4,377,104	33,364	24,360,634 ⁽²⁾
Net Pension Liability	39,172,015	6,415,187	2,563,877	43,023,325
Accumulated Compensated Absences	2,039,199	2,229,522	2,056,123	2,212,598
Subscription Liability	-	1,134,501	249,293	885,208
Total Governmental Activities	<u>\$ 123,062,698</u>	<u>\$ 14,434,750</u>	<u>\$ 11,112,819</u>	<u>\$ 126,384,629</u>
Business-Type Activities:				
Bonds Payable	\$ 36,156,387	\$ -	\$ 2,302,093	\$ 33,854,294
Notes Payable and Other	55,090,058	6,983,959	430,179	61,643,838
Net OPEB Liability	8,010,818	2,337,052	867,436	9,480,434
Net Pension Liability	10,014,931	2,642,951	1,905,013	10,752,869
Accumulated Compensated Absences	630,481	725,526	695,182	660,825
Total Business-Type Activities	<u>\$ 109,902,675</u>	<u>\$ 12,689,488</u>	<u>\$ 6,199,903</u>	<u>\$ 116,392,260</u>

(1) Includes accreted interest

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The key assumptions in the forecast of General Fund revenues for FY 2024/25 budget are as follows:

- A continuation of a slower pace in projected residential development activity, with 75 new single-family and zero multi-family building permits included in the budget, offset by an increase in commercial development.
- Property tax assessed valuations were projected to increase by 2.4%. The recently announced assessed valuation increase of 4.0% for FY 2024/25 will result in property tax revenues exceeding budget by approximately \$370,000.
- Sales tax revenues were projected to be flat for FY 2024/25 as consumer spending shows signs of slowing in the face of persistently higher inflation. This assumption is supported by the City's sales tax consultant projections.
- Short-term Interest rates have been forecast to decline from over 5% in FY 2023/24 to a more moderate rate of 3.5% in the coming year, reflecting expectations that the Federal Reserve will implement a series of rate cuts following recent high levels.

In the last decade, the City experienced robust property tax revenue growth as development activity regularly exceeded expectations. More recently, the housing market has been slowed by high interest rates and rapid price increases following the pandemic. Property tax revenues in next year's budget are forecast to grow at a slower pace than has been realized in recent years. Sales tax growth is also projected to slow down in FY 2024/25, as price inflation dampens consumer demand. For conservatism, the current FY

2024/25 budget excludes expected sales tax revenue from the projected opening of a new Costco location in spring of 2025, however, revenues are expected to increase significantly in FY 2025/26.

Population increases are expected to be less than 1% per year over the next several years with a slower pace of residential development, as the City nears buildout and increases in housing prices and mortgage rates also slow demand for new homes.

The following key budget factors were included in the FY 2024/25 expenditure budget:

- The budget includes the funding necessary to complete carryover initiatives adopted by the City Council in the 2022/23 – 2023/24 Strategic Plan.
- The City's contracts with all of its labor bargaining units expired on June 30, 2024. One successor contract has thus far been approved, with negotiations continuing with the unsettled bargaining units. The budget includes a placeholder cost of living increase for personnel salaries of 3% per year, with a budgeted surplus available to offset increases above this amount.
- Expenditures levels are budgeted to accommodate expected inflationary increases for the next fiscal year, which are forecast to return to a more typical rate of around 3%.
- The budget includes continuation of the City's pre-funding strategy for OPEB, in which the City is funding 85% of the Actuarial Determined Contribution (ADC) annually before converting to a level percentage of payroll funding to achieve 100% funding. Also included in the current budget were additional discretionary payments toward the City's CalPERS unfunded pension obligations.
- The budget maintains the required General Fund reserve of 30% of operating expenditures and transfers.

In the short-term, should labor negotiations result in cost of living increases above the placeholder amounts, budgets would need to increase and General Fund surpluses projected in the budget process would be reduced. In the long-term, as is the case with most governmental agencies, expenditures are expected to increase for personnel-related costs. The City has taken several measures to help mitigate future personnel cost increases, including multiple tier levels for pension and retiree medical benefits, a pension pay down policy and a policy to prefund OPEB. However, additional pension and OPEB contributions will be required in the intermediate-term.

The City's Ten-Year General Fund Fiscal Model ("Fiscal Model") reflects increases in required funding for labor costs and increases in pension and OPEB costs expected in the intermediate-term. Other future cost increases included in the City's long-term forecast are short-term inflation impacts on supplies, services and capital outlay, increased replacement needs as the City's facilities and infrastructure age and increased operational costs for planned future amenities. Also, included is funding for the operation of planned community amenities, including the opening of the Sand Creek Sports Complex.

Population growth in recent years combined with recent high inflation has placed increasing pressure on costs for service. The City has addressed demand for increased service levels by adding twenty-six new positions to the General Fund in the last six fiscal years. These new positions include six Police Officers, three Community Service Officers, two Police Dispatchers, a Police Public Information Officer, a Building Inspector, a Code Enforcement Officer and an Equity Analyst.

A long-predicted recession stemming from inflation and geopolitical issues has not yet occurred, however, uncertainty about the timing and depth of a future recession exists. Despite inflationary pressures cooling,

recent years' high inflation rates have led to higher costs to provide services and build infrastructure. Due to the maintenance of the General Fund 30% reserve and the balances in the Pension/OPEB Obligation Fund to offset rising pension and retiree medical costs, the City is in a strong position to meet future fiscal challenges. This position is due to the fiscal policy established and leadership provided by the City Council who have made fiscal sustainability a priority. The City will continue to update the Fiscal Model as new information becomes available and report the results on a regular basis to the City Council.

REQUESTS FOR INFORMATION

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

Statement of Net Position

June 30, 2024

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Investments	\$ 192,320,140	\$ 133,620,240	\$ 325,940,380
Restricted Cash and Investments	4,025,485	2,129,904	6,155,389
Receivables, Net of Allowance for Doubtful Accounts	3,100,926	12,016,913	15,117,839
Leases Receivable	2,390,465	-	2,390,465
Inventories	93,674	-	93,674
Prepays	1,130,184	115,518	1,245,702
Land Held for Resale	420,000	-	420,000
Total Current Assets	203,480,874	147,882,575	351,363,449
Non-Current Assets:			
Long-Term Notes and Loans Receivable	18,126,052	747,338	18,873,390
Capital Assets:			
Land and Work In Progress	57,178,568	77,569,742	134,748,310
Depreciable, Net of Accumulated Depreciation and Amortization	457,804,213	272,151,473	729,955,686
Total Non-Current Assets	533,108,833	350,468,553	883,577,386
Total Assets	736,589,707	498,351,128	1,234,940,835
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding	-	4,953,121	4,953,121
Related to OPEB	9,167,793	3,101,737	12,269,530
Related to Pensions	23,676,623	5,877,272	29,553,895
Total Deferred Outflows of Resources	32,844,416	13,932,130	46,776,546
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	7,526,527	8,824,892	16,351,419
Unearned Revenue	594,741	-	594,741
Deposits Held	3,187,942	122,862	3,310,804
Long-Term Liabilities Due Within One Year	7,480,959	2,990,975	10,471,934
Total Current Liabilities	18,790,169	11,938,729	30,728,898
Non-Current Liabilities Due in More Than One Year:			
Bonds Payable	49,130,697	31,694,294	80,824,991
Notes Payable and Other	824,328	61,209,358	62,033,686
Net OPEB Liability	24,360,634	9,480,434	33,841,068
Net Pension Liability	43,023,325	10,752,869	53,776,194
Subscription Liability	679,647	-	679,647
Compensated Absences Payable	885,039	264,330	1,149,369
Total Non-Current Liabilities	118,903,670	113,401,285	232,304,955
Total Liabilities	137,693,839	125,340,014	263,033,853
DEFERRED INFLOWS OF RESOURCES			
Related to OPEB	5,381,670	1,902,545	7,284,215
Related to Pensions	1,388,543	311,480	1,700,023
Related to Leases	2,192,895	-	2,192,895
Total Deferred Inflows of Resources	8,963,108	2,214,025	11,177,133
NET POSITION			
Net Investment in Capital Assets and Capacity Rights	458,294,923	259,130,097	717,425,020
Restricted for:			
Nonexpendable - Riparian Site Mitigation Endowment	80,000	-	80,000
Expendable:			
Capital Projects	52,955,930	30,099,131	83,055,061
Debt Service	19,869,615	5	19,869,620
Housing	436,310	6,120,796	6,557,106
Streets and Roadways	9,584,853	-	9,584,853
Landscape and Lighting Assessment Districts	10,293,673	-	10,293,673
Citywide Parks Assessment District	3,952,906	-	3,952,906
Agricultural/Farmland Mitigation	4,272,823	-	4,272,823
Public Art	4,069,475	-	4,069,475
Development Impact Fee Program	172,610	3,614,838	3,787,448
Other Restricted Purposes	2,713,769	9,557	2,723,326
Unrestricted	56,080,289	85,754,795	141,835,084
Total Net Position	\$ 622,777,176	\$ 384,729,219	\$ 1,007,506,395

City of Brentwood

Statement of Activities and Changes in Net Position

For Year Ended June 30, 2024

Functions/Programs	Program Revenues					Net Revenues (Expenses) and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	Primary Government		
						Governmental Activities	Business-Type Activities	Total
Primary Government:								
Governmental Activities								
General Government	\$ 15,501,108	\$ 10,390,253	\$ 4,398,185	\$ 1,884,477	\$ 16,672,915	\$ 1,171,807	\$ -	\$ 1,171,807
Public Safety	32,577,720	508,599	4,431,425	287,664	5,227,688	(27,350,032)	-	(27,350,032)
Community Development	6,715,451	2,219,221	-	773,858	2,993,079	(3,722,372)	-	(3,722,372)
Engineering	3,762,120	2,194,614	-	-	2,194,614	(1,567,506)	-	(1,567,506)
Public Works	9,410,141	-	5,759,975	4,301,505	10,061,480	651,339	-	651,339
Parks and Recreation	18,967,380	1,748,653	3,750,654	1,226,697	6,726,004	(12,241,376)	-	(12,241,376)
Community Services	8,967,495	-	10,563,242	-	10,563,242	1,595,747	-	1,595,747
Interest on Long-Term Debt	1,717,740	-	-	-	-	(1,717,740)	-	(1,717,740)
Total Governmental Activities	97,619,155	17,061,340	28,903,481	8,474,201	54,439,022	(43,180,133)	-	(43,180,133)
Business-Type Activities								
Wastewater	14,340,756	16,315,416	58,440	147,862	16,521,718	-	2,180,962	2,180,962
Solid Waste	16,125,176	18,790,815	175,139	-	18,965,954	-	2,840,778	2,840,778
Water	26,311,556	29,345,008	92,614	1,796,408	31,234,030	-	4,922,474	4,922,474
City Rentals	-	-	-	-	-	-	-	-
Housing	886,236	361,206	105,161	-	466,367	-	(419,869)	(419,869)
Total Business-Type Activities	57,663,724	64,812,445	431,354	1,944,270	67,188,069	-	9,524,345	9,524,345
Total Primary Government	\$ 155,282,879	\$ 81,873,785	\$ 29,334,835	\$ 10,418,471	\$ 121,627,091	\$ (43,180,133)	\$ 9,524,345	\$ (33,655,788)

General Revenues:

Taxes:			
Property Taxes	\$ 20,169,793	\$ -	\$ 20,169,793
Sales Tax	11,162,609	-	11,162,609
Franchise Fees	1,645,223	-	1,645,223
Real Property Transfer Tax	460,558	-	460,558
Transient Occupancy Tax	604,525	-	604,525
Motor Vehicle Taxes, In-Lieu, Unrestricted	6,310,048	-	6,310,048
Gain on Sale of Real Property	196,343	-	196,343
Investment Earnings	8,806,561	6,367,600	15,174,161
Miscellaneous	397,503	-	397,503
Transfers	1,039,521	(1,039,521)	-
Total General Revenues and Transfers	50,792,684	5,328,079	56,120,763
Change in Net Position	7,612,551	14,852,424	22,464,975
Net Position - Beginning of Year	615,164,625	369,876,795	985,041,420
Net Position - End of Year	\$ 622,777,176	\$ 384,729,219	\$ 1,007,506,395

City of Brentwood
Balance Sheet
Governmental Funds
June 30, 2024

	<u>Special Revenue Fund</u>		<u>Capital Project Fund</u>		<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Landscape and Lighting Assessment Districts</u>	<u>Roadway Improvements</u>			
ASSETS						
Current Assets:						
Cash and Investments	\$ 32,299,913	\$ 11,745,687	\$ 18,795,763	\$ 58,911,360	\$ 121,752,723	
Restricted Cash and Investments	-	-	-	4,025,485	4,025,485	
Receivables	4,254,882	2,886	-	18,439,798	22,697,566	
Prepays	104,408	-	-	12,352	116,760	
Leases Receivable	2,390,465	-	-	-	2,390,465	
Due from Other Funds	-	-	-	1,379,569	1,379,569	
Land Held for Resale	-	-	-	420,000	420,000	
Total Assets	\$ 39,049,668	\$ 11,748,573	\$ 18,795,763	\$ 83,188,564	\$ 152,782,568	
LIABILITIES						
Current Liabilities:						
Accounts Payable and Accrued Liabilities	\$ 2,188,646	\$ 876,919	\$ 2,316,421	\$ 882,694	\$ 6,264,680	
Due to Other Funds	-	-	-	1,379,569	1,379,569	
Unearned Revenue	594,707	-	-	34	594,741	
Deposits Held	3,187,942	-	-	-	3,187,942	
Interfund Advance Payable	-	72,248	-	281,838	354,086	
Total Current Liabilities	5,971,295	949,167	2,316,421	2,544,135	11,781,018	
Non-Current Liabilities Due in More Than One Year:						
Interfund Advance Payable	-	505,733	-	1,447,366	1,953,099	
Total Non-Current Liabilities	-	505,733	-	1,447,366	1,953,099	
Total Liabilities	5,971,295	1,454,900	2,316,421	3,991,501	13,734,117	
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue - Accounts Receivable Related to Leases	1,473,899	-	-	-	1,473,899	
Total Deferred Inflows of Resources	1,473,899	-	-	-	1,473,899	
FUND BALANCES						
Nonspendable	301,978	-	-	92,352	394,330	
Restricted	678,000	10,293,673	16,479,342	79,763,711	107,214,726	
Committed	6,008,590	-	-	2,133,847	8,142,437	
Unassigned	22,423,011	-	-	(2,792,847)	19,630,164	
Total Fund Balances	29,411,579	10,293,673	16,479,342	79,197,063	135,381,657	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 39,049,668	\$ 11,748,573	\$ 18,795,763	\$ 83,188,564	\$ 152,782,568	

**Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position**
June 30, 2024

Total Fund Balances - Total Governmental Funds \$ 135,381,657

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

Capital assets used in Governmental Activities are not current financial resources; therefore, they are not reported in the Governmental Funds Balance Sheet. 504,996,476

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. 78,380,157

Governmental Funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities and Changes in Net Position. (3,989,197)

Long-term liabilities and deferred outflows/inflows of resources are not due and payable in the current period; therefore, they are not reported in the Governmental Funds Balance Sheet.

Bonds (49,409,391)

Notes Payable (2,504,276)

Net OPEB Liabilities (21,401,962)

Deferred Outflows of Resources Related to OPEB 8,307,699

Deferred Inflows of Resources Related to OPEB (4,842,435)

Net Pension Liabilities (39,881,611)

Deferred Outflows of Resources Related to Pensions 21,955,677

Deferred Inflows of Resources Related to Pensions (1,297,536)

Subscription Liabilities (885,208)

Compensated Absences (1,971,550)

Accrued Liabilities (61,324)

Total Net Position of Governmental Activities \$ 622,777,176

City of Brentwood

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For Year Ended June 30, 2024

	Special Revenue Fund		Capital Project Fund		Total Governmental Funds
	General Fund	Landscape and Lighting Assessment Districts	Roadway Improvements	Other Governmental Funds	
REVENUES					
Taxes	\$ 31,625,295	\$ -	\$ -	\$ 9,080,193	\$ 40,705,488
Licenses	779,320	-	-	194,830	974,150
Permits and Fines	4,888,377	-	-	-	4,888,377
Uses of Money and Property	2,098,556	542,211	-	3,203,908	5,844,675
Intergovernmental	6,531,222	-	2,733,630	6,470,386	15,735,238
Franchises	1,645,223	-	-	-	1,645,223
Charges for Other Services	231,294	-	-	-	231,294
Charges to Other Funds	8,910,637	-	-	-	8,910,637
Fees and Other Revenues	2,377,337	10,563,242	-	7,198,018	20,138,597
Total Revenues	59,087,261	11,105,453	2,733,630	26,147,335	99,073,679
EXPENDITURES					
Current:					
General Government	9,191,710	-	1,270,758	1,605,131	12,067,599
Public Safety	29,768,532	-	-	275,202	30,043,734
Community Development	6,410,195	-	-	347,950	6,758,145
Engineering	3,785,289	-	-	-	3,785,289
Public Works	4,413,425	-	-	-	4,413,425
Parks and Recreation	8,335,866	-	-	7,398,535	15,734,401
Community Services	1,113,828	7,864,030	-	31,055	9,008,913
Capital Outlay	1,134,501	-	10,352,986	1,955,454	13,442,941
Debt Service:					
Principal	2,076,231	-	-	4,133,899	6,210,130
Interest and Fiscal Charges	-	-	-	1,688,629	1,688,629
Total Expenditures	66,229,577	7,864,030	11,623,744	17,435,855	103,153,206
REVENUES OVER (UNDER) EXPENDITURES	(7,142,316)	3,241,423	(8,890,114)	8,711,480	(4,079,527)
OTHER FINANCING SOURCES (USES)					
Issuance of Subscription Liability	1,134,501	-	-	-	1,134,501
Transfers In	11,393,836	1,877,776	12,043,838	16,080,966	41,396,416
Transfers Out	(7,760,362)	(3,575,451)	(66,427)	(32,590,983)	(43,993,223)
Total Other Financing Sources (Uses)	4,767,975	(1,697,675)	11,977,411	(16,510,017)	(1,462,306)
NET CHANGE IN FUND BALANCES	(2,374,341)	1,543,748	3,087,297	(7,798,537)	(5,541,833)
Fund Balance, Beginning of Year, as previously reported	31,785,920	8,749,925	-	100,387,645	140,923,490
Adjustment - change from nonmajor fund to major fund	-	-	13,392,045	(13,392,045)	-
Fund Balance, Beginning of Year, as adjusted	31,785,920	8,749,925	13,392,045	86,995,600	140,923,490
Fund Balance, End of Year	\$ 29,411,579	\$ 10,293,673	\$ 16,479,342	\$ 79,197,063	\$ 135,381,657

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, 2024

Net Change in Fund Balances - Total Governmental Funds	\$ (5,541,833)
<p>Amounts reported for governmental activities in the Statement of Activities and Changes in Net Position are different because:</p>	
<p>Governmental Funds report capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. The amount shown represents the capital assets recorded in the current period.</p>	12,308,440
<p>Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities and Changes in Net Position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in Governmental Funds.</p>	(10,643,982)
<p>The net effect of various miscellaneous transactions involving Capital Assets (e.g. sales, trade-ins and contributions) is to increase net position.</p>	2,205,606
<p>To record the net change in compensated absences in the Statement of Activities and Changes in Net Position.</p>	(126,088)
<p>Bond proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Government-Wide Statement of Net Position. Repayment of bond principal and other long-term liabilities is an expenditure in Governmental Funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.</p>	
This amount represents long-term debt principal repayments	5,711,544
This amount represents the decrease in accrued liabilities	246,732
This amount represents the increase in Net OPEB Liability	(3,936,224)
This amount represents the increase in Deferred Outflows related to OPEB	4,722,991
This amount represents the increase in Deferred Inflows related to OPEB	(467,564)
This amount represents the increase in Net Pension Liability	(3,487,689)
This amount represents the decrease in Deferred Outflows related to Pensions	(901,817)
This amount represents the decrease in Deferred Inflows related to Pensions	639,631
This amount represents accreted interest	(278,436)
This amount represents amortized bond premiums	249,325
<p>Internal Service Funds are used by management to charge the costs of certain activities, such as data processing and fleet management, to individual funds. The net revenue of the Internal Service Funds is reported with Governmental Activities</p>	6,911,915
Change in Net Position of Governmental Activities	<u><u>\$ 7,612,551</u></u>

City of Brentwood

Statement of Net Position

Proprietary Funds

June 30, 2024

	Business-Type Activities - Enterprise Funds					Totals	Governmental Activities - Internal Service Funds
	Wastewater	Solid Waste	Water	City Rentals	Housing		
ASSETS							
Current Assets:							
Cash and Investments	\$ 58,829,187	\$ 20,186,897	\$ 47,270,094	\$ -	\$ 7,334,062	\$ 133,620,240	\$ 70,567,417
Restricted Cash and Investments	2,129,899	-	5	-	-	2,129,904	-
Receivables, Net of Allowance for Doubtful Accounts	5,623,856	2,500,602	3,855,293	-	37,162	12,016,913	3,311
Inventories	-	-	-	-	-	-	93,674
Prepays	31,749	34,502	43,241	-	6,026	115,518	1,013,424
Interfund Advance Receivable	-	-	-	-	-	-	354,086
Total Current Assets	66,614,691	22,722,001	51,168,633	-	7,377,250	147,882,575	72,031,912
Non-Current Assets:							
Long-Term Notes Receivable	-	-	-	-	747,338	747,338	-
Interfund Advance Receivable	-	-	-	-	-	-	1,953,099
Capital Assets:							
Land and Work In Progress	65,236,677	1,020,103	9,443,966	-	1,868,996	77,569,742	-
Depreciable	132,970,081	15,793,727	223,691,524	-	2,351,671	374,807,003	25,345,639
Less: Accumulated Depreciation and Amortization	(35,108,165)	(3,280,783)	(63,570,081)	-	(696,501)	(102,655,530)	(15,359,334)
Total Capital Assets, Net of Accumulated Depreciation and Amortization	163,098,593	13,533,047	169,565,409	-	3,524,166	349,721,215	9,986,305
Total Non-Current Assets	163,098,593	13,533,047	169,565,409	-	4,271,504	350,468,553	11,939,404
Total Assets	229,713,284	36,255,048	220,734,042	-	11,648,754	498,351,128	83,971,316
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Amount on Refunding	-	-	4,953,121	-	-	4,953,121	-
Related to OPEB	906,718	1,060,087	1,064,995	-	69,937	3,101,737	860,094
Related to Pensions	1,710,990	1,975,211	1,981,202	-	209,869	5,877,272	1,720,946
Total Deferred Outflows of Resources	2,617,708	3,035,298	7,999,318	-	279,806	13,932,130	2,581,040
LIABILITIES							
Current Liabilities:							
Accounts Payable and Accrued Liabilities	3,352,621	1,173,440	4,290,901	-	7,930	8,824,892	1,200,523
Deposits Held	-	9,557	77,500	-	35,805	122,862	-
Long-Term Debt Due Within One Year	434,480	-	2,160,000	-	-	2,594,480	-
Compensated Absences Payable	116,764	127,724	136,872	-	15,135	396,495	144,629
Total Current Liabilities	3,903,865	1,310,721	6,665,273	-	58,870	11,938,729	1,345,152
Non-Current Liabilities Due in More Than One Year:							
Bonds Payable	-	-	31,694,294	-	-	31,694,294	-
Notes Payable and Other	61,209,358	-	-	-	-	61,209,358	-
Net OPEB Liability	2,475,123	3,328,414	3,426,895	-	250,002	9,480,434	2,958,672
Net Pension Liability	3,096,881	3,662,459	3,603,832	-	389,697	10,752,869	3,141,714
Compensated Absences Payable	77,843	85,149	91,248	-	10,090	264,330	96,419
Total Non-Current Liabilities	66,859,205	7,076,022	38,816,269	-	649,789	113,401,285	6,196,805
Total Liabilities	70,763,070	8,386,743	45,481,542	-	708,659	125,340,014	7,541,957
DEFERRED INFLOWS OF RESOURCES							
Related to OPEB	551,294	657,111	654,239	-	39,901	1,902,545	539,235
Related to Pensions	89,708	106,091	104,393	-	11,288	311,480	91,007
Total Deferred Inflows of Resources	641,002	763,202	758,632	-	51,189	2,214,025	630,242
NET POSITION							
Net Investment in Capital Assets and Capacity Rights	101,818,774	13,313,465	140,473,692	-	3,524,166	259,130,097	9,986,305
Restricted for:							
Capital Projects	17,963,969	-	12,135,162	-	-	30,099,131	-
Debt Service	-	-	5	-	-	5	-
Special Projects and Programs	3,614,838	9,557	-	-	6,120,796	9,745,191	-
Unrestricted	37,529,339	16,817,379	29,884,327	-	1,523,750	85,754,795	68,393,852
Total Net Position	\$ 160,926,920	\$ 30,140,401	\$ 182,493,186	\$ -	\$ 11,168,712	\$ 384,729,219	\$ 78,380,157

City of Brentwood

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For Year Ended June 30, 2024

	Business-Type Activities - Enterprise Funds					Totals	Governmental Activities - Internal Service Funds
	Wastewater	Solid Waste	Water	City Rentals	Housing		
Operating Revenues:							
Charges for Services	\$ 16,238,110	\$ 18,756,112	\$ 29,261,553	\$ -	\$ 361,206	\$ 64,616,981	\$ 21,539,050
Other Income	77,306	34,703	83,455	-	-	195,464	58,234
Total Operating Revenues	16,315,416	18,790,815	29,345,008	-	361,206	64,812,445	21,597,284
Operating Expenses:							
Personnel Services	4,206,125	5,340,355	4,891,250	-	503,295	14,941,025	10,409,789
Repairs and Maintenance	271,120	1,410,785	832,399	-	65,842	2,580,146	1,167,189
Materials, Supplies and Services	7,010,552	9,087,463	15,053,308	-	270,066	31,421,389	7,698,639
Depreciation and Amortization	2,201,201	286,573	4,074,749	-	47,033	6,609,556	1,900,746
Total Operating Expenses	13,688,998	16,125,176	24,851,706	-	886,236	55,552,116	21,176,363
Operating Income (Loss)	2,626,418	2,665,639	4,493,302	-	(525,030)	9,260,329	420,921
Non-Operating Revenues (Expenses):							
Interest Income	2,969,123	885,892	2,152,591	-	359,994	6,367,600	3,221,454
Developer Fees and Credits	-	-	-	-	105,161	105,161	-
Interest Expense	(651,758)	-	(1,459,850)	-	-	(2,111,608)	-
Gain or (Loss) on Disposal of Capital Assets	-	-	-	-	-	-	196,343
Total Non-Operating Revenues (Expenses)	2,317,365	885,892	692,741	-	465,155	4,361,153	3,417,797
Income (Loss) Before Contributions and Transfers	4,943,783	3,551,531	5,186,043	-	(59,875)	13,621,482	3,838,718
Contributions - Impact Fees and Credits	78,572	-	1,753,268	-	-	1,831,840	-
Intergovernmental	58,440	175,139	92,614	-	-	326,193	-
Capital Asset Contributions	69,290	-	43,140	-	-	112,430	-
Capital Assets Contributed from (to) Governmental Activities	-	-	-	-	-	-	(563,131)
Transfers In	1,992,473	240,000	2,213	-	-	2,234,686	4,808,055
Transfers Out	(311,110)	(737,131)	(1,990,681)	(235,285)	-	(3,274,207)	(1,171,727)
Change in Net Position	6,831,448	3,229,539	5,086,597	(235,285)	(59,875)	14,852,424	6,911,915
Net Position, Beginning of Year	154,095,472	26,910,862	177,406,589	235,285	11,228,587	369,876,795	71,468,242
Net Position, End of Year	\$ 160,926,920	\$ 30,140,401	\$ 182,493,186	\$ -	\$ 11,168,712	\$ 384,729,219	\$ 78,380,157

City of Brentwood

Statement of Cash Flows

Proprietary Funds

For Year Ended June 30, 2024

	Business-Type Activities - Enterprise Funds					Totals	Governmental Activities - Internal Service Funds
	Wastewater	Solid Waste	Water	City Rentals	Housing		
Cash Flows from Operating Activities							
Cash Received from Customers/Other Funds	\$ 16,099,463	\$ 18,608,025	\$ 28,448,775	\$ -	\$ 384,175	\$ 63,540,438	\$ 21,247,077
Cash Payments to Suppliers of Goods and Services	(6,257,151)	(7,686,550)	(13,109,251)	(113)	(243,980)	(27,297,045)	(7,655,253)
Cash Payments to Employees for Services	(4,281,449)	(5,134,757)	(4,841,837)	-	(491,896)	(14,749,939)	(10,242,211)
Cash Payments for Interfund Services	(1,125,965)	(2,547,715)	(1,224,498)	-	(89,120)	(4,987,298)	(693,604)
Other Receipts	77,306	34,703	83,455	-	-	195,464	58,234
Net Cash Provided By (Used for) Operating Activities	4,512,204	3,273,706	9,356,644	(113)	(440,821)	16,701,620	2,714,243
Cash Flows from Non-Capital Financing Activities							
Transfers Received	1,992,473	240,000	2,213	-	-	2,234,686	4,808,055
Transfers Paid	(311,111)	(545,710)	(1,990,681)	(235,285)	-	(3,082,787)	(1,171,727)
Interfund Advance Receivable	-	-	-	-	-	-	(1,656,956)
Developer Fees and Credits	-	-	-	-	105,161	105,161	-
Contributions from Other Agencies	58,440	-	92,614	-	-	151,054	-
Net Cash Provided By (Used for) Non-Capital Financing Activities	1,739,802	(305,710)	(1,895,854)	(235,285)	105,161	(591,886)	1,979,372
Cash Flows from Capital and Related Financing Activities							
Proceeds from Notes Payable	11,341,478	-	-	-	-	11,341,478	-
Contributions - Impact Fees and Credits	78,572	-	1,753,268	-	-	1,831,840	-
Capital Grants	-	175,139	-	-	-	175,139	-
Interest Paid on Debt	(651,758)	-	(1,459,850)	-	-	(2,111,608)	-
Principal Paid on Debt	(430,179)	-	(2,050,000)	-	-	(2,480,179)	-
Capital Assets Purchased and Contributed to Governmental Funds	-	-	-	-	-	-	(563,131)
Proceeds from Sale of Capital Assets	-	-	-	-	-	-	196,343
Acquisition and Construction of Capital Assets	(15,939,647)	(1,086,343)	(4,552,488)	-	-	(21,578,478)	(3,623,735)
Net Cash Provided By (Used for) Capital and Related Financing Activities	(5,601,534)	(911,204)	(6,309,070)	-	-	(12,821,808)	(3,990,523)
Cash Flows from Investing Activities							
Interest on Investments	2,976,097	887,803	2,158,002	40	360,903	6,382,845	3,229,711
Net Cash Provided By Investing Activities	2,976,097	887,803	2,158,002	40	360,903	6,382,845	3,229,711
Net Increase (Decrease) in Cash and Cash Equivalents	3,626,569	2,944,595	3,309,722	(235,358)	25,243	9,670,771	3,932,803
Cash and Cash Equivalents - Beginning of Year	57,332,517	17,242,302	43,960,377	235,358	7,308,819	126,079,373	66,634,614
Cash and Cash Equivalents - End of Year	\$ 60,959,086	\$ 20,186,897	\$ 47,270,099	\$ -	\$ 7,334,062	\$ 135,750,144	\$ 70,567,417
Reconciliation of Operating Income to Net Cash Provided By (Used for) Operating Activities:							
Operating Income (Loss)	\$ 2,626,418	\$ 2,665,639	\$ 4,493,302	\$ -	\$ (525,030)	\$ 9,260,329	\$ 420,921
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used for) Operating Activities:							
Depreciation and Amortization	2,177,062	286,573	4,074,749	-	47,033	6,585,417	1,900,746
Change in Assets, Liabilities and Deferred Outflows/Inflows of Resources:							
Receivables	(126,683)	(130,858)	(806,105)	-	23,975	(1,039,671)	8,489
Prepaid Items	(12,216)	(17,144)	(6,643)	-	(6,840)	(42,843)	(319,010)
Accounts Payable and Other Payables	(76,769)	273,978	1,556,957	(113)	(928)	1,753,125	516,971
Net OPEB Liability and Deferred Outflows/Inflows of Resources related to OPEB	(34,839)	(40,730)	(40,920)	-	(2,688)	(119,177)	(33,048)
Net Pension Liability and Deferred Outflows/Inflows of Resources related to Pensions	(34,240)	237,742	68,166	-	17,424	289,092	171,863
Compensated Absences Payable	(6,529)	8,502	22,138	-	6,233	30,344	47,311
Deposits	-	(9,996)	(5,000)	-	-	(14,996)	-
Net Cash Provided By (Used for) Operating Activities	\$ 4,512,204	\$ 3,273,706	\$ 9,356,644	\$ (113)	\$ (440,821)	\$ 16,701,620	\$ 2,714,243
Noncash Capital Activities:							
Capital Asset Contributions	\$ 69,290	\$ -	\$ 43,140	\$ -	\$ -	\$ 112,430	\$ -

City of Brentwood

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2024

	Other Employee Benefit Trust Fund - VALIC	Private-Purpose Trust Fund - Successor Agency	Custodial Funds
ASSETS			
Current Assets:			
Cash and Investments	\$ -	\$ 2,361,685	\$ 12,337,420
Restricted Cash and Investments	-	-	3,609,424
Restricted Investments - Mutual Funds	9,111,535	-	-
Interest Receivable	-	266	2,421
Total Current Assets	9,111,535	2,361,951	15,949,265
Non-Current Assets:			
Nondepreciable Capital Assets	-	1,327,129	-
Total Non-Current Assets	-	1,327,129	-
Total Assets	9,111,535	3,689,080	15,949,265
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	-	-	4,180
Due to Local Governments	-	-	689,630
Long-Term Liabilities Due Within One Year	-	1,324,737	-
Total Current Liabilities	-	1,324,737	693,810
Non-Current Liabilities Due in More Than One Year:			
Long-Term Liabilities	-	16,801,315	-
Total Non-Current Liabilities	-	16,801,315	-
Total Liabilities	-	18,126,052	693,810
NET POSITION (DEFICIT)			
Restricted for:			
Employee Benefits	9,111,535	-	-
Individuals and Organizations	-	-	14,544,125
Other Governments	-	(14,436,972)	711,330
Total Net Position (Deficit)	\$ 9,111,535	\$ (14,436,972)	\$ 15,255,455

City of Brentwood

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For Year Ended June 30, 2024

	Other Employee Benefit Trust Fund - VALIC	Private-Purpose Trust Fund - Successor Agency	Custodial Funds
ADDITIONS			
Contributions:			
Property Taxes	\$ -	\$ 2,647,538	\$ -
Assessments	-	-	12,967,392
Private Contributions	-	-	4,022,981
Employer Contributions	37,930	-	-
Employee Contributions	260,970	-	-
Other	-	73,078	-
Total Contributions	298,900	2,720,616	16,990,373
Net Investment Earnings	1,045,196	63,279	566,045
Total Additions	1,344,096	2,783,895	17,556,418
DEDUCTIONS			
Administrative Expenses	8,221	255,000	307,451
Payments to Bondholders	-	1,178,292	12,536,264
Other Employee Benefit Payments	1,036,305	-	-
Recipient Payments	-	-	3,313,079
Total Deductions	1,044,526	1,433,292	16,156,794
Net Increase (Decrease) in Fiduciary Net Position	299,570	1,350,603	1,399,624
Net Position (Deficit) - Beginning of Year	8,811,965	(15,787,575)	13,855,831
Net Position (Deficit) - End of Year	\$ 9,111,535	\$ (14,436,972)	\$ 15,255,455

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NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE REPORTING ENTITY

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

In addition to reporting directly for the City's operations, the Brentwood Infrastructure Financing Authority, a component unit, has been included in the primary reporting entity and is treated as a blended component unit. The City also started the process to establish two additional Financing Authorities in FY 2021/22 that are included in the primary reporting entity, however, the process to form the Financing Authorities was halted in FY 2023/24.

Brentwood Infrastructure Financing Authority

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

Public Financing Authorities

In September 2021, the City established the Public Financing Authority (PFA) of the Brentwood Innovation Center Enhanced Infrastructure Financing District (EIFD) and the PFA of the Brentwood Boulevard-Downtown EIFD under section 53398 *et seq.* of the California Government Code. The City adopted Resolutions of Intent to establish the two EIFDs, however, the process to form the EIFD's was suspended by the City Council in FY 2023/24 and there is no intent to complete formation of the EIFD's in the near-term. If formed in the future, each PFA would serve as the governing board of the respective EIFDs and the PFAs' Board of Directors would be comprised initially of three members of the City Council appointed by the City Council, and up to four members of the public selected by the City Council. If formed, the PFAs will be responsible for implementing the Infrastructure Financing Plan (IFP) for each EIFD and separate financial statements are not required for the PFAs and therefore are not issued.

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

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

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

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

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

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

Expenditures are recorded in the accounting period in which the related fund liability is incurred. However, debt service expenditures, lease liabilities, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the payment is due. General capital asset acquisitions, including entering into contracts giving the City the right to use leased assets and the right to use subscription assets, are reported as expenditures in governmental funds. Proceeds from long-term debt and financing through leases are reported as other financing sources. Taxes, including property and sales taxes, special assessments and inter-governmental revenue associated with the current fiscal period are all considered susceptible to accrual. Only the portion of the special assessments receivable due within the current fiscal period is considered susceptible to accrual as revenue of the current period. All other revenue items are considered measurable and available only when cash is received by the City.

For Proprietary Funds, all assets, liabilities and deferred inflows/outflows, whether current or non-current, are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. Operating revenues in the Proprietary Funds are those revenues generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses. Proprietary Fund types include Enterprise Funds and Internal Service Funds.

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

Fund Types

A *Major Fund* is a fund whose revenues, expenditures/expenses, assets combined with deferred outflows of resources, or liabilities combined with deferred inflows of resources (excluding extraordinary items), are at least 10% of corresponding totals for all Governmental or Enterprise funds and at least 5% of the aggregate amount for all Governmental and Enterprise funds for the same item. The General Fund is always considered a major fund. Any other Governmental or Enterprise fund may be reported as a major fund if the government's officials believe the fund is particularly important to financial statement users.

In FY 2023/24, the General Fund, Landscape and Lighting Assessment Districts (LLAD), a Special Revenue fund, and Roadway Improvements, a Capital Project Fund, are major governmental funds. Specific descriptions of the City's funds are as follows:

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

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

Special Revenue Funds account for specific revenues legally restricted to expenditures for particular purposes. Specific descriptions of the Special Revenue Funds are as follows:

- Gas Tax – These funds account for monies received from the State of California under Street and Highways Code Sections 2103, 2105, 2106, 2107, 2107.5 and 2032. The allocations must be spent for street maintenance, construction and a limited amount for engineering.
- Disability Access and Education – This fund accounts for the monies received due to Senate Bill 1186 (SB1186), which requires cities to collect a \$4 fee for new and renewed business licenses for purposes of increasing compliance with state disability laws.
- Police Grants – This fund accounts for all Police, Federal, State and County grants requiring segregated fund accounting.
- Other Grants – This fund accounts for miscellaneous Federal, State and County grants requiring segregated fund accounting.
- Economic Development Grant – This fund accounts for the set aside of 20% of business license tax collected. The monies are used to award grants to promote economic activity.
- Citywide Park Assessment District – This fund accounts for special benefit assessments levied on property owners for citywide park maintenance.
- Community Facilities Districts – These funds account for special taxes levied for a variety of allowable uses, including but not limited to public safety services, joint use school facilities and library facilities. The allowable uses of the funds are governed by the formation documents of each individual District.
- Roadway Development Impact Fee – This fund accounts for development fees collected for the design and construction of roadways within the City.
- Parks and Trails Development Impact Fee – This fund accounts for development fees collected for the design and construction of parks within the City.
- Community Facilities Development Impact Fee – This fund accounts for development fees collected for the design and construction of public facilities within the City.
- Development Impact Fee Administration – This fund accounts for development fees collected for the administration of the Development Impact Fee Program.
- Agriculture Land Administration – This fund accounts for 20% of the Agriculture Preservation fees collected from development. Monies are to be used for administrative purposes associated with establishing, monitoring and managing farmland conservation easements.
- Agriculture Land Acquisition – This fund accounts for 80% of the Agriculture Preservation fees collected from development. The monies are used for farmland mitigation purposes.
- Public Art Administration – This fund accounts for 20% of the Public Art fees collected from development for the administration of the Public Art Program.

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

- Public Art Acquisition – This fund accounts for 80% of the Public Art fees collected from development for the acquisition and construction of Public Art.
- Parking In-Lieu – This fund accounts for development fees collected for off-street parking facilities located within the Downtown area.
- Asset Forfeiture – This fund accounts for property or funds seized by the Police Department. After a case has been tried, and a guilty verdict is returned, the funds are considered forfeited. Federal funds must be used for narcotic enforcement and crime suppression. State funds must be used for areas related to drug prevention.
- Abandoned Vehicle Abatement – This fund accounts for monies, which can only be used for the abatement, removal and disposal, as public nuisances, of any abandoned, wrecked, dismantled or inoperative vehicles, or parts thereof, from private or public property.
- PEG Media – This fund accounts for public, educational and governmental access fees collected from cable operators established per the Municipal Code and franchise agreements.
- Measure J – This fund accounts for the local jurisdiction portions of the Local Street Maintenance and Improvements Fund allocation. The monies can only be spent on local streets and roads, transit operations, growth management planning and compliance, bicycle and pedestrian trails and parking facilities.
- City Low Income Housing – This fund accounts for the activities related to the assets assumed by the City of Brentwood as Housing Successor for the housing activities of the former Brentwood Redevelopment Agency.
- Landscape and Lighting Assessment Districts – These funds account for special benefit assessments levied on property owners for landscape and street lighting maintenance. In FY 2023/24, the LLAD Fund is a major governmental fund.

Permanent Funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support City programs for the benefit of the City and its citizens. The City has one permanent fund, as follows:

- Riparian Mitigation Site Maintenance – This fund accounts for a stewardship endowment for maintenance of a riparian mitigation site.

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

- Capital Improvement Revenue Refunding Bonds Series 2021 A & B – This fund accounts for debt service transactions related to the refinance of the 2012 Capital Improvement Revenue Refunding Bonds, which were issued to: 1) finance the refunding of the 2001 Capital Improvement Bonds under a facilities lease and 2) refund a series of tax allocation bonds issued by the Brentwood Redevelopment Agency.

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

- General Obligation Bonds Series 2002 – This fund accounts for tax levies from which general obligation debt service transactions are made on the General Obligation Bonds Series 2002. This bond was used to finance the Police Station.
- 2019 Civic Center Project Lease Revenue Refunding Bonds – This fund accounts for debt service transactions relating to the refinance of the 2009 Civic Center Project Lease Revenue Bonds.
- 2015 Lease Financing – This fund accounts for debt service transactions relating to the 2015 Lease Financing. The bond proceeds were used mainly to finance construction of the new Library and Municipal Service Center.

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

- Roadway Improvements – This fund accounts for transactions related to proceeds from assessment bonds and other resources along with their use to acquire and construct certain roadway improvements. In FY 2023/24, the Roadway Improvements Fund is a major governmental fund.
- Community Facilities Improvements – This fund accounts for various community facilities improvement projects associated with either the construction or improvement of the City's community facilities.
- Parks and Trails Improvements – This fund accounts for various park and trail improvement projects associated with either the construction or improvement of the City's parks.
- Capital Improvement Financing Program 2006-1 – This fund accounts for transactions related to proceeds from assessment bonds and other resources along with their use to acquire and construct certain capital facilities and infrastructure.
- Capital Improvement Financing Program 2005-1 – This fund accounts for transactions related to proceeds from assessment bonds and other resources along with their use to acquire and construct certain capital facilities and infrastructure.
- 2015 Lease Financing Acquisition – This fund accounts for transactions related to proceeds from the 2015 Lease Financing and their use to acquire and construct certain capital facilities and infrastructure. *This fund was closed in FY 2023/24.*
- Civic Center Capital Improvement Financing Program – This fund accounts for savings from refinanced City Capital Improvement Financing Program (CIFP) bonds and their use to finance a portion of the Civic Center project.
- City Capital Improvement Financing Program – This fund accounts for savings from refinanced bonds and their use to acquire and construct certain capital facilities and infrastructure.
- Capital Infrastructure – This fund accounts for funds to be used for non-residential development related infrastructure projects with a focus on projects that may promote economic development.

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

- Vineyards Projects – This fund accounts for transactions related to proceeds from assessment bonds and other resources along with their use to finance infrastructure improvements within the Vineyards development area.

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

- Wastewater – Accounts for the operation, maintenance and capital improvement projects of the wastewater system. These activities are funded by user charges and impact fees.
- Solid Waste – Accounts for the operation, maintenance and capital improvement projects of the solid waste system. These activities are funded by user charges.
- Water – Accounts for the operation, maintenance and capital improvement projects of the water system. These activities are funded by user charges and impact fees.
- City Rentals – Accounts for all City facilities rented and maintained through this fund. *This fund was closed in FY 2023/24.*
- Housing – Accounts for the administrative and operational expenses for the Housing programs which include the Housing rental units and the Affordable Housing and First-Time Homebuyer programs.

Additionally, the City reports for the following fund types:

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

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

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

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

Fiduciary Funds account for Other Employee Benefit Trust Funds, Private-Purpose Trust Funds and Custodial Funds. The financial activities of these funds are excluded from the Government-Wide Financial Statements, but are presented in separate Fiduciary Fund Financial Statements. The Other Employee Benefit Trust Funds, Private-Purpose Trust Funds and Custodial Funds consist of:

- Other Employee Benefit Trust Fund - VALIC – Fund used to report the activities of the City's single-employer deferred compensation plan held by a third-party administrator.
- Private-Purpose Trust Fund - Successor Agency – Special funds used to report the activities and financial position of the Successor Agency to the Brentwood Redevelopment Agency. These funds are held in a trust arrangement for the benefit of local taxing entities, including the City of Brentwood.
- Special Assessment Districts – Special obligations payable from and secured by specific revenue sources. The City acts as custodian of these funds which are not for the benefit of the City.
- Asset Seizure – Special funds to be used exclusively to support law enforcement and prosecutorial efforts. The City acts as custodian of these funds which are not for the benefit of the City.
- Pass-Through Funds – Special funds used for the collection and distribution of development fees collected on behalf of other agencies.



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

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

i. Use of Restricted/Unrestricted Net Position

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

ii. Cash and Investments

The City pools idle cash from all funds with the purpose of increasing income through investment activities and the City’s investments are stated at fair value. Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. For additional information, refer to Note #1D xii. The City generally holds all investments until either maturity or fair value equals or exceeds cost. Therefore, the reported value of securities in the investment pool does not reflect unrealized gains or losses but rather the fair value of those investments as of June 30, 2024.

iii. Cash and Cash Equivalents

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

iv. Prepaid Items and Land Held for Resale

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

v. Capital Assets

The City’s assets are capitalized using either historical cost or estimated historical cost, except for intangible right to use lease assets, the measurement of which is discussed in Note #1D xiv, and intangible right to use subscription assets, the measurement of which is discussed in Note #1D xv. City policy has set the capitalization threshold for capital assets at \$10,000 or more. Gifts or contributions of capital assets are valued at their estimated acquisition value and/or at the contracted developer rate on the date contributed. Depreciation is recorded on a straight-line basis over the useful lives of the assets, as follows:

Land Improvements	20 - 65 years
Buildings and Structures	50 years
Machinery and Equipment	3 - 20 years
Vehicles	4 - 12 years
Infrastructure	65 years
Intangible Assets	40 - 65 years
Subscription Assets	3 – 5 years

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

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

vi. Compensated Absences Payable

The following totals may be accumulated by employees each year:

- A total of 11 to 31 vacation days
- Up to 100 hours of compensatory time off, depending on employee's classification
- Up to 96 hours of personal holiday time off, depending on employee's classification
- 12 days of sick leave

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

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

Liabilities for compensated absences are included as a liability in the Government-Wide Financial Statements and are paid by the fund that has recorded the liability. The long-term portion of compensated absences in Governmental-Type activities is typically liquidated by the General Fund, Citywide Park Assessment District Fund, Fleet Maintenance Fund, Facilities Maintenance Fund and Information Services Fund.

vii. Property Tax

Property tax valuations, liens and levies for secured and unsecured property are valued on March 1 of each year. Fifty percent of secured taxes are due on November 1 and February 1 of each fiscal year and are delinquent on December 10 and April 10, respectively. Unsecured property taxes are

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

due on July 1 and delinquent on August 31. Contra Costa County bills and collects the City's property taxes and remits them to the City. The City accounts for the remittance in the General Fund. City property tax revenues are recognized when levied, to the extent that they result in current receivables. The City receives its full assessment of property tax and the County retains all delinquent charges.

viii. Motor Vehicle Taxes

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

ix. New Funds, Closed Funds and Renamed Funds

In FY 2023/24, the 2015 Lease Financing Acquisition Fund was reopened and then closed and the City Rentals Fund was closed.

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

x. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to future period(s) and the inflow of resources (revenue) will be recognized in the applicable future period(s). The City has three types of items reported on the Government-Wide Statement of Net Position, which qualify for reporting in this category, Deferred Inflows of Resources Related to OPEB, Deferred Inflows of Resources Related to Pensions and Deferred Inflows of Resources Related to Leases. The elements of Deferred Inflows of Resources Related to Leases are deferred and amortized and will be recognized as a component of lease revenue in subsequent fiscal years. The elements of Deferred Inflows of Resources Related to OPEB are deferred and amortized and will be recognized as a component of OPEB expense in subsequent fiscal years. The elements of Deferred Inflows of Resources Related to Pensions are deferred and amortized and will be recognized as a component of pension expense in subsequent fiscal years.

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

The City has one item, Unavailable Revenue - Accounts Receivable, that is reported only in the Governmental Funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

xi. OPEB and Pensions

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

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

xii. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is based on the lowest priority level input that is significant to the entire measurement.

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

xiii. 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.

xiv. Leases

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

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

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

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

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

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

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

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

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

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

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

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

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

xv. Subscription-Based Information Technology Arrangements (SBITAs)

A SBITA is a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

The City would recognize a subscription liability and a right-to-use subscription asset in the government-wide financial statements. The City recognizes subscription liabilities when an individual liability's net present value exceeds \$250,000.

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

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

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

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

The City monitors changes in circumstances that would require a remeasurement of its subscription and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

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

xvi. New Governmental Accounting Standards Board (GASB) Pronouncements

In June 2022, GASB issued GASB Statement No. 100, *Accounting Changes and Error Corrections* – an amendment of GASB Statement No. 62. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023. The City implemented GASB Statement No. 100 for the presentation of the FY 2023/24 financial statements.

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

In December 2023, GASB issued GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The City is in the process of determining the impact GASB Statement No. 102 will have on its financial statements.

In April 2024, GASB issued GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The City is in the process of determining the impact GASB Statement No. 103 will have on its financial statements.

NOTE #2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

General Budget Policies

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

Budget Basis of Accounting

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

Capital Project Funds

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

Debt Service Funds

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

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

B. DEFICIT FUND BALANCE OR NET POSITION

Following is a list of funds that have either a deficit fund balance or net position balance as of June 30, 2024.

Special Revenue Funds:

Parks and Trails Development Impact Fee	\$ 1,243,717
Community Facilities Development Impact Fee	135,546

Capital Project Fund:

City Capital Improvement Financing Program	\$ 1,413,584
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Internal Service Funds:

Information Services	\$ 2,600
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The deficit in the Parks and Trails Development Impact Fee Fund and Community Facilities Development Impact Fee Fund are due to pre-funding of capital projects in advance of receiving funding from development. Development impact fees generated from future development will be deposited into these funds. The deficit in the City Capital Improvement Financing Program Fund is due to an interfund advance provided to fund a specific capital project. The deficit is expected to be cured as existing bond refinance savings are realized over several future fiscal years. The fund will continue to maintain a positive cash balance. The deficit in the Internal Service Fund is related to OPEB and Pension liability accruals. In response to increasing Net OPEB Liabilities, the City has implemented a long-term OPEB pre-funding strategy that requires 85% of the Actuarial Determined Contribution (ADC) to be funded annually. Once the 85% funded ratio is reached, contributions, as a percentage of payroll will be maintained until 100% funded ratio is attained. The Internal Service Fund will continue to maintain a positive cash balance.

C. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of the Due To/From Other Funds balance on the Governmental Funds Balance Sheet, as of June 30, 2024, is shown below. The Due To Other Funds balance in the Community Facilities Development Impact Fee Fund and Parks and Trails Development Impact Fee Fund are due to pre-funding of capital projects in advance of receiving funding from development. Development impact fees generated from future development will be deposited into these funds.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Community Facilities Improvements Capital Project Fund	Community Facilities Development Impact Fee Special Revenue Fund	\$ 135,546
Parks and Trails Improvements Capital Project Fund	Parks and Trails Development Impact Fee Special Revenue Fund	1,244,023
	Total	\$ 1,379,569



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

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

The interfund advance between the City Capital Improvement Financing Fund and Pension/Other Post-Employment Benefits Obligation Fund was authorized by City Council in June 2022. The seven-year interfund loan, beginning in FY 23/24, was used to fund a portion of the Sand Creek Sports Complex CIP project and will be repaid over the seven-year term from annual existing bond refinance savings.

Interfund Advance

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Parks and LLAD Replacement Internal Service Fund	Landscape and Lighting Assessment Districts Special Revenue Fund	\$ 577,981
Pension/Other Post-Employment Benefits Obligation Internal Service Fund	City Capital Improvement Financing Program Capital Projects Fund	1,729,204
	Total	\$ 2,307,185

Interfund Transfers

Fund Description	Landscape and Lighting Assessment Districts			Non-Major Governmental Funds		Wastewater Enterprise	Solid Waste Enterprise	Water Enterprise	City Rentals Enterprise	Total Transfers In
	General Fund	Districts	Roadway Improvements	Governmental Funds	Internal Service Funds					
General Fund	\$ -	\$ -	\$ -	\$ 11,158,551	\$ -	\$ -	\$ -	\$ -	\$ 235,285	\$ 11,393,836
Landscape and Lighting Assessment Districts	1,485,849	-	-	1,300	390,627	-	-	-	-	1,877,776
Roadway Improvements	910,596	-	-	11,133,242	-	-	-	-	-	12,043,838
Non-Major Governmental Funds	1,752,959	3,556,077	66,427	9,592,553	781,100	71,110	71,111	189,629	-	16,080,966
Internal Service Funds	3,610,958	19,374	-	703,124	-	-	474,599	-	-	4,808,055
Wastewater Enterprise	-	-	-	-	-	-	191,421	1,801,052	-	1,992,473
Solid Waste Enterprise	-	-	-	-	-	240,000	-	-	-	240,000
Water Enterprise	-	-	-	2,213	-	-	-	-	-	2,213
Total Transfers Out	\$ 7,760,362	\$ 3,575,451	\$ 66,427	\$ 32,590,983	\$ 1,171,727	\$ 311,110	\$ 737,131	\$ 1,990,681	\$ 235,285	\$ 48,439,157

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



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

<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	\$ 7,969,262	Provide a subsidy to cover a portion of the costs for Public Safety Services
Capital Project	\$ 6,875,000	Provide funding to cover a portion of the costs for the Sand Creek Road Extension project
Capital Project	\$ 6,226,378	Provide funding to cover a portion of the costs for the Sand Creek Sports Complex project
General Fund	\$ 3,003,874	Gas Tax and Measure J revenue to subsidize the Street Maintenance Division
Internal Service	\$ 2,667,652	Transfer of unassigned General Fund balance in excess of reserve requirement
Capital Project	\$ 2,100,836	Provide funding to cover a portion of the costs for the Lone Tree Way Road Improvements project
Capital Project	\$ 557,406	Provide funding to cover a portion of the costs for the Brentwood Various Streets and Roads Preservation project
Capital Project	\$ 545,000	Provide funding to cover a portion of the costs for the Citywide Access Control System Upgrade project
Capital Project	\$ 388,930	Return prior year funding for the Aquatic Complex Mechanical Room project

D. MINIMUM FUND BALANCE POLICIES

Staff presents a General Fund budget for City Council consideration that maintains an unassigned fund balance of 30% of the annual operating appropriations and operating transfers. The City will strive to maintain cash reserves in the Enterprise Funds of 30% of annual operating appropriations and operating transfers. This is considered the minimum level necessary to maintain the City’s credit worthiness and adequately provide for contingencies for unseen operating or capital needs or cash flow requirements.

E. FUND BALANCES

The City’s fund balances are classified based on spending constraints imposed on the use of resources. Nonspendable fund balances are not expected to convert to cash and are comprised of prepaid items. Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations or enabling legislation that requires these resources be used only for a specific purpose. Committed fund balances have constraints imposed by a City Council resolution that may be modified or rescinded only through a subsequent City Council resolution. Assigned fund balances are amounts constrained by the City’s intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the City and may be changed at the discretion of the City Council. Unassigned fund balance represents amounts that have not been restricted, committed or assigned. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The City considers restricted amounts to have been spent, prior to unrestricted amounts, when expenditure is incurred for purposes for which both are available. Committed, assigned and unassigned amounts, in this order, are considered spent when expenditure is incurred for purposes for which either is available. Detailed classifications of the City’s Governmental Fund Balances, as of June 30, 2024, are on the following page:



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

	General Fund	Special Revenue Fund	Capital Project Fund	Other Governmental Funds	Total
		Landscape and Lighting Assessment Districts	Roadway Improvements		
Fund Balances:					
Nonspendable:					
Prepays	\$ 104,408	\$ -	\$ -	\$ 12,352	\$ 116,760
Leases	197,570	-	-	-	197,570
Riparian Site Mitigation Endowment	-	-	-	80,000	80,000
Total Nonspendable Fund Balances	301,978	-	-	92,352	394,330
Restricted for:					
Debt Service	-	-	-	19,869,615	19,869,615
Community Facilities Projects	-	-	-	11,955,865	11,955,865
Parks and Trails Projects	-	-	-	18,694,088	18,694,088
Low Income Housing	-	-	-	436,310	436,310
Vineyards Development Projects	-	-	-	152,673	152,673
Infrastructure Projects	-	-	-	2,190,606	2,190,606
Streets and Roadways	678,000	-	16,479,342	4,728,595	21,885,937
CLFP Projects	-	-	-	2,492,878	2,492,878
Landscape and Lighting Assessment Districts	-	10,293,673	-	-	10,293,673
Off Street Parking Facilities in Downtown	-	-	-	445	445
Agricultural/Farmland Mitigation	-	-	-	4,272,823	4,272,823
Public Art	-	-	-	4,069,475	4,069,475
Development Impact Fee Program	-	-	-	5,028,868	5,028,868
Drug Prevention Programs	-	-	-	14,922	14,922
Public Safety	-	-	-	348,826	348,826
Disability Access and Education	-	-	-	150,548	150,548
Abandoned Vehicle Abatement	-	-	-	139,573	139,573
Grants	-	-	-	641,593	641,593
PEG Media	-	-	-	619,934	619,934
Parks Maintenance	-	-	-	3,952,906	3,952,906
Riparian Mitigation Site Maintenance	-	-	-	3,168	3,168
Total Restricted Fund Balances	678,000	10,293,673	16,479,342	79,763,711	107,214,726
Committed to:					
Public Safety	-	-	-	2,133,847	2,133,847
Successor Agency Payment Plan	2,087,999	-	-	-	2,087,999
Future Strategic Initiatives	2,737,891	-	-	-	2,737,891
General Plan Update	282,700	-	-	-	282,700
Future Capital Projects	800,000	-	-	-	800,000
City Council Redistricting	100,000	-	-	-	100,000
Total Committed Fund Balances	6,008,590	-	-	2,133,847	8,142,437
Unassigned:					
General Fund	22,423,011	-	-	-	22,423,011
Other Fund Deficit	-	-	-	(2,792,847)	(2,792,847)
Total Unassigned Fund Balances	22,423,011	-	-	(2,792,847)	19,630,164
Total Fund Balances	\$ 29,411,579	\$ 10,293,673	\$ 16,479,342	\$ 79,197,063	\$ 135,381,657



NOTE #3 – CASH AND INVESTMENTS

A. CASH AND DEPOSITS

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

The carrying amounts of the City’s cash deposits were \$951,339 at June 30, 2024. The bank balance, before reconciling items, was \$2,035,642. The bank balance is insured for up to \$250,000 and the remaining balance is collateralized for up to 105%, with the collateral being held by a pledging financial institution in the City’s name. The fair value of the pledged securities must equal from 105% to 110% of the bank balance less the insured amount as required by California Government Code Section 53651, but the City may waive collateral requirements for cash deposits that are insured by the Federal Deposit Insurance Corporation. The City’s cash and investment balances are as follows:

Pooled Deposits:	
Demand Deposits	\$ 951,339
Petty Cash	12,550
Investments	341,805,495
	<u>342,769,384</u>
Held by Trustee:	
Investments	<u>7,634,914</u>
Trust Deposits:	
Investments	<u>9,111,535</u>
Total Cash and Investments	<u><u>\$ 359,515,833</u></u>

B. INVESTMENTS

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

NOTE #3 – CASH AND INVESTMENTS (Continued)

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

Authorized Investment Type	Minimum Credit Quality	Maximum Maturity	Maximum Percentage of Portfolio ⁽¹⁾	Maximum Investment in One Issuer
Asset-Backed Securities	AA	5 years	20%	5%
Bankers' Acceptances	Top Rating Category	180 days	40%	5%
Local Government Investment Pools	None	N/A	N/A	N/A
California State, Local Agency and Other State Obligations	A	5 years	30%	None
Commercial Paper	Top Rating Category	270 days	40%	5% ⁽²⁾
Insured Savings Account	None	N/A	N/A	N/A
State of California's Local Agency Investment Fund	None	N/A	\$75M/Account	\$75M/Account
Medium-Term Notes	A	5 years	30%	5% ⁽²⁾
Money Market Funds	Top Rating Category	N/A	15%	5%
Mutual Funds ⁽⁵⁾	None	None	None	None
Negotiable Certificates of Deposit	A	5 years	30%	5%
Repurchase Agreements	None	90 days	None	5%
Reverse Repurchase Agreements	None	92 days	20%	5%
Supranationals ⁽³⁾	AA	5 years	30%	5%
Time Deposits	None	5 years	25%	5%
U.S. Agency Obligations	None	5 years	None	None
U.S. Agency Mortgage Pass-Through Securities	AA	5 years	20%	None
U.S. Treasuries	None	5 years	None	None
U.S. Government Guaranteed Obligations ⁽⁴⁾	None	None	None	None

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

(2) Limited to 10% of the outstanding commercial paper and medium-term notes of a single issuer.

(3) Only those obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC) and Inter-American Development Bank (IADB).

(4) Allowed under the Capital Improvement Revenue Refunding Bonds, Series 2012, Indenture of Trust

(5) Allowed under the VALIC Deferred Compensation Plan

Credit Risk

The City's portfolio is comprised of the highest quality government and corporate securities. Consistent with City policy, 82.58% of the rated portfolio consists of investments with Standard and Poor's two highest ratings. This percentage does not include U.S. Treasury Bonds/Bills/Notes, Local Agency Investment Fund (LAIF), Asset Backed Securities, or Money Market Funds, which are all exempt or unrated. Investments at June 30, 2024, held on behalf of the City, are presented on the following page and categorized separately to give an indication of the level of risk associated with each investment. Investments are reported at fair value.



NOTE #3 – CASH AND INVESTMENTS (Continued)

	Fair Value	Credit Rating	% of Rated Portfolio
Medium-Term Notes	\$ 7,475,890	A	3.42
Medium-Term Notes	7,465,659	A-	3.41
Medium-Term Notes	16,752,332	A+	7.66
Medium-Term Notes	3,050,501	AA-	1.39
Medium-Term Notes	4,682,177	AA	2.14
Medium-Term Notes	1,515,644	AAA	0.69
Medium-Term Notes	1,446,796	BBB+ ⁽¹⁾	0.66
U.S. Agency Notes	33,438,058	AA+	15.28
California State, Local Agency and Other State Obligations	517,137	AA-	0.24
California State, Local Agency and Other State Obligations	2,167,609	AA	0.99
California State, Local Agency and Other State Obligations	651,952	AAA	0.30
Negotiable Certificates of Deposit	2,575,527	A+	1.18
Negotiable Certificates of Deposit	2,383,583	A	1.09
U.S. Agency Collateralized Mortgage Obligations	1,124,957	AA+	0.51
Asset-Backed Securities	12,516,444	AAA	5.72
Supranationals	3,361,571	AAA	1.54
California Asset Management Program	55,033,885	AAA _m	25.16
California Cooperative Liquid Assets Securities System	56,132,446	AAA _m	25.66
Money Market Funds	<u>6,472,892</u>	AAA _m	<u>2.96</u>
Total Rated Investments	<u>218,765,060</u>		100.00
U.S. Treasury Notes	123,373,990	Exempt	
U. S. Government Guaranteed Obligations	1,389,966	Aaa	
Local Agency Investment Fund	2,167,755	Not Rated	
Money Market Funds	2,158,049	Not Rated	
Asset-Backed Securities	1,585,589	Not Rated ⁽²⁾	
Mutual Funds (VALIC)	<u>9,111,535</u>	Not Rated	
Total Unrated Investments	<u>139,786,884</u>		
Total Investments	<u>\$ 358,551,944</u>		

(1) Credit ratings listed above are based on ratings provided by Standard & Poor's (S&P). Medium-Term Notes listed above as BBB+, are rated as "A2" per Moody's.

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

Concentration of Credit Risk

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



NOTE #3 – CASH AND INVESTMENTS (Continued)

Issuers⁽¹⁾ and Investment Type	Fair Value	% of Portfolio
Federal National Mortgage Association - U.S. Agency Notes	\$ 26,664,609	7.44%

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

Interest Rate Risk

The City’s investment policy limits the investment portfolio to maturities of less than five years as a means of limiting exposure to fair value losses arising from interest rates. Currently, 72.58% of the investment portfolio is concentrated in the zero to two-year maturity range.

Investment Maturities

	Fair Value⁽¹⁾	0-6 months	6-12 months	1-2 years	2-3 years	3-5 years	% of Portfolio
U.S. Treasury Notes	\$ 123,373,990	\$ 3,641,613	\$ 9,473,871	\$ 49,620,674	\$ 39,856,394	\$ 20,781,438	34.41
Medium-Term Notes ⁽²⁾	42,388,999	3,856,566	10,782,877	6,189,132	16,840,211	4,720,213	11.82
U.S. Agency Notes ⁽²⁾	33,438,058	-	20,391,175	13,046,883	-	-	9.33
U. S. Government Guaranteed Obligations	1,389,966	1,389,966	-	-	-	-	0.39
California State, Local Agency and Other State Obligations	3,336,698	1,169,089	622,025	1,545,584	-	-	0.93
Supranationals	3,361,571	3,361,571	-	-	-	-	0.94
Negotiable Certificates of Deposit	4,959,110	2,383,583	-	-	2,575,527	-	1.38
Local Agency Investment Fund	2,167,755	2,167,755	-	-	-	-	0.60
Asset-Backed Securities	14,102,033	-	143,580	403,937	9,240,820	4,313,696	3.93
U.S. Agency Collateralized Mortgage Obligations	1,124,957	1,124,957	-	-	-	-	0.31
California Asset Management Program	55,033,885	55,033,885	-	-	-	-	15.35
California Cooperative Liquid Assets Securities System	56,132,446	56,132,446	-	-	-	-	15.66
Money Market Funds	8,630,941	8,630,941	-	-	-	-	2.41
Mutual Funds (VALIC)	9,111,535	9,111,535	-	-	-	-	2.54
Totals	\$ 358,551,944	\$ 148,003,907	\$ 41,413,528	\$ 70,806,210	\$ 68,512,952	\$ 29,815,347	
% of Portfolio		41.27	11.55	19.75	19.11	8.32	100.00

(1) Fair Value includes accrued interest.

(2) Any callable securities are reported at either 0-6 months or the earliest call date.

Custodial Credit Risk for Investments

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

NOTE #3 – CASH AND INVESTMENTS (Continued)

Fair Value Hierarchy

The City categorizes fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Investments Measured by Fair Value Level:			
U.S. Treasury Notes	\$ 123,373,990	\$ -	\$ 123,373,990
Medium-Term Notes	-	42,388,999	42,388,999
U.S. Agency Notes	-	33,438,058	33,438,058
U.S. Government Guaranteed Obligations	-	1,389,966	1,389,966
California State, Local Agency and Other State Obligations	-	3,336,698	3,336,698
Supranationals	-	3,361,571	3,361,571
Negotiable Certificates of Deposit	-	4,959,110	4,959,110
Asset-Backed Securities	-	14,102,033	14,102,033
U.S. Agency Collateralized Mortgage Obligations	-	1,124,957	1,124,957
Mutual Funds (VALIC)	-	9,111,535	9,111,535
Subtotal	<u>\$ 123,373,990</u>	<u>\$ 113,212,927</u>	236,586,917
Investments Measured at Net Asset Value per Share:			
California Cooperative Liquid Assets Securities System			56,132,446
Investments Measured at Amortized Cost:			
Held by Trustee:			
Money Market Funds			8,630,941
Investments Measured at Fair Value, But Not Subject to Fair Value Hierarchy:			
California Asset Management Program			55,033,885
Local Agency Investment Fund			2,167,755
Total Investments			<u>\$ 358,551,944</u>

Investments classified in Level 1 of the fair value hierarchy of \$123,373,990 are valued using unadjusted quoted prices in an active market for identical assets at the measurement date. Level 2 investments totaling \$113,212,927 are valued using inputs other than quoted prices that are observable for the asset either directly or indirectly on the measurement date. Examples of Level 2 inputs include matrix pricing, market corroborated pricing and inputs such as yield curves and indices. These prices are obtained from various pricing sources by our custodian bank or fiscal agent. There are no securities classified in Level 3. Fair value is defined as the quoted fair value on the last trading day of the period.

NOTE #3 – CASH AND INVESTMENTS (Continued)

C. INVESTMENT IN POOLS

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, 2024, the amortized cost of the pool was \$178,914,245,370 and the fair value was \$179,046,993,600. The City deposits excess cash in LAIF and is not required to be categorized. The fair value for these deposits was provided by the pool sponsor.

Each regular LAIF account is permitted to have up to 15 transactions per month, with a minimum transaction amount of \$5,000, a maximum transaction amount of \$75 million and at least 24 hours advance notice for withdrawals of \$10 million or more. Bond proceeds accounts are subject to a one-time deposit with no cap and are set up with a monthly draw down schedule.

California Cooperative Liquid Assets Securities System

The City is a participant in the Prime Fund of the California Cooperative Liquid Assets Securities System (California CLASS), a joint powers authority and public agency established by its members under the provisions of Section 6509.7 of the California Government Code. Members and participants are limited to California public agencies and certain nonprofit corporations whose membership is limited to public agencies or public officials. California CLASS is governed by a Board of Trustees of eligible participants of the program. The City reports investment in California CLASS at fair value amount provided by California CLASS, which is the same as the value of the pool shares. The balance in the Prime Fund is available for withdrawal on demand, and is based on the accounting records maintained by California CLASS. Included in the California CLASS investment portfolio are investments such as: United States Treasury Notes, Bills, Bonds or Certificates of Indebtedness; registered state warrants or treasury notes or bonds; California local agency bonds, notes, warrants or other indebtedness; federal agency or United States government sponsored enterprise obligations; bankers acceptances; commercial paper; negotiable certificates of deposit; repurchase agreements; medium-term notes; money market mutual funds; notes, bonds or other obligation secured by a first priority security interest in securities authorized under Government Code Section 53651; and mortgage pass through securities, collateralized mortgage obligations, and other asset-backed securities.

The California CLASS Prime Fund has a target portfolio duration of less than 60 days. On June 30, 2024, these investments matured in an average of 27 days. The investment in California CLASS is valued based on the fair value factor provided by the California CLASS, which is calculated as the average cost to net asset value per share of the Prime Fund. At June 30, 2024, the fair value approximated the City’s cost.

NOTE #3 – CASH AND INVESTMENTS (Continued)

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 for the purpose of exercising the common power of its Participants to invest certain proceeds of debt issues and surplus funds. CAMP'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 value amounts provided by CAMP, which is the same as the value of the pool share in accordance with GASB 79 requirements. At June 30, 2024, the fair value approximated the City's cost. At June 30, 2024, these investments have an average maturity of 38 days or less.

The City, as a CAMP shareholder, may withdraw all or any portion of the funds in each CAMP account at any time by redeeming shares. The CAMP Declaration of Trust permits the CAMP trustee to suspend the right of withdrawal from CAMP or to postpone the date of payment of redemption proceeds if the New York Stock Exchange is closed other than for customary weekend and holiday closings, if trading on the New York Stock Exchange is restricted, or if, in the opinion of the CAMP trustees, an emergency exists such that disposal of the CAMP pool securities or determination of its net asset value is not reasonably practicable. If the right of withdrawal is suspended, the City may either withdraw its request for that withdrawal or receive payment based on the net asset value of the CAMP pool next determined after termination of the suspension of the right of withdrawal.

D. CASH AND INVESTMENTS WITH FISCAL AGENT

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

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



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

Receivables at June 30, 2024 were comprised of the following:

	Taxes	Accounts	Inter-Governmental	Interest	Utilities	Leases	Notes and Loans	Total Receivables
Governmental Activities:								
General Fund	\$ 1,919,036	\$ 2,206,453	\$ 127,253	\$ 2,140	\$ -	\$ 2,390,465	\$ -	\$ 6,645,347
Landscape and Lighting Assessment Districts	-	-	-	2,886	-	-	-	2,886
Non-Major Funds:								
Internal Service	-	-	-	3,311	-	-	-	3,311
Special Revenue	-	-	306,743	2,965	-	-	-	309,708
Permanent Fund	-	-	-	19	-	-	-	19
Debt Service	-	-	-	130	-	-	18,126,052 ⁽¹⁾	18,126,182
Capital Projects	-	-	-	3,889	-	-	-	3,889
Subtotal Governmental Activities	1,919,036	2,206,453	433,996	15,340	-	2,390,465	18,126,052	25,091,342
Less: Allowance	-	(1,473,899) ⁽²⁾	-	-	-	-	-	(1,473,899)
Total Governmental Activities	\$ 1,919,036	\$ 732,554	\$ 433,996	\$ 15,340	\$ -	\$ 2,390,465	\$ 18,126,052	\$ 23,617,443
Business-Type Activities:								
Wastewater	\$ -	\$ 37,555	\$ 3,276,564	\$ 2,904	\$ 2,306,833	\$ -	\$ -	\$ 5,623,856
Solid Waste	-	-	-	964	2,499,638	-	-	2,500,602
Water	-	49,044	-	2,217	3,804,032	-	-	3,855,293
Housing	-	36,813	-	349	-	-	747,338 ⁽³⁾	784,500
Total Business-Type Activities	\$ -	\$ 123,412	\$ 3,276,564	\$ 6,434	\$ 8,610,503	\$ -	\$ 747,338	\$ 12,764,251

(1) The City has recorded receivables for the Successor Agency's portion of long-term debt. Note #13 discusses the dissolution of the Redevelopment Agency and the Successor Agency activities.

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

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

Leases Receivable

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

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

- A 5-year noncancellable agreement that commenced in November 2017 and includes the option to renew the lease for four additional 5 year terms; monthly payments of \$2,666 as of June 2024 with annual increases of 4.0%.
- A 5-year noncancellable agreement that commenced in January 2015 and includes the option to renew the lease for three additional 5 year terms; monthly payments of \$3,407 as of June 2024 with annual increases of 3.5%.
- A 5-year noncancellable agreement that commenced in April 2021 and includes the option to renew the lease for two additional 5 year terms; monthly payments of \$2,732 as of June 2024 with annual increases of 3.5%.
- A 5-year noncancellable agreement that commenced in November 2011 and includes the option to renew the lease for three additional 5 year terms; monthly payments of \$4,723 as of June 2024 with annual increases of 4.0%.



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

The City recognized \$174,036 in lease revenue and \$66,873 in interest revenue during FY 2023/24 related to leases. As of June 30, 2024, the leases receivable balance was \$2,390,465 and the deferred inflows of resources to be recognized over future lease terms was \$2,192,895.

At June 30, 2024, the City does not have any lease liabilities that met the threshold recognition of 1% of fund assets.

Notes and Loans Receivable

Notes and Loans Receivable at June 30, 2024 were comprised of the following:

Governmental Activities:	
Amounts Due from Successor Agency	\$ 18,126,052
Loans under City Low Income Housing (including interest)	<u>5,190,818</u>
Subtotal Governmental Funds	23,316,870
Less: Reservation for Loans Expected to be Forgiven	<u>(5,190,818)</u>
Notes and Loans Receivable, Net	<u>\$ 18,126,052</u>
Business-Type Activities:	
Down Payment Assistance and Gap Assistance Program Loans	\$ 747,338
Loans under Affordable Housing (including interest)	<u>7,699,870</u>
Subtotal Business-Type Activities	8,447,208
Less: Reservation for Loans Expected to be Forgiven	<u>(7,699,870)</u>
Notes and Loans Receivable, Net	<u>\$ 747,338</u>

Down Payment Assistance and Gap Assistance Program Loans

In FY 2005/06, the City established a first-time homebuyer Down Payment Assistance Program (DAP) for the benefit of first-time homebuyers in the City of Brentwood who earn up to 120% of the area median income. The loans are either due in 30 years or upon a change in ownership of the property. The loans may be prepaid at any time without penalty. The interest rate is dependent upon the length of time the loan exists. Loans held less than three years accrue interest at 7%, loans held between three and ten years accrue interest at 5% and loans held longer than 10 years accrue interest at 3%.

The City also established a first-time homebuyer Gap Assistance Program (GAP) to facilitate the purchase of below market rate units from the City’s Affordable Housing Program for first-time homebuyers. The maximum GAP loan amount is \$35,000. The GAP loans are either due in 30 years or upon a change in ownership of the property. The interest rate is set at 3%, simple interest. As of June 30, 2024 the City is owed \$747,338, including interest, under the DAP and GAP loan programs.



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

Amounts Due from Successor Agency

The Successor Agency to the former Brentwood Redevelopment Agency (see discussion of the Brentwood Redevelopment Agency Dissolution in Note #13) has long-term obligations for the funding of its portion of the Capital Improvement Revenue Refunding Bonds Series 2012 and the 2019 Civic Center Project Lease Revenue Bonds. The Successor Agency has pledged future tax revenues for the repayment of its portion of the bonds and the California State Department of Finance (“DOF”) has deemed the pledge an enforceable obligation of the Successor Agency. The City has recorded a receivable for the debt obligations due from the Successor Agency. The balance of the receivables at June 30, 2024 was \$18,126,052. The long-term debt obligations are discussed in further detail in both Note #6 and Note #13.

Loans Under the Former Brentwood Redevelopment Agency and the City’s Affordable Housing Programs

The City and the former Brentwood Redevelopment Agency entered into loan programs to improve the quality and availability of affordable housing. Loans under the programs provide for the eventual forgiveness of the loan balances if the borrower complies with all the terms of the loan over its full term. The loans, accounted for as conditional grants in the Government-Wide financial statements, include a reserve for their eventual forgiveness. However, with the dissolution of the Brentwood Redevelopment Agency, the City agreed to become the successor to the Brentwood Redevelopment Agency’s housing activities. Therefore, as of February 1, 2012, the City Low Income Housing Fund assumed the loans receivable of the former Brentwood Redevelopment Agency’s Low and Moderate Income Housing Fund as discussed in Note #13. At June 30, 2024, the City’s Low Income Housing and Affordable Housing loans were comprised of the amounts shown below:

Governmental Activities:	
Brentwood/202 Senior Housing	\$ 314,550
Christian Church Homes/Sycamore II	1,225,077
Eden Housing	157,125
Mercy Housing	2,135,000
Brentwood Senior Commons	400,000
Brentwood Green Valley	959,066
Subtotal Loans under City Low Income Housing	<u>5,190,818</u>
Less: Reservation for Loans Expected to be Forgiven	<u>(5,190,818)</u>
Net Notes and Loans Receivable	<u>\$ -</u>
Business-Type Activities:	
Eden Housing	\$ 1,408,000
Mercy Housing	915,000
Meta Housing	5,376,870
Subtotal Loans under Affordable Housing	<u>7,699,870</u>
Less: Reservation for Loans Expected to be Forgiven	<u>(7,699,870)</u>
Net Notes and Loans Receivable	<u>\$ -</u>

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

Brentwood/202 Senior Housing

In April 1996, the Brentwood Redevelopment Agency loaned Brentwood/202 Senior Housing, Inc., a California non-profit public benefit corporation, \$314,550 to assist in the financing of the construction of a 40-unit senior housing project. The principal sum of the note does not bear interest. The outstanding principal due under this note is due and payable in full, either forty years from the date of recording the Deed of Trust or upon an event of default. In the event there has been no event of default that has not been cured, the Housing Successor shall forgive the outstanding principal balance due on the maturity date. The balance at June 30, 2024 was \$314,550.

Christian Church Homes/Sycamore II

In June 2003, the Brentwood Redevelopment Agency entered into a note with Christian Church Homes of Northern California for \$530,722, to construct 40 units of very low-income senior rental housing. The note is a 3% per annum simple interest, 55-year loan. In July 2004, a note was executed with Sycamore Place II Senior Housing Corporation that amended, superseded and replaced in its entirety the original note of \$530,722. This note for \$755,722 is secured by a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing. The principal sum of this note bears 3% per annum, simple interest. All principal, and all accrued and unpaid interest, shall be due and payable in full no later than either June 27, 2058 or upon default. As of June 30, 2024, principal and accrued interest total \$1,225,077. There is a reasonable expectation this note will be forgiven upon successful completion of the terms and conditions of the note and, as such, a reservation for forgiveness of the note has been included in these financial statements.

Eden Housing

In January 2005, the City and the Brentwood Redevelopment Agency entered into two notes with Eden Housing, Inc., in the amounts of \$900,000 and \$100,000 for the development of Brentwood City Commons, an 80-unit very low-income and extremely low-income senior apartment project. The notes are secured by Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing. The notes are 3% simple interest per annum, 55-year loans unless event of default occurs. As of June 30, 2024, principal and accrued interest for both notes total \$1,565,125. There is a reasonable expectation these notes will be forgiven upon successful completion of the terms and conditions of the notes and, as such, a reservation for forgiveness of the notes has been included in these financial statements.

Mercy Housing

In May 2006, the City and the Brentwood Redevelopment Agency entered into two notes with Mercy Housing, Inc., in the amounts of \$600,000 and \$1,400,000, in order to develop 94 affordable apartments for extremely low-income or very low-income households at an affordable rent as set forth in the Affordable Housing Covenant. So long as Mercy Housing, Inc. owns and operates the project in compliance with the Affordable Housing Covenant, and the agreement is not in default under these notes, no payments shall be due. The entire outstanding unpaid principal and interest of the notes shall be due and payable in full upon either the earlier of the 55-years after the closing of the notes or December 31, 2063. The notes bear interest at 3% per annum from the date of disbursement. As of June 30, 2024, the principal and accrued interest due for both notes total \$3,050,000. 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.

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

Brentwood Senior Commons

In November 2010, the Brentwood Redevelopment Agency entered into a Loan Agreement with Brentwood Senior Commons, L.P. for \$400,000 to provide funding for a portion of elevator improvements within the Brentwood Senior Commons project. This note shall bear 0% interest unless there is a default in the conditions of the note. So long as Brentwood Senior Commons owns and operates the project in compliance with the Affordable Housing Covenant, no payments shall be due and the entire outstanding principal and interest, if any due to default, shall be due and payable in full on January 25, 2060. On the maturity date, at its discretion, the City, as Housing Successor may forgive the repayment of all or part of the Loan. As of June 30, 2024, the principal due totaled \$400,000. There is a reasonable expectation this note will be forgiven upon successful completion of the terms and conditions of the note and, as such, a reservation for forgiveness of the note has been included in these financial statements.

Brentwood Green Valley

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

In addition, all accrued but unpaid interest is forgiven so long as the note is not in default. As of June 30, 2024, the principal due for the note, before the forgiveness, totaled \$981,977. Per the terms of the note, \$22,911 of the principal balance was forgiven at June 30, 2024. The remaining principal balance at June 30, 2024 totaled \$959,066. There is a reasonable expectation this note will be forgiven upon successful completion of the terms and conditions of the note and, as such, a reservation for forgiveness of the note has been included in these financial statements.

Meta Housing

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

In June 2012, the promissory note between the City of Brentwood and Meta Housing Corporation was signed and the loan was funded. As the loan had not been funded at the time of the redevelopment dissolution, and subsequently not approved as an enforceable obligation by the DOF, the City assumed the rights and obligations under the loan agreement and funded the loan from the Affordable Housing component of the Housing Enterprise Fund. The note is a 3% per annum simple interest, 55-year loan.



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

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, 2024, principal and accrued interest total \$5,376,870. There is a reasonable expectation this note will be forgiven upon successful completion of the terms and conditions of the note and, as such, a reservation for forgiveness of the note has been included in these financial statements.

NOTE #5 – CAPITAL ASSETS

The City reports all capital assets, including infrastructure, in the Government-Wide Statement of Net Position. Capital assets of the primary government, as of June 30, 2024, are as follows:

	Balance July 1, 2023	Increases	Decreases	Transfers	Balance June 30, 2024
Governmental Activities:					
Capital Assets, Not Being Depreciated or Amortized:					
Land	\$ 38,801,779	\$ -	\$ -	\$ -	\$ 38,801,779
Work in Progress - CIP	7,295,577	12,308,440	-	(1,227,228)	18,376,789
Total Capital Assets, Not Being Depreciated or Amortized	46,097,356	12,308,440	-	(1,227,228)	57,178,568
Capital Assets, Being Depreciated and Amortized:					
Intangible Assets	6,258,156	-	-	-	6,258,156
Buildings	72,197,665	-	-	-	72,197,665
Infrastructure	504,464,160	1,059,476	-	531,660	506,055,296
Machinery and Equipment	13,915,104	636,370	(150,305)	-	14,401,169
Vehicles	19,635,043	3,834,129	(1,199,912)	-	22,269,260
Land Improvements	34,522,556	583,000	-	695,568	35,801,124
Subscription Assets	-	1,134,501	-	-	1,134,501
Total Capital Assets Being Depreciated and Amortized	650,992,684	7,247,476	(1,350,217)	1,227,228	658,117,171
Less Accumulated Depreciation and Amortization for:					
Intangible Assets	1,747,764	96,280	-	-	1,844,044
Buildings	15,710,816	1,387,004	-	-	17,097,820
Infrastructure	142,548,453	7,754,714	-	-	150,303,167
Machinery and Equipment	7,486,235	937,273	(150,305)	-	8,273,203
Vehicles	12,171,754	1,727,580	(1,199,912)	-	12,699,422
Land Improvements	9,226,525	755,327	-	-	9,981,852
Subscription Assets	-	113,450	-	-	113,450
Total Accumulated Depreciation and Amortization	188,891,547	12,771,628	(1,350,217)	-	200,312,958
Total Capital Assets, Being Depreciated and Amortized, Net	462,101,137	(5,524,152)	-	1,227,228	457,804,213
Governmental Activities Capital Assets, Net	\$ 508,198,493	\$ 6,784,288	\$ -	\$ -	\$ 514,982,781

	Balance July 1, 2023	Increases	Decreases	Transfers	Balance June 30, 2024
Business-Type Activities:					
Capital Assets, Not Being Depreciated or Amortized:					
Land	\$ 2,661,597	\$ -	\$ -	\$ -	\$ 2,661,597
Work in Progress - CIP	55,992,311	20,419,834	-	(1,504,000)	74,908,145
Total Capital Assets, Not Being Depreciated or Amortized	58,653,908	20,419,834	-	(1,504,000)	77,569,742
Capital Assets, Being Depreciated and Amortized:					
Intangible Assets	18,950,632	-	-	-	18,950,632
Buildings	30,763,464	-	-	-	30,763,464
Infrastructure	302,688,444	363,228	-	1,504,000	304,555,672
Machinery and Equipment	8,774,148	740,567	(24,139)	-	9,490,576
Land Improvements	11,046,659	-	-	-	11,046,659
Total Capital Assets Being Depreciated and Amortized	372,223,347	1,103,795	(24,139)	1,504,000	374,807,003
Less: Accumulated Depreciation and Amortization for:					
Intangible Assets	5,861,763	387,702	-	-	6,249,465
Buildings	10,075,731	618,130	-	-	10,693,861
Infrastructure	73,374,861	4,705,253	-	-	78,080,114
Machinery and Equipment	2,901,561	596,208	(24,139)	-	3,473,630
Land Improvements	3,957,899	200,561	-	-	4,158,460
Total Accumulated Depreciation and Amortization	96,171,815	6,507,854	(24,139)	-	102,655,530
Total Capital Assets, Being Depreciated and Amortized, Net	276,051,532	(5,404,059)	-	1,504,000	272,151,473
Business-Type Activities Capital Assets, Net	\$ 334,705,440	\$ 15,015,775	\$ -	\$ -	\$ 349,721,215

NOTE #5 – CAPITAL ASSETS (Continued)

For the year ending June 30, 2024, depreciation and amortization expense on capital assets was charged as follows:

Governmental Activities:	
General Government	\$ 3,546,376
Public Safety	528,070
Community Development	1,740
Public Works	5,116,653
Parks and Recreation	1,678,043
Internal Service	1,900,746
Total Depreciation and Amortization Expense - Governmental Activities	\$ 12,771,628
Business-Type Activities:	
Wastewater	\$ 2,201,201
Solid Waste	286,573
Water	3,973,047
Housing	47,033
Total Depreciation and Amortization Expense - Business-Type Activities	\$ 6,507,854

Intangible Assets

- **Water Rights**

In an agreement between the City of Brentwood and the Contra Costa Water District (CCWD), dated February 29, 2000, the City is obligated to reimburse CCWD \$597,532 as a buy-down cost per acre-foot of water. The City capitalized this expense as of June 30, 2001 and is amortizing the expense over 65 years. In an amendatory agreement between Brentwood and CCWD, dated September 24, 2003, the City purchased the treatment capacity right of up to 3,200 acre-feet of water per year, from the Randall-Bold Water Treatment Plant, for \$10,000,000. The City capitalized this expense as of June 30, 2004 and is amortizing the expense over 40 years. The capacity right does not confer title or ownership of the facility, but merely reserves capacity in the facility. The City entered into a Third Amendatory Agreement with CCWD, dated February 4, 2015, to purchase capacity rights in the Rock Slough conveyance facilities. The City capitalized the total buy-in amount of \$8,353,100 as of June 30, 2016 and is amortizing the expense over 65 years.



NOTE #5 – CAPITAL ASSETS (Continued)

• **Joint Use Facilities**

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

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

NOTE #6 – LONG-TERM OBLIGATIONS

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

A. GOVERNMENTAL ACTIVITIES

	Balance July 1, 2023	Additions	Payments/ Adjustments	Balance June 30, 2024	Amounts Due Within One Year
Bonds					
General Obligation Bonds Series 2002	\$ 4,849,028	\$ 278,436 ⁽¹⁾	\$ (655,000)	\$ 4,472,464	\$ 690,000
2019 Civic Center Project Lease Revenue Refunding Bonds	27,155,000	-	(1,405,000)	25,750,000	1,475,000
Bond Premium	4,238,522	-	(249,325)	3,989,197	-
Private Placement Bonds					
2015 Lease Financing	8,345,000	-	(525,000)	7,820,000	545,000
Direct Purchase Bonds					
Capital Improvement Revenue Refunding Bonds Series 2021 A & B	12,915,826	-	(1,548,899)	11,366,927	1,557,891
Total Bonds	<u>57,503,376</u>	<u>278,436</u>	<u>(4,383,224)</u>	<u>53,398,588</u>	<u>4,267,891</u>
Notes Payable					
Successor Agency Payment Plan	4,331,214	-	(1,826,938)	2,504,276	1,679,948
Total Notes Payable	<u>4,331,214</u>	<u>-</u>	<u>(1,826,938)</u>	<u>2,504,276</u>	<u>1,679,948</u>
Other					
Net OPEB Liability	20,016,894	4,377,104	(33,364) ⁽²⁾	24,360,634	-
Net Pension Liability	39,172,015	6,415,187	(2,563,877) ⁽²⁾	43,023,325	-
Accumulated Compensated Absences	2,039,199	2,229,522	(2,056,123)	2,212,598	1,327,559
Subscription Liability	-	1,134,501	(249,293)	885,208	205,561
Total Other	<u>61,228,108</u>	<u>14,156,314</u>	<u>(4,902,657)</u>	<u>70,481,765</u>	<u>1,533,120</u>
Total Governmental Activities Long-Term Obligations	<u>\$ 123,062,698</u>	<u>\$ 14,434,750</u>	<u>\$ (11,112,819)</u>	<u>\$ 126,384,629</u>	<u>\$ 7,480,959</u>

(1) Accreted Interest

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

NOTE #6 – LONG-TERM OBLIGATIONS (Continued)

i. **Bonds**

General Obligation Bonds Series 2002

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

Year Ending <u>June 30</u>	<u>Principal</u>	<u>Total</u>
2025	\$ 690,000	\$ 690,000
2026	725,000	725,000
2027	760,000	760,000
2028	800,000	800,000
2029	840,000	840,000
2030-2031	<u>1,805,000</u>	<u>1,805,000</u>
Subtotal	5,620,000	<u>\$ 5,620,000</u>
Future Accretion	<u>(1,147,536)</u>	
Total	<u>\$ 4,472,464</u>	

2019 Civic Center Project Lease Revenue Refunding Bonds

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

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

The Civic Center Project Lease Revenue Refunding Bonds, Series 2019, are secured by a lien on, and pledge of, revenues under a Trust Agreement. "Revenues" means all amounts received by the Trustee, U.S. Bank, as payment on principal and interest. The City's revenue sources, as described in the Official Statement, are pledged payments from the Brentwood Redevelopment Agency (now Successor Agency) pursuant to the reimbursement agreement, pledged payments from the Community Facilities Districts (CFD) local obligations and pledged payments from the CIFP revenues.

NOTE #6 – LONG-TERM OBLIGATIONS (Continued)

As mentioned previously, the Successor Agency to the Brentwood Redevelopment Agency has pledged future tax revenues for the repayment of a portion of the bonds. Following the dissolution of the Brentwood Redevelopment Agency, the Successor Agency is allocated funds for payment of obligations listed on the Successor Agency's ROPS and approved by the DOF. As of June 30, 2024, the Successor Agency listed this debt obligation on its ROPS and the DOF has approved its inclusion for each applicable ROPS period through June 30, 2025.

The City has recorded a receivable for the debt obligations of the Successor Agency, as detailed in Note #4, and the Successor Agency has recorded a liability for these obligations, as discussed in Note #13. However, should these revenue sources not be sufficient to cover the principal and interest payments due in any year, the City is obligated, under the facilities lease, to pay the shortfall from the General Fund.

Year Ending June 30	Principal	Interest	Total
2025	\$ 1,475,000	\$ 1,192,275	\$ 2,667,275
2026	1,550,000	1,116,650	2,666,650
2027	1,630,000	1,037,150	2,667,150
2028	1,715,000	953,525	2,668,525
2029	1,805,000	865,525	2,670,525
2030-2034	8,745,000	2,993,625	11,738,625
2035-2039	8,010,000	1,023,125	9,033,125
2040	820,000	16,400	836,400
Total	\$ 25,750,000	\$ 9,198,275	\$ 34,948,275

ii. Private Placement and Direct Purchase

2015 Lease Financing

On December 17, 2015, the Authority issued \$11,515,000 in a private placement with Capital One Public Funding, LLC to finance the acquisition and construction of a new Library and a Municipal Service Center, along with other public capital improvements. The City's Police Department building is pledged as collateral for this debt issuance. Annual debt service payments, including interest at 3.25%, range from \$108,113 to \$792,031.

Year Ending June 30	Principal	Interest	Total
2025	\$ 545,000	\$ 245,294	\$ 790,294
2026	560,000	227,338	787,338
2027	580,000	208,813	788,813
2028	600,000	189,638	789,638
2029	615,000	169,894	784,894
2030-2034	3,400,000	530,399	3,930,399
2035-2036	1,520,000	49,725	1,569,725
Total	\$ 7,820,000	\$ 1,621,101	\$ 9,441,101

NOTE #6 – LONG-TERM OBLIGATIONS (Continued)

Capital Improvement Revenue Refunding Bonds Series 2021 A & B

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

The Successor Agency to the Brentwood Redevelopment Agency has pledged future tax revenues for the repayment of a portion of the bonds. The Successor Agency pledge of future tax revenues was not affected by the refunding of the 2012 Capital Improvement Revenue Refunding Bonds. Following the dissolution of the Brentwood Redevelopment Agency, the Successor Agency is allocated funds for payment of obligations listed on the Successor Agency's ROPS and approved by the DOF. This pledge ends upon repayment of the Successor Agency's \$10,799,625 remaining share of debt service on the bonds, as of June 30, 2024, which is scheduled to occur in 2032. For FY 2023/24, gross tax revenue available to be distributed to the Successor Agency totaled \$10,516,075, which represented coverage of 7.75 times \$1,357,500 of the Successor Agency's debt service. The remaining portion of the bonds is repayable from any source of the City's available funds and will primarily be funded from the Roadway Development Impact Fee Fund and prior bond refinance savings.

Year Ending June 30	Principal	Interest	Total
2025	\$ 1,557,891	\$ 142,938	\$ 1,700,829
2026	1,581,671	121,746	1,703,417
2027	1,609,209	100,207	1,709,416
2028	1,288,904	80,645	1,369,549
2029	1,307,305	63,121	1,370,426
2030-2032	4,021,947	81,903	4,103,850
Total	\$ 11,366,927	\$ 590,560	\$ 11,957,487



NOTE #6 – LONG-TERM OBLIGATIONS (Continued)

iii. Notes Payable

Successor Agency Payment Plan

In an effort to balance its budget, the State of California adopted ABx1 26 on June 28, 2011, amended by Assembly Bill 1484 (AB 1484) on June 27, 2012. This legislation suspended all new redevelopment activities and dissolved redevelopment agencies as of February 1, 2012. The City of Brentwood elected to become the Successor Agency to the former Brentwood Redevelopment Agency on January 10, 2012.

Section 34179.5 of AB 1484 required all successor agencies to hire a licensed accountant, approved by the County Auditor-Controller, to conduct two Due Diligence Reviews (DDR) to determine the balances available to be redistributed to other taxing entities. The two DDRs were focused on 1) the Low and Moderate Income Housing Fund, and 2) Other Funds and Accounts.

The Low and Moderate Income Housing Fund DDR determined that an unobligated balance of \$4,072,553 was available for redistribution and the Successor Agency remitted this amount to the Contra Costa County Auditor Controller in February 2013. The Other Funds and Accounts DDR determined that the unobligated balance was \$0, and the Successor Agency filed the DDR report with the DOF. The DOF, during their review of the DDR, determined that transfers made pursuant to pre-existing contracts and construction commitments were invalid and adjusted the DDR accordingly, issuing a DDR demand of \$14,955,931.

In response to the \$14,955,931 DDR demand, the City and Successor Agency filed suit against the DOF claiming, among other things, that 1) the DOF's DDR determination violated Proposition 22, which added Article XIII, Sections 24(b) and 25(a)(7) to the California Constitution and prohibits the Legislature from reallocating tax increment; 2) at the time the transfers were made by the former Redevelopment Agency the transfers were legally valid and made pursuant to enforceable obligations and third party contracts; 3) the transfers were for the payment of goods and services which were broadly exempted from reversal as defined in California Health and Safety Code Section 34179.5(b)(3); and 4) the DOF's enforcement of its final determination was unconstitutional. The City and Successor Agency's legal challenge was ultimately unsuccessful and legal remedies were exhausted when the California Supreme Court declined to hear the case on September 16, 2015.

On December 9, 2015, the City, as Successor Agency, entered into a ten-year interest free payment plan with the DOF for the City to pay the DDR demand of \$14,955,931. The annual payments range from \$357,796 to \$1,826,938.

Year Ending June 30	Principal	Interest	Total
2025	\$ 1,679,948	\$ -	\$ 1,679,948
2026	824,328	-	824,328
Total	\$ 2,504,276	\$ -	\$ 2,504,276

NOTE #6 – LONG-TERM OBLIGATIONS (Continued)

iv. Net OPEB Liability and Net Pension Liability

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

v. Accumulated Compensated Absences

The long-term compensated absences balances as of June 30, 2024 were:

Governmental	\$	885,039
Business-Type	\$	264,330

vi. Subscription Liability

In December 2023, the City entered into a five-year SBITA for the use of cloud services related to body-worn cameras, tasers, fleet video systems, interview room video, unmanned aircraft systems (drones), and digital evidence storage. An initial subscription liability was recorded in the amount of \$1,134,501 during the current fiscal year. As of June 30, 2024, the balance of the subscription liability was \$885,208 and interest payable was \$17,966. The City is required to make annual principal and interest payments of \$249,294. The software has a five-year estimated useful life. The value of the right-to-use asset as of the end of the current fiscal year was \$1,134,501 and had accumulated amortization of \$113,450.

The future principal and interest subscription liability payments as of June 30, 2024, were as follows:

Year Ending				
June 30	Principal	Interest	Total	
2025	\$ 205,561	\$ 43,733	\$	249,294
2026	215,716	33,578		249,294
2027	226,374	22,920		249,294
2028	237,557	11,736		249,293
Total	\$ 885,208	\$ 111,967	\$	997,175



NOTE #6 – LONG-TERM OBLIGATIONS (Continued)

B. BUSINESS-TYPE ACTIVITIES

	Balance July 1, 2023	Additions	Payments Adjustments	Balance June 30, 2024	Amounts Due Within One Year
Bonds					
Water Revenue Refunding Bonds Series 2014	\$ 32,375,000	\$ -	\$ (2,050,000)	\$ 30,325,000	\$ 2,160,000
Net Bond Premium	3,781,387	-	(252,093)	3,529,294	-
Total Bonds	<u>36,156,387</u>	<u>-</u>	<u>(2,302,093)</u>	<u>33,854,294</u>	<u>2,160,000</u>
Notes Payable (Direct Placement)					
State Water Resources Loan (Recycled Water Projects)	14,389,629	-	(430,179)	13,959,450	434,480
State Water Resources Loan (WWTP Expansion Ph. II)	40,700,429	6,983,959	-	47,684,388	-
Total Notes Payable	<u>55,090,058</u>	<u>6,983,959</u>	<u>(430,179)</u>	<u>61,643,838</u>	<u>434,480</u>
Other					
Net OPEB Liability	8,010,818	2,337,052	(867,436)	9,480,434	-
Net Pension Liability	10,014,931	2,642,951	(1,905,013)	10,752,869	-
Accumulated Compensated Absences	630,481	725,526	(695,182)	660,825	396,495
Total Other	<u>18,656,230</u>	<u>5,705,529</u>	<u>(3,467,631)</u>	<u>20,894,128</u>	<u>396,495</u>
Total Business-Type Activities Long-Term Obligations	<u>\$ 109,902,675</u>	<u>\$ 12,689,488</u>	<u>\$ (6,199,903)</u>	<u>\$ 116,392,260</u>	<u>\$ 2,990,975</u>

i. Bonds

Water Revenue Refunding Bonds Series 2014

On December 4, 2014, the Authority issued \$42,810,000 in Water Revenue Refunding Bonds Series 2014 ("2014 Water Bonds") to 1) refund a portion of the Authority's Water Revenue Bonds Series 2008 and 2) pay costs of issuance incurred in connection with the issuance, sale and delivery of the 2014 Water Bonds. The refunding reduced the total debt service payments over 24 years by \$9,249,078 and resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$7,404,766. Total annual debt service payments, including interest at rates from 3.0% to 5.0%, range from \$1,966,100 to \$3,517,350. If an event of default occurs, as defined in the indenture of trust, the bond trustee, or not less than a majority of owners of the bonds outstanding at that time, are entitled to declare the principal and accrued interest for all bonds outstanding to be due and payable immediately. Future payments for these bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2025	\$ 2,160,000	\$ 1,357,350	\$ 3,517,350
2026	2,260,000	1,249,350	3,509,350
2027	1,715,000	1,136,350	2,851,350
2028	1,800,000	1,050,600	2,850,600
2029	1,855,000	996,600	2,851,600
2030-2034	10,435,000	3,809,200	14,244,200
2035-2038	10,100,000	1,293,000	11,393,000
Total	<u>\$ 30,325,000</u>	<u>\$ 10,892,450</u>	<u>\$ 41,217,450</u>

NOTE #6 – LONG-TERM OBLIGATIONS (Continued)

The Authority has pledged future, water customer revenues, net of specified operating expenses, through 2038 to repay the 2014 Water Bonds. The bond coverage requirement is 1) the Adjusted Annual Net Water Revenues equal at least 125% of the annual principal and interest payments on the bonds or 2) the Net Operating Revenues equal at least 100% of the annual principal and interest payments on the bonds, whichever is higher. Adjusted Annual Net Water Revenues is defined as Water income and revenue less maintenance and operation costs adjusted by any transfers to or from the Rate Stabilization Fund. Net Operating Revenues is defined as the Adjusted Annual Net Water Revenues less net impact fees and credits received. In FY 2023/24, the Water Fund’s principal and interest paid was \$3,509,850, Net Operating Revenues were \$9,445,105 and Adjusted Annual Net Water Revenues were \$11,198,373 meeting bond covenant debt-coverage requirements.

ii. Notes Payable (Direct Placement) and Other

State Water Resources Loan (Recycled Water Projects)

In July 2017, the City entered into a loan and grant agreement with the State of California’s State Water Resources Control Board for a not-to-exceed amount of \$20,802,000 to fund the City’s Water Recycling Projects, which consists of two City projects: the Non-Potable Storage Facility, and Citywide Non-Potable Water Distribution System. Project financing consists of a State Revolving Fund loan and grant funding in the amounts of \$14,596,500 and \$6,205,500, respectively.

Certain terms of the agreement were amended in September 2018, under which the City was to start construction no later than June 25, 2018, and amended again in March 2021, under which the construction was to be completed by June 30, 2022 and final disbursement request completed by December 30, 2022. Construction on the project began December, 2017 and final disbursements were received during FY 2022/23. The loan bears annual interest of 1.0%, which begins accruing with each financing disbursement. During FY 2022/23 accrued construction period interest, in the amount of \$235,434, was recorded as principal, resulting in total principal due to the State of \$14,831,934. Upon violation of any material provision of the loan agreement, the State Water Resources Control Board has the option to demand immediate repayment of the current loan balance plus accrued interest and penalties. As of June 30, 2024, the City’s gross repayment obligation was \$13,959,450. During FY 2023/24, the Wastewater Fund’s principal and interest paid on this loan was \$574,075.

Year Ending June 30	Principal	Interest	Total
2025	\$ 434,480	\$ 139,595	\$ 574,075
2026	438,825	135,250	574,075
2027	443,213	130,862	574,075
2028	447,645	126,430	574,075
2029	452,122	121,953	574,075
2030-2034	2,329,337	541,035	2,870,372
2035-2039	2,448,158	422,216	2,870,374
2040-2044	2,573,038	297,335	2,870,373
2045-2049	2,704,288	166,083	2,870,371
2050-2052	1,688,344	33,879	1,722,223
Total	\$ 13,959,450	\$ 2,114,638	\$ 16,074,088

NOTE #6 – LONG-TERM OBLIGATIONS (Continued)

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

In December 2019, the City entered into a loan agreement with the State of California's State Water Resources Control Board for a not-to-exceed amount of \$65,102,000 to fund the City's Wastewater Treatment Plant Expansion – Phase II Project. Project financing will consist of a State Revolving Fund loan of a not-to-exceed amount of \$61,246,000 and a principal forgiveness component of \$3,856,000. Certain terms of the agreement were amended in April 2021, under which the City was to have construction completed by December 30, 2024. Construction on the project began in September 2020. The loan bears annual interest of 1.3%, which begins accruing with each financing disbursement. Beginning one year after completion of construction, repayment of the loan principal plus interest will be made annually according to the final payment schedule provided by the state. Upon violation of any material provision of the loan agreement, the State Water Resources Control Board has the option to demand immediate repayment of the current loan balance plus accrued interest and penalties.

As of June 30, 2024, the City has incurred \$50,625,736 of eligible project costs and financing disbursement requests have been submitted to the State. Through June 30, 2024 accrued construction period interest, in the amount of \$916,652, was recorded as principal, resulting in total principal due to the State of \$51,540,388. Of this amount, \$3,856,000 was allocated by the State as loan forgiveness in FY 2020/21, and the net amount of the note payable is \$47,684,388.

iii. Subsequent Event – Water Bond Refinance

On October 16, 2024, the Authority issued \$26,855,000 in Water Revenue Refunding Bonds, Series 2024 ("2024 Water Bonds") to 1) refund the Authority's Water Revenue Refunding Bonds Series 2014 and 2) pay costs of issuance incurred in connection with the issuance, sale and delivery of the 2024 Water Bonds. The refunding reduced the total debt service payments over 14 years by \$4,185,085 and resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$3,546,868. Total annual debt service payments, at a 5.0% rate, range from \$3,221,115 to \$2,546,250.



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

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

Special Assessment District Bonds	Assessment District Debt
City of Brentwood - Limited Obligation Improvement Bonds, Randy Way Sewer Line • Dated August 7, 2007 • Annual debt service payments, including interest at 3.95 % to 5.20 %, range from \$53,123 to \$58,060 • Final payment due September 2037	\$ 545,000
Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2012 A (Refinancing of CIFP's 96-1, 98-1 and 99-1) • Dated June 7, 2012 • Annual debt service payments, including interest at 2.00 % to 4.23 %, range from \$572,000 to \$2,530,569. • Final payment due September 2029	\$ 5,910,000
Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2014 A&B (Refinancing of CIFP's 94-1, 2000-1, 2005-1 and 2006-1) • Dated September 24, 2014 • Annual debt service payments, including interest at 2.00 % to 5.00 %, range from \$1,081,500 to \$6,417,040 • Final payment due September 2036	\$ 41,375,000
Brentwood Infrastructure Financing Authority - Infrastructure Revenue Refunding Bonds, Series 2018A (Refinancing of CIFP's 2002-1, 2003-1 and 2004-1) • Dated February 6, 2018 • Annual debt service payments, including interest at 2.19 % to 4.15 %, range from \$1,228,923 to \$3,271,266 • Final payment due September 2034	\$ 26,435,000
Total Assessment District Debt	\$ 74,265,000

NOTE #8 – CLASSIFICATION OF NET POSITION

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

- Net Investment in Capital Assets and Capacity Rights – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation, and the outstanding balances of debt which are attributable to the acquisition, construction or improvement of these assets, reduce this category.
- Restricted – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments.
- Unrestricted – This category represents the net position of the City, which is not restricted for any project or other purpose.

NOTE #9 – POST-RETIREMENT HEALTH CARE BENEFITS

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

Plan Benefits and Benefits Provided

In addition to the pension benefits described in Note #10, the City provides certain post-retirement health care benefits. The City's Retiree Healthcare Plan ("Plan") is a defined benefit healthcare plan administered by the City. Benefit provisions are established and may be amended through agreements and memorandums of understanding between the City and its employees. The City provides retiree medical benefits through the CalPERS healthcare program, Public Employees' Medical and Hospital Care Act (PEMHCA). During FY 2009/10, the City Council passed a resolution to participate in the CERBT program, an irrevocable trust established to fund OPEB. CERBT is an agent multiple-employer defined benefit other postemployment benefits plan administered by CalPERS, and is managed by an appointed board not under the control of the City Council. CERBT consists of participating employers of the State of California and public agencies. Individual employers may establish more than one plan.

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

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

The City covers premiums, subject to caps dependent on hire date for eligible retirees, with service or disability retirement directly from the City under CalPERS. Coverage extends to dependents and surviving spouses. No dental, vision or life insurance benefits are provided. The City has two benefit tier levels as follows:

Eligibility	Retire directly from the City under CalPERS (Age 50 ⁽¹⁾ with 5 years CalPERS service, or disability)					
Medical	City paid premium, subject to caps:					
	Hired < 7/1/12				Hired ≥ 7/1/12	
	Retire < 7/1/12		Retire ≥ 7/1/12			
	Misc	Safety	Misc	Safety	Misc	Safety
	2023	1,827.48	1,326.63	1,500.00	151.00	
2024 ⁽²⁾ +	Kaiser Dual	1,326.63 ⁽³⁾	1,500.00 ⁽³⁾	PEMHCA Minimum ⁽⁴⁾		
Surviving Spouse	100% of retiree benefit continues to surviving spouse if retiree elects CalPERS survivor annuity					
Other	No dental, vision, life, or Medicare Part B reimbursement					

(1) Age 52 for Miscellaneous PEPRA employees.

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

(3) Not less than Kaiser single premium.

(4) PEMHCA Minimum is \$157 in 2024.

Employees Covered by Benefit Terms

Membership in the plan consisted of the following at the measurement date of June 30, 2023:

	Number of Covered Participants
Active employees	313
Inactive employees or beneficiaries currently receiving benefits	174
Inactive participants entitled to, but not yet receiving benefit payments	33
Total	520

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

B. NET OPEB LIABILITY

Actuarial Methods and Assumptions

The City's Net OPEB Liability was measured as of June 30, 2023 and the total OPEB liability used to calculate the Net OPEB Liability was determined by an actuarial valuation dated June 30, 2023, based on the following actuarial methods and assumptions:

Actuarial Assumption	June 30, 2023 Measurement Date
Actuarial Valuation Date	June 30, 2023
Contribution Policy	- City contributes 85% of ADC - Once 85% funded ratio is reached, contributions (as a percentage of payroll) maintained until 100% funded ratio attained
Discount Rate	6.00% at June 30, 2023 6.25% at June 30, 2022
Expected Long-Term Rate of Return on Investments	Expected City contributions projected to keep sufficient plan assets to pay all benefits from trust
General Inflation	2.50% annually
Mortality, Retirement, Disability, Termination	CalPERS 2021 Experience Study
Mortality Improvement	Projected fully generationally using 80% of Scale MP-2020
Salary Increases	Aggregate - 2.80% annually Merit - CalPERS 2021 Experience Study
Medical Trend	Non-Medicare - 7.00% for 2024, decreasing to an ultimate rate of 3.94% in 2075 Medicare - 5.84% for 2024, decreasing to an ultimate rate of 4.00% in 2075
PEMHCA minimum increases	3.97% increase from 2023 to 2024 followed by 3.50% annually
Healthcare participation	Hired < 7/1/12: 100% Hired > 7/1/12: 60%

The underlying mortality improvement assumptions were based using 80% of on the Scale MP-2020 and all other actuarial assumptions used in the June 30, 2023 valuation were based on the results of a CalPERS experience study.

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

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

	Target Allocation	Expected Real Rate of Return
Asset Class Component		
Global Equity	49%	4.30%
Fixed Income	23%	1.20%
Real Estate Investment Trusts (REITs)	20%	3.50%
Treasury Inflation-Protected Securities (TIPS)	5%	0.30%
Commodities	3%	0.09%
Assumed Long-Term Rate of Inflation		2.50%
Expected Long-Term Net Rate of Return, Rounded		6.00%

The expected long-term real rates of return are compound returns (time-weighted and net of all fees), adjusted for inflation.

Discount Rate

The discount rate used to measure the total OPEB liability was 6.0%. The projection of cash flows used to determine the discount rate assumed that City contributions are made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in Assumptions

The changes in assumptions are based on the OPEB valuation of June 30, 2023. There were three assumptions updated since the prior valuation. First, the single Equivalent Discount Rate (SEDR) has decreased from 6.25% as of June 30, 2022 to 6.00% as of June 30, 2023 based on updated expected long-term rate of return of the Trust, which caused an increase in the liability. Second, payroll growth, mortality, disability, termination, and retirement rates have been updated from CalPERS Experience Study and Review of Actuarial Assumptions published in December 2017 to the most recent study published in November 2021. The net impact of these changes is a net decrease in the liability. Third, health care trend rates have been updated from an initial rate of 6.75% (non-Medicare) / 4.89% Actives (Medicare) / 5.21% Retirees (Medicare) in 2021 that decreases gradually to an ultimate rate of 3.75% to Getzen 2023 table that reflects actual premium increases from 2023 to 2024 followed by 7.00% (non-Medicare) / 5.84% (Medicare) in 2024 that decreases gradually to an ultimate rate of 3.94% (non-Medicare) / 4.00% (Medicare). The net impact of these changes is an increase in the liability.

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

C. CHANGES IN NET OPEB LIABILITY

The following summarizes the changes in the Net OPEB Liability:

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balances at June 30, 2023 (Measurement date June 30, 2022)	\$ 51,370,888	\$ 23,343,176	\$ 28,027,712
Changes for the year:			
Service Cost	1,533,022	-	1,533,022
Interest	3,234,999	-	3,234,999
Changes of benefit terms	-	-	-
Difference between actual and expected experience	(2,369,845)	-	(2,369,845)
Assumption changes	8,331,169	-	8,331,169
Contributions - employer	-	3,423,711	(3,423,711)
Contributions - employee	-	-	-
Net investment income	-	1,499,060	(1,499,060)
Benefit payments and refunds ^(*)	(2,323,071)	(2,323,071)	-
Administrative Expenses	-	(6,782)	6,782
Net Changes	<u>8,406,274</u>	<u>2,592,918</u>	<u>5,813,356</u>
Balances at June 30, 2024 (Measurement date June 30, 2023)	<u>\$ 59,777,162</u>	<u>\$ 25,936,094</u>	<u>\$ 33,841,068</u>

(*) Based on explicit benefit payment of \$1,927,071 and estimated implicit subsidy payment of \$396,000.

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued plan financial report that may be obtained from CERBT, an agent multiple-employer plan administered by CalPERS, consisting of an aggregation of single-employer plans. CERBT issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained from the California Public Employers' Retiree Benefit Trust, at P.O. Box 942703, Sacramento, CA 94229-2703.

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

The following presents the Net OPEB Liability of the City, as well as what the City's Net OPEB Liability would be, if it were calculated using a discount rate that is 1 percentage-point lower (5.00%) or 1 percentage-point higher (7.00%) than the current discount rate:

	Discount Rate		
	5.00% (1% Decrease)	6.00% (Current Rate)	7.00% (1% Increase)
Net OPEB Liability	\$ 41,919,718	\$ 33,841,068	\$ 27,189,215



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

The following presents the Net OPEB Liability of the City, as well as what the City's Net OPEB Liability would be, if calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

	Healthcare Cost Trend Rate		
	1% Decrease	Current Rate	1% Increase
Net OPEB Liability	\$ 26,814,345	\$ 33,841,068	\$ 42,559,384

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

For the year ended June 30, 2024, the City recognized OPEB expense of \$3,070,473. At June 30, 2024, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	June 30, 2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (6,141,569)
Changes of assumptions	7,203,812	(1,142,646)
Net difference between projected and actual earning on plan investments	1,523,817	-
Employer contributions made subsequent to the measurement date *	3,541,901	-
Total	\$ 12,269,530	\$ (7,284,215)

* Based on benefit payments of \$2,659,613 (including estimated implicit subsidy credit) plus \$882,288 contribution to the Trust.

For the year ended June 30, 2024, the City reported \$3,451,901 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the Net OPEB Liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as part of OPEB expense as follows:

Year ended June 30	Annual Amortization
2025	\$ (233,909)
2026	(332,441)
2027	488,479
2028	21,779
2029	378,226
Thereafter	1,121,280

NOTE #10 – DEFINED BENEFIT PENSION PLANS

A. PLAN DESCRIPTIONS

The City has two defined benefit pension plans, a Miscellaneous Plan and a Safety Plan. The Miscellaneous Plan is an Agent Multiple-Employer Plan and the Safety Plan is a Cost-Sharing Multiple-Employer Plan. All qualified permanent and probationary employees are eligible to participate in either the City’s Safety (Sworn) or Miscellaneous (Non-sworn) Plans, administered by CalPERS, which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

B. MISCELLANEOUS PLAN

i. General Information About the Miscellaneous Plan

a. Benefits Provided

CalPERS provides service retirement and disability benefits, annual Cost of Living Adjustments (COLA) and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits.

All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The COLA for each plan are applied as specified by the California Public Employees’ Retirement Law (PERL).

The Miscellaneous Plan’s provisions and benefits in effect at June 30, 2024 are summarized below:

	Miscellaneous Plan		
	Tier 1	Tier 2	Tier 3
	Prior to October 1, 2010	After September 30, 2010	After December 31, 2012
Hire Date			
Benefit Formula	2.7% @ 55	2% @ 60	2% @ 62
Benefit Vesting Schedule	5 years service	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life	monthly for life
Retirement Age	50 - 55	50 - 63	52 - 67
Monthly Benefits, as a % of Eligible Compensation	2.000-2.700%	1.092-2.418%	1.000-2.500%
Required Employee Contribution Rates	8.000%	7.000%	7.50%
Required Employer Contribution Rates (Normal Cost)	12.100%	12.100%	12.100%
Maximum COLA	5.00%	2.00%	2.00%
Final Average Compensation Period	One Year	Three Years	Three Years

Unfunded Accrued Liability Annual Payment for the Miscellaneous Plan is \$1,338,889.

NOTE #10 – DEFINED BENEFIT PENSION PLANS (Continued)

b. Employees Covered

At the June 30, 2023 measurement date, the most recent valuation available, the following plan participants were covered by the benefit terms:

	Miscellaneous Plan			Total
	Tier 1	Tier 2	Tier 3	
Active Employees	74	45	135	254
Inactive Employees or Beneficiaries Currently Receiving Benefits				223
Inactive Employees Entitled to but not yet Receiving Benefits				184
			Total	407

c. Contributions

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

For the year ended June 30, 2024, the contributions to the Miscellaneous Plan were \$7,191,438 for the employer paid contributions.

ii. Net Pension Liability

The City's Net Pension Liability for the Miscellaneous Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The Net Pension Liability of the Miscellaneous Plan is measured as of June 30, 2023, using an annual actuarial valuation as of June 30, 2022, rolled forward using standard update procedures. A summary of principal assumptions and methods used to determine the Net Pension Liability is shown in Note #10D.

NOTE #10 – DEFINED BENEFIT PENSION PLANS (Continued)

iii. Changes in Net Pension Liability

The table below shows the changes in Net Pension Liability recognized over the measurement period.

	Miscellaneous Plan		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2022	\$ 180,236,190	\$ 148,880,740	\$ 31,355,450
Changes recognized for the measurement period			
Service Cost	\$ 4,920,885	\$ -	\$ 4,920,885
Interest on the Total Pension Liability	12,550,956	-	12,550,956
Changes in Assumptions	-	-	-
Differences Between Actual and Expected Experience	2,522,123	-	2,522,123
Changes in Benefit Terms	126,031	-	126,031
Net Plan to Plan Resource Movement	-	-	-
Contribution - Employer	-	5,968,325	(5,968,325)
Contribution - Employees	-	1,899,177	(1,899,177)
Net Investment Income	-	9,230,992	(9,230,992)
Benefit Payments, Including Refunds of Employee Contributions	(6,893,749)	(6,893,749)	-
Other Misc Income/(Expense)	-	-	-
Administrative Expense	-	(109,480)	109,480
Net Changes	13,226,246	10,095,265	3,130,981
Balance at June 30, 2023	\$ 193,462,436	\$ 158,976,005	\$ 34,486,431

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

The table below presents the Net Pension Liability, calculated using the discount rate of 6.90%, as well as what the Net Pension Liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate.

	Miscellaneous Plan		
	5.90% (1% Decrease)	6.90% (Current Rate)	7.90% (1% Increase)
Net Pension Liability	\$ 62,821,679	\$ 34,486,431	\$ 11,254,512

b. Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

NOTE #10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

For the year ended June 30, 2024, the City recognized pension expense for the Miscellaneous Plan of \$8,557,316. At June 30, 2024, the Miscellaneous Plan has Deferred Outflows and Deferred Inflows of Resources related to the pension plan as follows:

	Miscellaneous Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 7,191,438	\$ -
Differences Between Actual and Expected Experience	2,114,154	(998,972)
Changes in Assumptions	2,212,418	-
Net Differences Between Projected and Actual Earnings on Plan Investments	7,272,724	-
Total	\$ 18,790,734	\$ (998,972)

Deferred Outflows of Resources related to contributions subsequent to the measurement date of \$7,191,438 will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2025. Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized as pension expense below:

Miscellaneous Plan	
Fiscal Year Ended June 30	Annual Amortization
2025	\$ 2,511,819
2026	1,914,819
2027	5,680,230
2028	493,456

v. Payable to the Miscellaneous Plan

The City reported a payable of \$224,109 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2024.

NOTE #10 – DEFINED BENEFIT PENSION PLANS (Continued)

C. SAFETY PLAN

i. General Information About the Safety Plan

The City's Safety Plan is part of the public agency cost-sharing multiple-employer defined benefit pension plan (PERF C), which is administered by CalPERS. PERF C consists of a miscellaneous pool and a safety pool (referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. The employer participates in one cost-sharing multiple-employer defined benefit pension plan regardless of the number of rate plans the employer sponsors. The City sponsors three rate plans within the safety risk pool.

a. Benefits Provided

CalPERS provides service retirement and disability benefits, annual COLA and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits.

All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The COLA for each plan are applied as specified by the California PERL.

The Safety Plan's provisions and benefits in effect at June 30, 2024, are summarized below:

	Safety Plan		
	Tier 1	Tier 2	Tier 3
Hire Date	Prior to September 1, 2012	After August 31, 2012	After December 31, 2012
Benefit Formula	3% @ 50	3% @ 55	2.7% @ 57
Benefit Vesting Schedule	5 years service	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life	monthly for life
Retirement Age	50	50 - 55	50 - 57
Monthly Benefits, as a % of Eligible Compensation	3%	2.4-3.0%	2.0-2.7%
Required Employee Contribution Rates	9.00%	9.00%	13.75%
Required Employer Contribution Rates	28.30%	22.83%	13.54%
COLA	5.00%	2.00%	2.00%
Final Average Compensation Period	One Year	Three Years	Three Years
Unfunded Accrued Liability Annual Payment	\$ 848,028	\$ -	\$ 22,753

NOTE #10 – DEFINED BENEFIT PENSION PLANS (Continued)

Beginning in FY 2015/16, CalPERS collects employer contributions for the cost-sharing plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability and side fund. The dollar amounts are billed on a monthly basis. In-lieu of making monthly payments, an annual lump-sum prepayment option is also available. The City's required lump-sum contribution for the unfunded liability and side fund was \$870,781 in FY 2023/24.

b. Contributions

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

For the year ended June 30, 2024, the contributions to the Safety Plan were \$3,365,976 for the employer paid contributions.

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

As of June 30, 2024, the City reported a Net Pension Liability for its proportionate share of the Net Pension Liability of the Safety Plan of \$19,289,763.

The City's Net Pension Liability for the Safety Plan is measured as the proportionate share of the Net Pension liability. The Net Pension Liability of the Safety Plan is measured as of June 30, 2023, and the total pension liability for the Safety Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. The City's proportion of the Net Pension Liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the Net Pension Liability for the Safety Plan as of June 30, 2022 and 2023 was as follows:

<u>Proportionate Share of Net Pension Liability</u>	<u>Safety Plan</u>
Proportion - June 30, 2022	0.25950%
Proportion - June 30, 2023	<u>0.25806%</u>
Change - Increase (Decrease)	(0.00144%)

NOTE #10 – DEFINED BENEFIT PENSION PLANS (Continued)

For the year ended June 30, 2024, the City recognized pension expense of \$6,210,927 for the Safety Plan. At June 30, 2024, the Safety Plan reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Safety Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 3,365,976	\$ -
Differences Between Actual and Expected Experience	1,416,224	(121,244)
Changes in Assumptions	1,125,776	-
Change in the Employer's Proportion and Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	2,215,386	(579,807)
Net Differences Between Projected and Actual Earnings on Plan Investments	2,639,799	-
Total	\$ 10,763,161	\$ (701,051)

Deferred outflows of resources related to contributions subsequent to the measurement date of \$3,365,976 will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2025. Other amounts, reported as Deferred outflows/inflows of resources related to pensions, will be recognized as pension expense, as summarized as follows:

Safety Plan	
Fiscal Year Ended June 30	Annual Amortization
2025	\$ 2,596,977
2026	1,747,303
2027	2,278,174
2028	73,680

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

The following table presents the City's proportionate share of the Net Pension Liability for the Safety Plan, calculated using the discount rate of 6.90%, and what the City's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate.

	Safety Plan		
	5.90% (1% Decrease)	6.90% (Current Rate)	7.90% (1% Increase)
Net Pension Liability	\$ 33,848,689	\$ 19,289,763	\$ 7,386,804

NOTE #10 – DEFINED BENEFIT PENSION PLANS (Continued)

b. Pension Plan Fiduciary Net Position

The plan fiduciary net position disclosed in the GASB 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and OPEB expense included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In addition, differences may result from early Comprehensive Annual Financial Report closing and final reconciled reserves.

iii. Payable to the Safety Plan

The City reported a payable of \$124,965 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2024.

D. INFORMATION COMMON TO BOTH THE MISCELLANEOUS AND SAFETY PLANS

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

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

As of June 30, 2024, the City reported Net Pension Liabilities for the Miscellaneous and Safety Plans combined of \$53,776,194 and recognized combined pension expenses for the Miscellaneous and Safety Plans of \$14,768,243.

At June 30, 2024, the Miscellaneous and Safety Plans reported combined Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Miscellaneous and Safety Plans	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 10,557,414	\$ -
Differences Between Actual and Expected Experience	3,530,378	(1,120,216)
Changes in Assumptions	3,338,194	-
Change in the Employer's Proportion and Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	2,215,386	(579,807)
Net Differences Between Projected and Actual Earnings on Plan Investments	9,912,523	-
Total	\$ 29,553,895	\$ (1,700,023)

NOTE #10 – DEFINED BENEFIT PENSION PLANS (Continued)

ii. Actuarial Assumptions

The June 30, 2023 total pension liabilities were based on the following actuarial methods and assumptions:

	<u>Miscellaneous and Safety Plans</u>
Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Projected Salary Increase	Varies depending on age, service and type of employment
Payroll Growth	2.80%
Investment Rate of Return ⁽¹⁾	6.90%
Mortality Rate Table ⁽²⁾	Derived using CalPERS Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

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

(2) The mortality table used was developed based on CalPERS-specific data. The table includes generational mortality improvements using Society of Actuaries Scale 80% of scale MP 2020. For more details on this table, please refer to the November 2021 experience study report (based on CalPERS demographic data from 2001 to 2019) that can be found on the CalPERS website.

The underlying mortality and other actuarial assumptions used in current valuation were based on the results of CalPERS November 2021 actuarial Experience Study. Further details of the Experience Study can be found on CalPERS website under Forms and Publications.

iii. Miscellaneous and Safety Plans Discount Rate

The discount rate used to measure the total pension liability for each Plan was 6.90%. The projection of cash flows used to determine the discount rate for each Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) are made at the current member contribution rates and that contributions from employers are made at statutorily required rates, actuarially determined. Based on those assumptions, each Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members for all plans in the PERF. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability for each Plan.

NOTE #10 – DEFINED BENEFIT PENSION PLANS (Continued)

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long term projected portfolio return.

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

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return</u> ^(1,2)
Global Equity: Cap-Weighted	30.0%	4.54%
Global Equity: Non-Cap-Weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-Backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5%	-1%
Total	100%	

(1) An expected inflation of 2.30% used for this period.

(2) Figures based on the 2021-22 Asset Liability Management Study.

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

Deferred Compensation Plans

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

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

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

(Continued)

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

The City contributes amounts to the deferred compensation plans for employees in certain bargaining units. These employer contributions include amounts of up to \$1,320 per year as a match of employee contributions and additional contributions of 2%-4% of annual employee salary, depending on bargaining unit. The total amount contributed by the City to the three Plans for FY 2023/24 was \$338,543. At June 30, 2024, the City reported a payable of \$21,135 for the outstanding contributions due to the Plans.

Retiree Health Savings Plans

The City contributes amounts to individual retiree health savings accounts for employees in all bargaining units hired on or after 7/1/2012. Depending on the bargaining unit and date of hire, contributions of up to \$600 to \$2,400 per eligible employee per year are made to a third-party retiree health savings account administrator. The total amount contributed by the City to the retiree health savings account plan for FY 2023/24 was \$294,925. At June 30, 2024, the City does not have a payable due for outstanding contributions to the retiree health savings plan.

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

NOTE #12 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; natural disaster; errors and omissions; injuries to employees and unemployment claims. The City, along with other Contra Costa County cities, belongs to the Municipal Pooling Authority of Northern California (MPA). MPA is a public entity risk pool currently operating as a common risk management and insurance program for the members. The City pays an annual premium to MPA for the following: Liability (\$34.5 million coverage, \$10,000 deductible); Employer's Resource Management Association (ERMA) (\$2 million coverage, \$50,000 deductible on employment claims); All Risk Fire and Property (\$1 billion coverage, \$25,000 deductible for all risk, \$5,000 for fine arts, \$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 (\$3 million coverage, deductible of \$50,000, \$100,000 or \$250,000 based on total insured values of up to \$250 million, up to \$750 million or greater than \$750 million, respectively, determined at time of loss); Government Crime (\$5 million coverage, \$2,500 deductible); Public Entity Pollution (\$2 million coverage, \$250,000 deductible); Boiler and Machinery (\$100 million coverage, \$10,000 deductible) and Workers Compensation (coverage in excess of the statutory limit, \$0 deductible). The agreement provides that MPA will be self-sustaining through member premiums and assessments. MPA purchases commercial insurance in excess of those amounts covered by its self-insurance pool. MPA was formed in June of 1977, under a "joint exercise of power agreement", to provide general liability, workers' compensation, property and employee benefits insurance coverage. It is governed by a Board of Directors composed of one appointed official from each City. Members as of June 30, 2024 were the cities of Antioch; Brentwood; Clayton; El Cerrito; Gilroy; Hercules; Lafayette; Manteca; Martinez; Oakley; Orinda; Pacifica; Pinole; Pittsburg; Pleasant Hill; San Pablo; San Ramon and Walnut Creek and the towns of Danville and Moraga. Audited financial information can be obtained from MPA located at 1911 San Miguel Drive #200, Walnut Creek, CA 94596, as well as on the agency's website at www.mpanc.com.

Settled claims have not exceeded coverage for these risks in any of the last three fiscal years. Outstanding claims payable at year-end, including the Incurred But Not Reported (IBNR) amount, was calculated to be immaterial for presentation purposes.

NOTE #13 – BRENTWOOD REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES

A. REDEVELOPMENT AGENCY DISSOLUTION

Effective February 1, 2012, the Brentwood Redevelopment Agency was dissolved and certain assets of the Brentwood Redevelopment Agency Low and Moderate Income Housing Fund were distributed to a Housing Successor, and all remaining Brentwood Redevelopment Agency assets and liabilities were distributed to a Successor Agency. Under the provisions of AB 1484, the City elected to become the Housing Successor and retain the housing assets. The City also elected to become the Successor Agency to the Brentwood Redevelopment Agency and on February 1, 2012, the Brentwood Redevelopment Agency's remaining assets were distributed to, and liabilities were assumed by, the Successor Agency.

ABX1 26 required the establishment of an Oversight Board to oversee the activities of the Successor Agency. The Brentwood Oversight Board served in this capacity from April 11, 2012 until June 30, 2018. Effective July 1, 2018, a new Countywide Oversight Board was established pursuant to the dissolution law. The activities of the Successor Agency are subject to review and approval of the Oversight Board.

The activities of the Housing Successor are reported in the City Low Income Housing Special Revenue Fund as the City has control of those assets, which may be used in accordance with the low and moderate-income housing provisions of California Redevelopment Law. The activities of the Successor Agency are reported in the Successor Agency to the Brentwood Redevelopment Agency Private-Purpose Trust Fund as the activities are under the control of the Oversight Board. The City is providing administrative services to the Successor Agency to wind down the affairs of the former Brentwood Redevelopment Agency.

Section 34179.5 of AB 1484 required all successor agencies to hire a licensed accountant, approved by the County Auditor-Controller, to conduct two Due Diligence Reviews (DDR) to determine the balances available to be redistributed to other taxing entities. The two DDRs were focused on 1) the Low and Moderate Income Housing Fund, and 2) Other Funds and Accounts. The Low and Moderate Income Housing Fund DDR determined that an unobligated balance of \$4,072,553 was available for redistribution, and the Successor Agency remitted this amount to the Contra Costa County Auditor Controller in February 2013. The Other Funds and Accounts DDR determined that the unobligated balance was \$0, and the Successor Agency filed the DDR report with the DOF. The DOF, during their review of the DDR, determined that transfers made pursuant to pre-existing contracts and construction commitments were invalid and adjusted the DDR accordingly, issuing a DDR demand of \$14,955,931.

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

As of June 30, 2024, cash and investments of the Successor Agency were pooled with the City's cash and investments. Details of the nature of the Successor Agency's cash and investments are presented in Note #3. Information presented in the following sections of Note #13 represents other assets and liabilities of the Successor Agency as of June 30, 2024.



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

B. CAPITAL ASSETS

Capital assets of the Successor Agency, as of June 30, 2024, were comprised of land with a carrying value of \$1,327,129 and there were no additions or retirements during the fiscal year.

C. LONG-TERM OBLIGATIONS

The Successor Agency assumed the long-term obligations of the former Brentwood Redevelopment Agency as of February 1, 2012. The following summarizes the long-term obligations of the Successor Agency as of June 30, 2024.

	<u>Balance</u> <u>July 1, 2023</u>	<u>Payments</u> <u>Adjustments</u>	<u>Balance</u> <u>June 30, 2024</u>	<u>Amounts Due</u> <u>Within One Year</u>
Capital Improvement Revenue Refunding Bonds Series 2012	\$ 9,795,000	\$ (890,000)	\$ 8,905,000	\$ 930,000
2009 Civic Center Project Lease Revenue Bonds	9,598,684	(377,632)	9,221,052	394,737
Total	<u>\$ 19,393,684</u>	<u>\$ (1,267,632)</u>	<u>\$ 18,126,052</u>	<u>\$ 1,324,737</u>

i. Bonds

Capital Improvement Revenue Refunding Bonds Series 2012

The Brentwood Redevelopment Agency issued 2001 Capital Improvement Tax Allocation Bonds, dated October 1, 2001, to finance certain Redevelopment projects. The Brentwood Redevelopment Agency pledged future tax increment revenues, less amounts required to be set aside in the Redevelopment Agency Low Income Housing Fund, for the repayment of the Tax Allocation Bonds. On January 11, 2012, the Authority issued \$24,060,000 in Capital Improvement Revenue Refunding Bonds Series 2012 to: 1) finance the refunding of the 2001 CIP Bonds under a facilities lease and 2) refund a series of tax allocation bonds issued by the Brentwood Redevelopment Agency, as discussed in Note #6. Total annual debt service payments, including interest at 4.25% to 5.375%, range from \$1,342,750 to \$1,368,688.

The Successor Agency to the Brentwood Redevelopment Agency has pledged future tax revenues for the repayment of a portion of the bonds. Following the dissolution of the Brentwood Redevelopment Agency, the Successor Agency is allocated funds for payment of obligations listed on the Successor Agency’s ROPS and approved by the DOF. The Successor Agency listed this debt obligation on its ROPS and the DOF has approved its inclusion for each applicable ROPS period through June 30, 2024. The City has recorded a receivable for the debt obligations of the Successor Agency, as detailed in Note #4. The pledge of future Successor Agency tax revenues ends upon repayment of the Successor Agency’s \$10,799,625 remaining share of debt service on the bonds, which is scheduled to occur in 2032.

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

2009 Civic Center Project Lease Revenue Bonds

On October 16, 2009, the Authority issued \$48,000,000 in Civic Center Project Lease Revenue Bonds, Series 2009A, \$4,055,000, and Taxable Series 2009B, \$43,945,000, to finance the construction of a new city hall, community center, senior center, plus library improvements and other public capital improvements, as discussed in Note #6. The Brentwood Redevelopment Agency entered into a reimbursement agreement with the Authority that indicates the Brentwood Redevelopment Agency will pay a proportionate amount of the City's base rental payments for specific and allowable projects the Brentwood Redevelopment Agency has agreed to fund. The 2009 Civic Center Project Lease Revenue Bonds generated \$12,631,578 for allowable Brentwood Redevelopment Agency projects.

The Successor Agency to the Brentwood Redevelopment Agency has pledged future tax revenues for the repayment of a portion of the bonds. Following the dissolution of the Brentwood Redevelopment Agency, the Successor Agency is allocated funds for payment of obligations listed on the Successor Agency's ROPS and approved by the DOF. The Successor Agency listed this debt obligation on its ROPS and the DOF has approved its inclusion for each applicable ROPS period through June 30, 2024. The City has recorded a receivable for the debt obligations of the Successor Agency, as detailed in Note #4. The pledge of future tax revenues end upon repayment of the Successor Agency's \$15,556,520 remaining share of debt service on the bonds. The repayment of the debt is scheduled to occur in 2040.

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

Year Ending June 30	Principal	Interest	Total
2025	\$ 1,324,737	\$ 1,106,300	\$ 2,431,037
2026	1,391,842	1,029,572	2,421,414
2027	1,461,579	947,707	2,409,286
2028	1,532,632	861,812	2,394,444
2029	1,610,000	771,665	2,381,665
2030-2034	6,497,367	2,478,176	8,975,543
2035-2039	3,500,000	1,003,971	4,503,971
2040	807,895	30,890	838,785
Total Payments Due	\$ 18,126,052	\$ 8,230,093	\$ 26,356,145

D. PLEDGED REVENUES

As discussed above, the Successor Agency has pledged all future tax-increment revenues for the repayment of its share of the Capital Improvement Revenue Refunding Bonds Series 2012 and the 2009 Civic Center Project Lease Revenue Bonds. The pledge of all future tax-increment revenues ends upon repayment of \$26,356,145 remaining debt service on the bonds, which is scheduled to occur in 2040. With the dissolution of the Brentwood Redevelopment Agency discussed above, tax increment is no longer distributed. Instead, the Successor Agency receives payments from Contra Costa County's Redevelopment Property Tax Trust Fund that are to be used to fund debt service on the bonds, with no

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

distinction between housing and non-housing revenues. For FY 2023/24, gross tax increment available to be distributed to the Successor Agency was \$10,516,075, which represents coverage of 430% of the FY 2023/24 debt service requirements.

E. COMMITMENTS AND CONTINGENCIES

i. State Approval of Enforceable Obligations

The Successor Agency prepares a ROPS annually containing all proposed expenditures for the subsequent twelve-month period. The ROPS is subject to the review and approval of the Oversight Board as well as the DOF. Although the DOF may elect not to question items included on the ROPS in one period, they may question the same items in a future period and disallow associated activities. The amount, if any, of current obligations that may be denied by the DOF cannot be determined at this time.

ii. State Asset Transfer Review

In addition to the DDR process discussed in Note #13A, ABx1 26 and AB 1484 direct the State Controller to review the activities of all redevelopment agencies and successor agencies to determine whether an asset transfer between an agency and any public agency occurred on or after January 1, 2011. On July 10, 2015, the State Controller's Office determined that \$14,992,790 of cash and revenue and \$1,327,129 of land/building assets, transferred between January 1, 2011 and January 31, 2012, were unallowable and ordered these assets to be returned to the Successor Agency. As discussed in Note #13A and Note #6, the City entered into a repayment plan with the Department of Finance for \$14,955,931. In addition, the City complied with the State Controller's order to return the land/building assets to the Successor Agency. These transfers were conveyed to the Successor Agency by grant deeds recorded in the Official Records of Contra Costa County on March 21, 2018. Following the initial communication in July 2015, the State Controller's Office has made no further demands for the return of assets to the Successor Agency.

NOTE #14 – CONTINGENT LIABILITIES

A. LITIGATION

The City is subject to litigation arising in the normal course of business. In the opinion of the City Attorney, there is no filed litigation, as of June 30, 2024, which is likely to have a material adverse effect on the financial position of the City.

B. STATE AND FEDERAL GRANTS

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

NOTE #14 – CONTINGENT LIABILITIES (Continued)

C. DEVELOPER IMPACT FEE CREDITS

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

Any unused credits may be used by the developers on other projects located elsewhere in the City. The value of the credits, as of June 30, 2024, was \$1,232,978, after a total of \$684,979 was used as credits or expired and an additional \$625,192 was added by agreements during FY 2023/24. 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, 2024, the City had several commitments with respect to unfinished capital projects. Outstanding commitments with respect to unfinished major capital projects are as follows:

<u>Project Name</u>	<u>Outstanding Commitments</u>
Homecoming Park Playground Replacement	\$ 315,740
Housing Element Update and Safety Element Update	177,000
Innovation Center @ Brentwood Infrastructure	243,419
Lone Tree Way Roadway Improvements	2,347,267
Pavement Management Program - 2024	557,354
Sand Creek Road Extension	2,140,153
Sand Creek Sports Complex	992,211
Sensus AMR System Upgrade	800,715
Solid Waste Organics Diversion	277,857
Vineyards at Marsh Creek - Event Center/Amphitheater	170,671
Wastewater Treatment Plant Expansion - Phase II	21,929,287
Water and Wastewater Laboratory	330,980
Water and Wastewater SCADA System Upgrade	793,977
Total	<u>\$ 31,076,631</u>

E. SOLAR POWER PURCHASE AGREEMENTS

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

NOTE #14 – CONTINGENT LIABILITIES *(Continued)*

purchase all of the electric power generated by the system for a term of 20 years, and up to two additional optional terms of five years each, at a contract price of \$0.0100 to \$0.2718 per kWh, depending on the site. The systems at the Police Department site, Wastewater Treatment Plant site and Brentwood Family Aquatic Complex became operational July 2015, September 2016 and November 2016, respectively. The agreements include options for the City to purchase the systems at the end of the 6th, 10th and 20th year, as well as at the end of the additional optional five-year terms at a price equal to the fair value of the systems. The City has not taken, nor anticipates taking, the option to purchase any of the systems as of the end of the 6th year. Early termination of any of the contracts by the City would result in termination payments ranging from \$6.4 million in year one to \$0.3 million in the twentieth year of the contracts. Early termination by SolarCity would result in payments to the City for the net present value of the excess energy costs that would be incurred over the remaining contract term.



Budgetary Comparison Schedule, General Fund
For Year Ended June 30, 2024

	Budget Amounts		Actual	Variance
	Original	Final		
REVENUES				
Taxes	\$ 31,864,710	\$ 31,954,005	\$ 31,625,295	\$ (328,710)
Licenses	783,696	795,575	779,320	(16,255)
Permits and Fines	5,516,619	4,141,877	4,888,377	746,500
Uses of Money and Property	586,560	1,076,121	2,098,556	1,022,435
Intergovernmental	6,279,953	6,391,055	6,531,222	140,167
Franchises	1,615,310	1,682,497	1,645,223	(37,274)
Charges for Other Services	207,236	207,236	231,294	24,058
Charges to Other Funds	8,829,036	9,009,662	8,910,637	(99,025)
Fees and Other Revenues	3,180,300	2,376,966	2,377,337	371
Total Revenues	58,863,420	57,634,994	59,087,261	1,452,267
EXPENDITURES				
Current:				
General Government	9,901,413	10,210,174	9,191,710	1,018,464
Public Safety	32,465,539	31,269,915	29,768,532	1,501,383
Community Development	7,197,000	7,697,368	6,410,195	1,287,173
Engineering	4,076,698	4,132,116	3,785,289	346,827
Public Works	4,557,326	4,642,708	4,413,425	229,283
Parks and Recreation	8,518,070	9,233,451	8,335,866	897,585
Community Services	1,115,734	1,178,664	1,113,828	64,836
Capital Outlay	-	1,134,501	1,134,501	-
Debt Service:				
Principal	1,826,938	2,076,231	2,076,231	-
Total Expenditures	69,658,718	71,575,128	66,229,577	5,345,551
REVENUES OVER (UNDER) EXPENDITURES	(10,795,298)	(13,940,134)	(7,142,316)	6,797,818
OTHER FINANCING SOURCES (USES)				
Issuance of Subscription Liability	-	-	1,134,501	1,134,501
Transfers In	12,659,106	13,237,633	11,393,836	(1,843,797)
Transfers Out	(4,398,290)	(8,347,850)	(7,760,362)	587,488
Total Other Financing Sources (Uses)	8,260,816	4,889,783	4,767,975	(121,808)
Net Change in Fund Balances	\$ (2,534,482)	\$ (9,050,351)	(2,374,341)	\$ 6,676,010
Fund Balance, Beginning of Year			31,785,920	
Fund Balance, End of Year			\$ 29,411,579	



Budgetary Comparison Schedule, Landscape and Lighting Assessment Districts
For Year Ended June 30, 2024

	Budget Amounts		Actual	Variance
	Original	Final		
REVENUES				
Uses of Money and Property	\$ 49,721	\$ 49,721	\$ 542,211	\$ 492,490
Fees and Other Revenues	10,436,896	10,447,231	10,563,242	116,011
Total Revenues	<u>10,486,617</u>	<u>10,496,952</u>	<u>11,105,453</u>	<u>608,501</u>
EXPENDITURES				
Current:				
Community Services	9,065,172	9,236,333	7,864,030	1,372,303
Capital Outlay	19,522	19,522	-	19,522
Total Expenditures	<u>9,084,694</u>	<u>9,255,855</u>	<u>7,864,030</u>	<u>1,391,825</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,401,923</u>	<u>1,241,097</u>	<u>3,241,423</u>	<u>2,000,326</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	2,687,093	2,465,264	1,877,776	(587,488)
Transfers Out	(3,954,316)	(3,628,325)	(3,575,451)	52,874
Total Other Financing Sources (Uses)	<u>(1,267,223)</u>	<u>(1,163,061)</u>	<u>(1,697,675)</u>	<u>(534,614)</u>
Net Change in Fund Balances	<u>\$ 134,700</u>	<u>\$ 78,036</u>	<u>1,543,748</u>	<u>\$ 1,465,712</u>
Fund Balance, Beginning of Year			<u>8,749,925</u>	
Fund Balance, End of Year			<u>\$ 10,293,673</u>	

NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

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



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

Fiscal Year	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Measurement Date	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023
Changes in Total OPEB Liability							
Service Cost	\$ 1,629,000	\$ 1,679,380	\$ 1,640,302	\$ 1,481,221	\$ 1,414,509	\$ 1,367,377	\$ 1,533,022
Contributions - employee	-	-	-	-	-	-	-
Interest	3,050,000	3,253,745	3,462,146	3,385,324	3,513,643	3,086,023	3,234,999
Difference between actual and expected experience	-	-	(3,639,364)	-	(4,554,116)	-	(2,369,845)
Assumption changes	-	-	(537,151)	(880,615)	(872,892)	-	8,331,169
Other changes	-	-	-	-	-	-	-
Benefit payments including refunds	(1,653,000)	(1,759,490)	(1,853,760)	(1,956,140)	(2,080,270)	(2,182,984)	(2,323,071)
Changes of benefit terms	-	-	-	-	-	-	-
Net Changes	3,026,000	3,173,635	(927,827)	2,029,790	(2,579,126)	2,270,416	8,406,274
Total OPEB Liability (beginning of year)	44,378,000	47,404,000	50,577,635	49,649,808	51,679,598	49,100,472	51,370,888
Total OPEB Liability (end of year)	\$ 47,404,000	\$ 50,577,635	\$ 49,649,808	\$ 51,679,598	\$ 49,100,472	\$ 51,370,888	\$ 59,777,162
Changes in Plan Fiduciary Net Position							
Contributions - employer	\$ 5,708,000	\$ 4,510,871	\$ 4,136,357	\$ 4,221,000	\$ 3,657,000	\$ 3,740,048	\$ 3,423,711
Net investment income	632,000	717,022	784,122	569,190	5,091,636	(3,369,528)	1,499,060
Benefit payments and refunds	(1,653,000)	(1,759,490)	(1,853,760)	(1,956,140)	(2,080,270)	(2,182,984)	(2,323,071)
Administrative expenses	(3,000)	(17,072)	(7,076)	(12,945)	(12,037)	(11,768)	(6,782)
Net Changes	4,684,000	3,451,331	3,059,643	2,821,105	6,656,329	(1,824,232)	2,592,918
Plan Fiduciary Net Position (beginning of year)	4,495,000	9,179,000	12,630,331	15,689,974	18,511,079	25,167,408	23,343,176
Plan Fiduciary Net Position (end of year)	\$ 9,179,000	\$ 12,630,331	\$ 15,689,974	\$ 18,511,079	\$ 25,167,408	\$ 23,343,176	\$ 25,936,094
Net OPEB Liability/(Asset)	\$ 38,225,000	\$ 37,947,304	\$ 33,959,834	\$ 33,168,519	\$ 23,933,064	\$ 28,027,712	\$ 33,841,068
Fiduciary Net Position as a percentage of the Total OPEB Liability	19.4%	25.0%	31.6%	35.8%	51.3%	45.4%	43.4%
Covered employee payroll ⁽²⁾⁽³⁾	\$ 29,051,000	\$ 31,002,370	\$ 32,173,000	\$ 34,648,422	\$ 35,282,755	\$ 37,146,694	\$ 39,260,865
Net OPEB Liability as a percentage of covered employee payroll	132%	122%	105.6%	95.7%	67.8%	75.5%	86.2%

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

(2) Determined for the 12 month periods ending on June 30 measurement date.

(3) OPEB contributions are not based on pay.



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

Fiscal Year	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Actuarially Determined Contribution (ADC)	\$ 5,306,000	\$ 4,861,000	\$ 4,966,000	\$ 4,303,000	\$ 4,398,000	\$ 4,035,000	\$ 4,072,000
Contributions in relation to the actuarially determined contribution	4,510,000	4,136,357	4,221,000	3,657,000	3,740,048	3,431,313	3,541,901
Contribution deficiency/(excess)	\$ 796,000	\$ 724,643	\$ 745,000	\$ 646,000	\$ 657,952	\$ 603,687	\$ 530,099
Covered employee payroll ⁽²⁾	\$ 31,002,370	\$ 32,173,000	\$ 34,648,422	\$ 35,282,755	\$ 37,146,694	\$ 39,260,865	\$40,125,765
Contributions as a percentage of covered employee payroll	15.0%	12.9%	12.2%	10.4%	10.1%	8.7%	8.8%

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

(2) OPEB contributions are not based on pay.

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

Valuation Date	6/30/2015	6/30/2017	6/30/2017	6/30/2019	6/30/2019	6/30/2021	6/30/2021	6/30/2023	6/30/2023	6/30/2024
ADC for Fiscal Year	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2022/23	2023/24	2023/24	2023/24
Actuarial Cost Method	Entry Age Normal, Level Percentage of Payroll	Entry Age Normal, Level Percentage of Payroll	Entry Age Normal, Level Percentage of Payroll	Entry Age Normal, Level Percentage of Payroll	Entry Age Normal, Level Percentage of Payroll	Entry Age Normal, Level Percentage of Payroll	Entry Age Normal, Level Percentage of Payroll	Entry Age Normal, Level Percentage of Payroll	Entry Age Normal, Level Percentage of Payroll	Entry Age Normal, Level Percentage of Payroll
Amortization Method	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll
Remaining Amortization Period	18 years remaining as of June 30, 2017	Approximately 17-year fixed period for 2018/19	Approximately 16-year fixed period for 2019/20	Approximately 15-year fixed period for 2020/21	Approximately 14-year fixed period for 2021/22	Approximately 13-year fixed period for 2022/23	Approximately 13-year fixed period for 2022/23	Approximately 12-year fixed period for 2023/24	Approximately 12-year fixed period for 2023/24	Approximately 12-year fixed period for 2023/24
Asset Valuation Method	Investment gains and losses spread over 5-year rolling period	Investment gains and losses spread over 5-year rolling period	Investment gains and losses spread over 5-year rolling period	Investment gains and losses spread over 5-year rolling period	Investment gains and losses spread over 5-year rolling period	Investment gains and losses spread over 5-year rolling period	Investment gains and losses spread over 5-year rolling period	Investment gains and losses spread over 5-year rolling period	Investment gains and losses spread over 5-year rolling period	Investment gains and losses spread over 5-year rolling period
Discount Rate	7.25%	6.75%	6.75%	6.75%	6.75%	6.75%	6.25%	6.25%	6.00%	6.00%
General Inflation	3.00%	2.75%	2.75%	2.75%	2.75%	2.75%	2.50%	2.50%	2.50%	2.50%
Medical Trend	Non-Medicare - 7% for 2017, decreasing to an ultimate rate of 5.0% in 2021 and later years	Non-Medicare - 7.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076	Non-Medicare - 7.5% for 2020, decreasing to an ultimate rate of 4.0% in 2076	Non-Medicare - 7.5% for 2020, decreasing to an ultimate rate of 4.0% in 2076	Non-Medicare - 7.5% for 2020, decreasing to an ultimate rate of 4.0% in 2076	Non-Medicare - 7.5% for 2021, decreasing to an ultimate rate of 4.0% in 2076	Non-Medicare - 6.75% for 2022, decreasing to an ultimate rate of 3.75% in 2076	Non-Medicare - 6.75% for 2022, decreasing to an ultimate rate of 3.75% in 2076	Non-Medicare - 7.00% for 2024, decreasing to an ultimate rate of 3.94% in 2075	Non-Medicare - 7.00% for 2024, decreasing to an ultimate rate of 3.94% in 2075
Mortality Improvement	Medicare - 7.2% for 2017, decreasing to an ultimate rate of 5.0% in 2021 and later years	Medicare - 6.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076	Medicare - 6.5% for 2020, decreasing to an ultimate rate of 4.0% in 2076	Medicare - 6.5% for 2020, decreasing to an ultimate rate of 4.0% in 2076	Medicare - 6.5% for 2020, decreasing to an ultimate rate of 4.0% in 2076	Medicare - 6.3% for 2021, decreasing to an ultimate rate of 4.0% in 2076	Medicare - Kaiser 4.75% for 2022, Non-Kaiser 5.85% for 2022, both decreasing to ultimate rate of 3.75% in 2076	Medicare - Kaiser 4.75% for 2022, Non-Kaiser 5.85% for 2022, both decreasing to ultimate rate of 3.75% in 2076	Medicare - Kaiser 4.75% for 2022, Non-Kaiser 5.84% for 2024, both decreasing to ultimate rate of 4.00% in 2076	Medicare - Kaiser 4.75% for 2022, Non-Kaiser 5.84% for 2024, both decreasing to ultimate rate of 4.00% in 2076
Mortality Improvement	Mortality projected fully generational with Scale MP-2014 modified to converge to ultimate rates in 2022	Projected fully generational with Scale MP-2017	Projected fully generational with Scale MP-2017	Projected fully generational with Scale MP-2017	Projected fully generational with Scale MP-2019	Projected fully generational with Scale MP-2019	Projected fully generational with Scale MP-2020	Projected fully generational with Scale MP-2020	Projected fully generational using 80% of MP-2020 mortality scale	Projected fully generational using 80% of MP-2020 mortality scale



**Miscellaneous Plan
Agent Multiple-Employer Defined Benefit Plan
Schedule of Changes in the Net Pension Liability and Related Ratios
During the Measurement Period
Last 10 Years**

Fiscal Year	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Measurement date	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023
Total Pension Liability										
Service Cost	\$ 3,353,880	\$ 3,211,232	\$ 3,290,164	\$ 3,661,191	\$ 3,825,866	\$ 4,046,384	\$ 4,215,396	\$ 4,367,103	\$ 4,703,437	\$ 4,920,885
Interest on Total Pension Liability	6,770,097	7,308,678	7,977,448	8,667,128	8,960,855	9,726,556	10,557,564	11,225,313	11,688,826	12,550,956
Differences Between Expected and Actual Experience	-	(304,364)	1,001,785	450,022	211,977	1,771,866	2,185,887	(535,203)	(1,506,901)	2,522,123
Changes in Assumptions	-	(2,079,150)	-	8,261,128	(4,921,247)	-	-	-	3,982,352	-
Changes in Benefits	-	-	-	-	-	-	-	-	-	126,031
Benefit Payments, Including Refunds of Employee Contributions	(2,206,639)	(2,590,999)	(3,047,166)	(3,404,988)	(3,781,586)	(4,137,884)	(4,703,813)	(5,245,106)	(6,415,230)	(6,893,749)
Net Change in Total Pension Liability	7,917,338	5,545,397	9,222,231	17,634,481	4,295,865	11,406,922	12,255,034	9,812,107	12,452,484	13,226,246
Total Pension Liability - Beginning	89,694,331	97,611,669	103,157,066	112,379,297	130,013,778	134,309,643	145,716,565	157,971,599	167,783,706	180,236,190
Total Pension Liability - Ending (a)	\$ 97,611,669	\$ 103,157,066	\$ 112,379,297	\$ 130,013,778	\$ 134,309,643	\$ 145,716,565	\$ 157,971,599	\$ 167,783,706	\$ 180,236,190	\$ 193,462,436
Plan Fiduciary Net Position										
Contributions - Employer ⁽¹⁾	\$ 3,057,063	\$ 2,781,741	\$ 3,437,164	\$ 3,478,686	\$ 3,754,584	\$ 13,725,567	\$ 4,002,159	\$ 4,261,353	\$ 7,013,046	\$ 5,968,325
Contributions - Employee	1,024,271	1,314,854	1,370,153	1,462,634	1,582,087	1,703,581	1,780,994	1,756,084	1,834,110	1,899,177
Net Investment Income ⁽²⁾	11,435,505	1,744,327	437,912	9,349,273	7,974,015	7,502,561	6,075,887	29,239,540	(12,134,596)	9,230,992
Benefit Payments	(2,206,639)	(2,590,999)	(3,047,166)	(3,404,988)	(3,781,586)	(4,137,884)	(4,703,813)	(5,245,106)	(6,415,230)	(6,893,749)
Plan to Plan Resource Movement	-	(32,597)	-	-	(238)	-	(3,307)	-	-	-
Administrative Expense	-	(91,288)	(49,416)	(122,886)	(146,469)	(73,573)	(171,735)	(128,662)	(98,850)	(109,480)
Other Misc Income/Expense ⁽³⁾	-	-	-	-	(278,147)	238	-	-	-	-
Net Change in Plan Fiduciary Net Position	13,310,200	3,126,038	2,148,647	10,762,719	9,104,246	18,720,490	6,980,185	29,883,209	(9,801,520)	10,095,265
Plan Fiduciary Net Position - Beginning	64,646,526	77,956,726	81,082,764	83,231,411	93,994,130	103,098,376	121,818,866	128,799,051	158,682,260	148,880,740
Plan Fiduciary Net Position - Ending (b)	\$ 77,956,726	\$ 81,082,764	\$ 83,231,411	\$ 93,994,130	\$ 103,098,376	\$ 121,818,866	\$ 128,799,051	\$ 158,682,260	\$ 148,880,740	\$ 158,976,005
Net Pension Liability - Ending (a) - (b)	\$ 19,654,943	\$ 22,074,302	\$ 29,147,886	\$ 36,019,648	\$ 31,211,267	\$ 23,897,699	\$ 29,172,548	\$ 9,101,446	\$ 31,355,450	\$ 34,486,431
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.86%	78.60%	74.06%	72.30%	76.76%	83.60%	81.53%	94.58%	82.60%	82.17%
Covered Payroll	\$ 16,622,216	\$ 16,773,838	\$ 17,716,086	\$ 19,133,306	\$ 20,640,271	\$ 22,031,330	\$ 23,890,915	\$ 23,704,081	\$ 25,083,145	\$ 26,224,528
Net Pension Liability as Percentage of Covered Payroll	118.25%	131.60%	164.53%	188.26%	151.22%	108.47%	122.11%	38.40%	125.01%	131.50%

(1) Includes \$5,063 of employee contributions paid by the employer for FY 2014/15.

(2) Net of administrative expenses.

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

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



Miscellaneous Plan
Agent Multiple-Employer Defined Benefit Plan
Schedule of Contributions
Last 10 Years

Fiscal Year	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Actuarially Determined Contribution (ADC)	\$ 2,786,805	\$ 3,061,100	\$ 3,478,686	\$ 3,754,584	\$ 4,214,219	\$ 4,002,159	\$ 4,261,353	\$ 4,859,274	\$ 4,842,290	\$ 4,611,015
Contributions in Relation to the Actuarially Determined Contributions	(2,786,805)	(3,061,100)	(3,478,686)	(3,754,584)	(13,725,567)	(4,002,159)	(4,261,353)	(7,014,058)	(7,191,438)	(7,191,438)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ (9,511,348)	\$ -	\$ -	\$ (2,154,784)	\$ (2,349,148)	\$ (2,580,423)
Covered Payroll	\$ 16,773,838	\$ 17,716,086	\$ 19,133,306	\$ 20,640,271	\$ 22,031,330	\$ 23,890,915	\$ 23,704,081	\$ 25,083,145	\$ 26,224,528	\$ 27,167,142
Contributions as a Percentage of Covered Payroll	16.61%	17.28%	18.18%	18.19%	19.13%	16.75%	17.98%	19.37%	18.46%	16.97%



Required Supplementary Information

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

Valuation Date	<u>6/30/2012</u>	<u>6/30/2013</u>	<u>6/30/2014</u>	<u>6/30/2015</u>	<u>6/30/2016</u>
ADC for Fiscal Year	2014/15	2015/16	2016/17	2017/18	2018/19
Actuarial Cost Method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization Method	Level percent of payroll	Level percent of payroll	Level percent of payroll	Level percent of payroll	Level percent of payroll
Average Remaining Period	26 years as of the valuation date	N/A	N/A	N/A	N/A
Asset Valuation Method	15-Year Smoothed Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.750%	2.750%	2.750%	2.750%	2.750%
Salary Increases	Varies by Entry Age and Service	Varies by Entry Age and Service	Varies by Entry Age and Service	Varies by Entry Age and Service	Varies by Entry Age and Service
Payroll Growth	3.000%	3.000%	3.000%	3.000%	3.000%
Investment Rate of Return	7.50%, net of investment and administrative expenses, including inflation	7.50%, net of investment and administrative expenses, including inflation	7.50%, net of investment and administrative expenses, including inflation	7.50%, net of investment and administrative expenses, including inflation	7.50%, net of investment and administrative expenses, including inflation
Retirement Age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.	The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.	The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.	The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

Valuation Date	<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2020</u>	<u>6/30/2021</u>
ADC for Fiscal Year	2019/20	2020/21	2021/22	2022/23	2023/24
Actuarial Cost Method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization Method	Level percent of payroll	Level percent of payroll	Level percent of payroll	Level percent of payroll	Level percent of payroll
Average Remaining Period	N/A	N/A	N/A	N/A	N/A
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.750%	2.625%	2.500%	2.500%	2.500%
Salary Increases	Varies by Entry Age and Service	Varies by Entry Age and Service	Varies by Entry Age and Service	Varies by Entry Age and Service	Varies by Entry Age and Service
Payroll Growth	3.000%	2.875%	2.750%	2.750%	2.800%
Investment Rate of Return	7.375%, net of investment and administrative expenses, including inflation	7.25%, net of investment and administrative expenses, including inflation	7.00%, net of investment and administrative expenses, including inflation	7.00%, net of investment and administrative expenses, including inflation	7.00%, net of investment and administrative expenses, including inflation
Retirement Age	The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.	The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2000 to 2019. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.



Safety Plan
Cost-Sharing Multiple-Employer Defined Benefit Plan
Schedule of Proportionate Share of the Net Pension Liability
Last 10 Years

Fiscal Year	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Measurement Date	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023
Safety Plan										
Proportion of the Net Pension Liability	0.2421%	0.2513%	0.2646%	0.2687%	0.2766%	0.2352%	0.2344%	0.1515%	0.2595%	0.2581%
Proportionate Share of the Net Pension Liability	\$ 9,080,048	\$ 10,355,885	\$ 13,706,745	\$ 16,054,650	\$ 16,230,478	\$ 14,684,347	\$ 15,618,436	\$ 5,315,829	\$ 17,831,496	\$ 19,289,763
Covered Payroll	\$ 12,883,348	\$ 5,577,559	\$ 5,274,445	\$ 7,585,314	\$ 8,033,945	\$ 8,269,499	\$ 8,457,701	\$ 8,929,257	\$ 9,447,663	\$ 9,831,954
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	70.48%	185.67%	259.87%	211.65%	202.02%	177.57%	184.67%	59.53%	188.74%	196.19%
Plan's Fiduciary Net Position	\$ 39,786,396	\$ 44,008,978	\$ 45,031,490	\$ 46,175,307	\$ 56,350,461	\$ 64,421,577	\$ 68,981,562	\$ 84,077,184	\$ 78,581,752	\$ 86,838,625
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	79.82%	78.40%	74.06%	73.31%	75.26%	75.26%	75.10%	88.29%	76.68%	76.21%

Safety Plan
Cost-Sharing Multiple-Employer Defined Benefit Plan
Schedule of Contributions
Last 10 Years

Fiscal Year	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Safety Plan										
Actuarially Determined Contribution (ADC)	\$ 1,801,047	\$ 1,777,004	\$ 1,915,780	\$ 2,126,779	\$ 2,395,452	\$ 2,462,412	\$ 2,640,402	\$ 2,976,724	\$ 3,003,438	\$ 2,880,685
Contributions in Relation to the Actuarially Determined Contributions	(1,801,047)	(1,777,004)	(1,915,780)	(2,126,779)	(5,493,690)	(3,573,095)	(2,640,402)	(5,262,936)	(4,503,438)	(3,365,976)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ (3,098,238)	\$ (1,110,683)	\$ -	\$ (2,286,212)	\$ (1,500,000)	\$ (485,291)
Covered Payroll	\$ 5,577,559	\$ 5,274,445	\$ 7,585,314	\$ 8,033,945	\$ 8,269,499	\$ 8,457,701	\$ 8,929,257	\$ 9,447,663	\$ 9,831,954	\$ 9,795,728
Contributions as a Percentage of Covered Payroll	32.29%	33.69%	25.26%	26.47%	28.97%	29.11%	29.57%	31.51%	30.55%	29.41%

City of Brentwood

**Combining Balance Sheet
Non-Major Governmental Funds**

June 30, 2024

Special Revenue Funds

	Gas Tax	Disability Access and Education	Police Grants	Other Grants	Economic Development Grant	Citywide Park Assessment District	Community Facilities Districts
ASSETS							
Current Assets:							
Cash and Investments	\$ 2,352,291	\$ 151,151	\$ 330,183	\$ 480,384	\$ 410,531	\$ 4,432,172	\$ 2,133,757
Restricted Cash and Investments	-	-	-	-	-	-	-
Receivables	286,484	34	20,983	147	92	249	90
Prepays	-	-	-	-	10,214	2,138	-
Due from Other Funds	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-
Total Assets	\$ 2,638,775	\$ 151,185	\$ 351,166	\$ 480,531	\$ 420,837	\$ 4,434,559	\$ 2,133,847
LIABILITIES							
Current Liabilities:							
Accounts Payable and Accrued Liabilities	\$ -	\$ 637	\$ 2,306	\$ 147,490	\$ 102,071	\$ 479,515	\$ -
Due to Other Funds	-	-	-	-	-	-	-
Unearned Revenue	-	-	34	-	-	-	-
Interfund Advance Payable	-	-	-	-	-	-	-
Total Current Liabilities	-	637	2,340	147,490	102,071	479,515	-
Non-Current Liabilities Due in More Than One Year:							
Interfund Advance Payable	-	-	-	-	-	-	-
Total Non-Current Liabilities	-	-	-	-	-	-	-
Total Liabilities	-	637	2,340	147,490	102,071	479,515	-
FUND BALANCES							
Nonspendable	-	-	-	-	10,214	2,138	-
Restricted	2,638,775	150,548	348,826	333,041	308,552	3,952,906	-
Committed	-	-	-	-	-	-	2,133,847
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	2,638,775	150,548	348,826	333,041	318,766	3,955,044	2,133,847
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,638,775	\$ 151,185	\$ 351,166	\$ 480,531	\$ 420,837	\$ 4,434,559	\$ 2,133,847

Continued

City of Brentwood

**Combining Balance Sheet
Non-Major Governmental Funds (Continued)**

June 30, 2024

Special Revenue Funds (Continued)

	Roadway Development Impact Fee	Parks and Trails Development Impact Fee	Community Facilities Development Impact Fee	Development Impact Fee Administration	Agriculture Land Administration	Agriculture Land Acquisition	Public Art Administration	Public Art Acquisition
ASSETS								
Current Assets:								
Cash and Investments	\$ 4,877,677	\$ -	\$ -	\$ 172,601	\$ 819,995	\$ 3,485,411	\$ 995,291	\$ 3,075,731
Restricted Cash and Investments	-	-	-	-	-	-	-	-
Receivables	739	306	-	9	38	160	50	159
Prepays	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-	-
Total Assets	\$ 4,878,416	\$ 306	\$ -	\$ 172,610	\$ 820,033	\$ 3,485,571	\$ 995,341	\$ 3,075,890
LIABILITIES								
Current Liabilities:								
Accounts Payable and Accrued Liabilities	\$ 22,158	\$ -	\$ -	\$ -	\$ -	\$ 32,781	\$ -	\$ 1,756
Due to Other Funds	-	1,244,023	135,546	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-
Interfund Advance Payable	-	-	-	-	-	-	-	-
Total Current Liabilities	22,158	1,244,023	135,546	-	-	32,781	-	1,756
Non-Current Liabilities Due in More Than One Year:								
Interfund Advance Payable	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	-	-	-	-	-	-	-	-
Total Liabilities	22,158	1,244,023	135,546	-	-	32,781	-	1,756
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	4,856,258	-	-	172,610	820,033	3,452,790	995,341	3,074,134
Committed	-	-	-	-	-	-	-	-
Unassigned	-	(1,243,717)	(135,546)	-	-	-	-	-
Total Fund Balances	4,856,258	(1,243,717)	(135,546)	172,610	820,033	3,452,790	995,341	3,074,134
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 4,878,416	\$ 306	\$ -	\$ 172,610	\$ 820,033	\$ 3,485,571	\$ 995,341	\$ 3,075,890

Continued

City of Brentwood

**Combining Balance Sheet
Non-Major Governmental Funds (Continued)**

June 30, 2024

	Special Revenue Funds (Continued)						Permanent Fund
	Parking In-Lieu	Asset Forfeiture	Abandoned Vehicle Abatement	PEG Media	Measure J	City Low Income Housing	Riparian Mitigation Site Maintenance
ASSETS							
Current Assets:							
Cash and Investments	\$ 445	\$ 14,919	\$ 139,542	\$ 619,904	\$ 2,089,720	\$ 16,306	\$ 83,149
Restricted Cash and Investments	-	-	-	-	-	-	-
Receivables	-	3	31	30	100	4	19
Prepays	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	420,000	-
Total Assets	\$ 445	\$ 14,922	\$ 139,573	\$ 619,934	\$ 2,089,820	\$ 436,310	\$ 83,168
LIABILITIES							
Current Liabilities:							
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-
Interfund Advance Payable	-	-	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-	-	-
Non-Current Liabilities Due in More Than One Year:							
Interfund Advance Payable	-	-	-	-	-	-	-
Total Non-Current Liabilities	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-	-
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	80,000
Restricted	445	14,922	139,573	619,934	2,089,820	436,310	3,168
Committed	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	445	14,922	139,573	619,934	2,089,820	436,310	83,168
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 445	\$ 14,922	\$ 139,573	\$ 619,934	\$ 2,089,820	\$ 436,310	\$ 83,168

Continued

City of Brentwood

**Combining Balance Sheet
Non-Major Governmental Funds (Continued)**

June 30, 2024

	Debt Service Funds				Capital Project Funds		
	Capital Improvement Revenue Refunding Bonds Series 2021 A & B	General Obligation Bonds Series 2002	2019 Civic Center Project Lease Revenue Refunding Bonds	2015 Lease Financing	Community Facilities Improvements	Parks and Trails Improvements	Capital Improvement Financing Program 2006-1
ASSETS							
Current Assets:							
Cash and Investments	\$ 72,862	\$ 73,672	\$ 21,959	\$ -	\$ 11,876,071	\$ 17,481,954	\$ -
Restricted Cash and Investments	1,573,477	-	7,802	-	-	-	1,762,237
Receivables	8,905,016	111	9,221,055	-	-	-	-
Prepays	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	135,546	1,244,023	-
Land Held for Resale	-	-	-	-	-	-	-
Total Assets	\$ 10,551,355	\$ 73,783	\$ 9,250,816	\$ -	\$ 12,011,617	\$ 18,725,977	\$ 1,762,237
LIABILITIES							
Current Liabilities:							
Accounts Payable and Accrued Liabilities	\$ -	\$ 1,139	\$ 5,200	\$ -	\$ 55,752	\$ 31,889	\$ -
Due to Other Funds	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-
Interfund Advance Payable	-	-	-	-	-	-	-
Total Current Liabilities	-	1,139	5,200	-	55,752	31,889	-
Non-Current Liabilities Due in More Than One Year:							
Interfund Advance Payable	-	-	-	-	-	-	-
Total Non-Current Liabilities	-	-	-	-	-	-	-
Total Liabilities	-	1,139	5,200	-	55,752	31,889	-
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	10,551,355	72,644	9,245,616	-	11,955,865	18,694,088	1,762,237
Committed	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	10,551,355	72,644	9,245,616	-	11,955,865	18,694,088	1,762,237
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 10,551,355	\$ 73,783	\$ 9,250,816	\$ -	\$ 12,011,617	\$ 18,725,977	\$ 1,762,237

Continued

City of Brentwood

Combining Balance Sheet
Non-Major Governmental Funds (Continued)

June 30, 2024

	Capital Project Funds (Continued)						Total Non-Major Governmental Funds
	Capital Improvement Financing Program 2005-1	2015 Lease Financing Acquisition	Civic Center Capital Improvement Financing Program	City Capital Improvement Financing Program	Capital Infrastructure	Vineyards Projects	
ASSETS							
Current Assets:							
Cash and Investments	\$ -	\$ -	\$ 48,671	\$ 315,494	\$ 2,188,918	\$ 150,599	\$ 58,911,360
Restricted Cash and Investments	681,969	-	-	-	-	-	4,025,485
Receivables	-	-	1	126	1,688	2,074	18,439,798
Prepays	-	-	-	-	-	-	12,352
Due from Other Funds	-	-	-	-	-	-	1,379,569
Land Held for Resale	-	-	-	-	-	-	420,000
Total Assets	\$ 681,969	\$ -	\$ 48,672	\$ 315,620	\$ 2,190,606	\$ 152,673	\$ 83,188,564
LIABILITIES							
Current Liabilities:							
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 882,694
Due to Other Funds	-	-	-	-	-	-	1,379,569
Unearned Revenue	-	-	-	-	-	-	34
Interfund Advance Payable	-	-	-	281,838	-	-	281,838
Total Current Liabilities	-	-	-	281,838	-	-	2,544,135
Non-Current Liabilities Due in More Than One Year:							
Interfund Advance Payable	-	-	-	1,447,366	-	-	1,447,366
Total Non-Current Liabilities	-	-	-	1,447,366	-	-	1,447,366
Total Liabilities	-	-	-	1,729,204	-	-	3,991,501
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	92,352
Restricted	681,969	-	48,672	-	2,190,606	152,673	79,763,711
Committed	-	-	-	-	-	-	2,133,847
Unassigned	-	-	-	(1,413,584)	-	-	(2,792,847)
Total Fund Balances	681,969	-	48,672	(1,413,584)	2,190,606	152,673	79,197,063
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 681,969	\$ -	\$ 48,672	\$ 315,620	\$ 2,190,606	\$ 152,673	\$ 83,188,564

City of Brentwood

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For Year Ended June 30, 2024**

Special Revenue Funds

	Gas Tax	Disability Access and Education	Police Grants	Other Grants	Economic Development Grant	Citywide Park Assessment District	Community Facilities Districts
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,438,548
Licenses	-	-	-	-	194,830	-	-
Uses of Money and Property	196,690	7,371	22,049	25,148	19,902	166,986	47,292
Intergovernmental	3,386,831	-	287,664	422,747	-	-	-
Fees and Other Revenues	-	23,735	-	-	163	3,757,201	-
Total Revenues	3,583,521	31,106	309,713	447,895	214,895	3,924,187	8,485,840
EXPENDITURES							
Current:							
General Government	1,270	-	-	161,435	-	-	-
Public Safety	-	-	275,202	-	-	-	-
Community Development	-	595	-	-	243,663	-	-
Parks and Recreation	-	-	-	-	-	6,502,717	-
Community Services	-	-	-	-	-	-	31,055
Capital Outlay	-	-	-	-	-	-	-
Debt Service:							
Principal	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-
Total Expenditures	1,270	595	275,202	161,435	243,663	6,502,717	31,055
REVENUES OVER (UNDER) EXPENDITURES	3,582,251	30,511	34,511	286,460	(28,768)	(2,578,530)	8,454,785
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	-	3,556,077	756,227
Transfers Out	(3,309,728)	-	(198,146)	(590,438)	-	(70,830)	(9,132,618)
Total Other Financing Sources (Uses)	(3,309,728)	-	(198,146)	(590,438)	-	3,485,247	(8,376,391)
Net Change in Fund Balances	272,523	30,511	(163,635)	(303,978)	(28,768)	906,717	78,394
Fund Balance, Beginning of Year	2,366,252	120,037	512,461	637,019	347,534	3,048,327	2,055,453
Fund Balance, End of Year	\$ 2,638,775	\$ 150,548	\$ 348,826	\$ 333,041	\$ 318,766	\$ 3,955,044	\$ 2,133,847

Continued

City of Brentwood

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
For Year Ended June 30, 2024**

Special Revenue Funds (Continued)

	Roadway Development Impact Fee	Parks and Trails Development Impact Fee	Community Facilities Development Impact Fee	Development Impact Fee Administration	Agriculture Land Administration	Agriculture Land Acquisition	Public Art Administration	Public Art Acquisition
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses	-	-	-	-	-	-	-	-
Uses of Money and Property	745,467	314,821	-	12,125	33,236	138,926	48,531	153,210
Intergovernmental	-	-	-	-	-	-	-	-
Fees and Other Revenues	200,477	417,928	41,696	58,575	154,771	619,087	26,809	107,235
Total Revenues	945,944	732,749	41,696	70,700	188,007	758,013	75,340	260,445
EXPENDITURES								
Current:								
General Government	722,577	-	26,961	250,235	49,405	48,899	929	41,195
Public Safety	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-
Parks and Recreation	-	895,818	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Total Expenditures	722,577	895,818	26,961	250,235	49,405	48,899	929	41,195
REVENUES OVER (UNDER) EXPENDITURES	223,367	(163,069)	14,735	(179,535)	138,602	709,114	74,411	219,250
OTHER FINANCING SOURCES (USES)								
Transfers In	-	4,066	-	-	-	-	-	-
Transfers Out	(9,382,368)	(1,752,634)	(142,222)	-	-	-	-	(384)
Total Other Financing Sources (Uses)	(9,382,368)	(1,748,568)	(142,222)	-	-	-	-	(384)
Net Change in Fund Balances	(9,159,001)	(1,911,637)	(127,487)	(179,535)	138,602	709,114	74,411	218,866
Fund Balance, Beginning of Year	14,015,259	667,920	(8,059)	352,145	681,431	2,743,676	920,930	2,855,268
Fund Balance, End of Year	\$ 4,856,258	\$ (1,243,717)	\$ (135,546)	\$ 172,610	\$ 820,033	\$ 3,452,790	\$ 995,341	\$ 3,074,134

Continued

City of Brentwood

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
For Year Ended June 30, 2024**

	Special Revenue Funds (Continued)						Permanent Fund
	Parking In-Lieu	Asset Forfeiture	Abandoned Vehicle Abatement	PEG Media	Measure J	City Low Income Housing	Riparian Mitigation Site Maintenance
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses	-	-	-	-	-	-	-
Uses of Money and Property	20	3,256	6,311	29,035	73,394	860	4,454
Intergovernmental	-	-	-	-	1,194,852	-	-
Fees and Other Revenues	-	1,558	31,263	-	-	-	-
Total Revenues	20	4,814	37,574	29,035	1,268,246	860	4,454
EXPENDITURES							
Current:							
General Government	-	-	-	496	16,748	92,350	-
Public Safety	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Debt Service:							
Principal	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-
Total Expenditures	-	-	-	496	16,748	92,350	-
REVENUES OVER (UNDER) EXPENDITURES	20	4,814	37,574	28,539	1,251,498	(91,490)	4,454
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	58,222	66,427	-	-
Transfers Out	-	(174,000)	-	-	(1,294,146)	-	(1,300)
Total Other Financing Sources (Uses)	-	(174,000)	-	58,222	(1,227,719)	-	(1,300)
Net Change in Fund Balances	20	(169,186)	37,574	86,761	23,779	(91,490)	3,154
Fund Balance, Beginning of Year	425	184,108	101,999	533,173	2,066,041	527,800	80,014
Fund Balance, End of Year	\$ 445	\$ 14,922	\$ 139,573	\$ 619,934	\$ 2,089,820	\$ 436,310	\$ 83,168

Continued

City of Brentwood

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
For Year Ended June 30, 2024**

	Debt Service Funds				Capital Project Funds		
	Capital Improvement Revenue Refunding Bonds Series 2021 A & B	General Obligation Bonds Series 2002	2019 Civic Center Project Lease Revenue Refunding Bonds	2015 Lease Financing	Community Facilities Improvements	Parks and Trails Improvements	Capital Improvement Financing Program 2006-1
REVENUES							
Taxes	\$ -	\$ 641,645	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses	-	-	-	-	-	-	-
Uses of Money and Property	75,023	16,100	7,134	-	-	-	57,552
Intergovernmental	467,500	-	710,792	-	-	-	-
Fees and Other Revenues	54	-	-	-	-	-	-
Total Revenues	542,577	657,745	717,926	-	-	-	57,552
EXPENDITURES							
Current:							
General Government	-	-	-	-	190,214	-	-
Public Safety	-	-	-	-	-	-	-
Community Development	83,578	5,139	14,975	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	580,016	1,375,438	-
Debt Service:							
Principal	1,548,899	655,000	1,405,000	525,000	-	-	-
Interest and Fiscal Charges	161,673	-	1,264,275	262,681	-	-	-
Total Expenditures	1,794,150	660,139	2,684,250	787,681	770,230	1,375,438	-
REVENUES OVER (UNDER) EXPENDITURES	(1,251,573)	(2,394)	(1,966,324)	(787,681)	(770,230)	(1,375,438)	57,552
OTHER FINANCING SOURCES (USES)							
Transfers In	611,341	-	2,352,054	787,681	780,419	6,437,684	-
Transfers Out	(281,838)	-	(756,227)	-	(263,289)	(633,108)	-
Total Other Financing Sources (Uses)	329,503	-	1,595,827	787,681	517,130	5,804,576	-
Net Change in Fund Balances	(922,070)	(2,394)	(370,497)	-	(253,100)	4,429,138	57,552
Fund Balance, Beginning of Year	11,473,425	75,038	9,616,113	-	12,208,965	14,264,950	1,704,685
Fund Balance, End of Year	\$ 10,551,355	\$ 72,644	\$ 9,245,616	\$ -	\$ 11,955,865	\$ 18,694,088	\$ 1,762,237

Continued

City of Brentwood

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds (Continued)
For Year Ended June 30, 2024**

Capital Project Funds (Continued)

	Capital Improvement Financing Program 2005-1	2015 Lease Financing Acquisition	Civic Center Capital Improvement Financing Program	City Capital Improvement Financing Program	Capital Infrastructure	Vineyards Projects	Total Non- Major Governmental Funds
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,080,193
Licenses	-	-	-	-	-	-	194,830
Uses of Money and Property	22,272	-	4,660	121,501	375,360	475,222	3,203,908
Intergovernmental	-	-	-	-	-	-	6,470,386
Fees and Other Revenues	-	-	1,211,416	546,050	-	-	7,198,018
Total Revenues	22,272	-	1,216,076	667,551	375,360	475,222	26,147,335
EXPENDITURES							
Current:							
General Government	-	-	68	2,349	-	-	1,605,131
Public Safety	-	-	-	-	-	-	275,202
Community Development	-	-	-	-	-	-	347,950
Parks and Recreation	-	-	-	-	-	-	7,398,535
Community Services	-	-	-	-	-	-	31,055
Capital Outlay	-	-	-	-	-	-	1,955,454
Debt Service:							
Principal	-	-	-	-	-	-	4,133,899
Interest and Fiscal Charges	-	-	-	-	-	-	1,688,629
Total Expenditures	-	-	68	2,349	-	-	17,435,855
REVENUES OVER (UNDER) EXPENDITURES	22,272	-	1,216,008	665,202	375,360	475,222	8,711,480
OTHER FINANCING SOURCES (USES)							
Transfers In	-	388,930	-	281,838	-	-	16,080,966
Transfers Out	-	(388,930)	(1,188,698)	(3,030,079)	-	-	(32,590,983)
Total Other Financing Sources (Uses)	-	-	(1,188,698)	(2,748,241)	-	-	(16,510,017)
Net Change in Fund Balances	22,272	-	27,310	(2,083,039)	375,360	475,222	(7,798,537)
Fund Balance, Beginning of Year	659,697	-	21,362	669,455	1,815,246	(322,549)	86,995,600
Fund Balance, End of Year	\$ 681,969	\$ -	\$ 48,672	\$ (1,413,584)	\$ 2,190,606	\$ 152,673	\$ 79,197,063

City of Brentwood

**Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual**

Budgeted Non-Major Governmental Funds

For Year Ended June 30, 2024

Special Revenue Funds

	Gas Tax			Disability Access and Education			Police Grants		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses	-	-	-	-	-	-	-	-	-
Uses of Money and Property	15,044	196,690	181,646	526	7,371	6,845	2,756	22,049	19,293
Intergovernmental	3,317,405	3,386,831	69,426	-	-	-	322,843	287,664	(35,179)
Fees and Other Revenues	-	-	-	22,483	23,735	1,252	-	-	-
Total Revenues	<u>3,332,449</u>	<u>3,583,521</u>	<u>251,072</u>	<u>23,009</u>	<u>31,106</u>	<u>8,097</u>	<u>325,599</u>	<u>309,713</u>	<u>(15,886)</u>
EXPENDITURES									
Current:									
General Government	1,933	1,270	663	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	485,311	275,202	210,109
Community Development	-	-	-	21,186	595	20,591	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>1,933</u>	<u>1,270</u>	<u>663</u>	<u>21,186</u>	<u>595</u>	<u>20,591</u>	<u>485,311</u>	<u>275,202</u>	<u>210,109</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>3,330,516</u>	<u>3,582,251</u>	<u>251,735</u>	<u>1,823</u>	<u>30,511</u>	<u>28,688</u>	<u>(159,712)</u>	<u>34,511</u>	<u>194,223</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	(3,336,014)	(3,309,728)	26,286	-	-	-	(198,146)	(198,146)	-
Total Other Financing Sources (Uses)	<u>(3,336,014)</u>	<u>(3,309,728)</u>	<u>26,286</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(198,146)</u>	<u>(198,146)</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (5,498)</u>	<u>272,523</u>	<u>\$ 278,021</u>	<u>\$ 1,823</u>	<u>30,511</u>	<u>\$ 28,688</u>	<u>\$ (357,858)</u>	<u>(163,635)</u>	<u>\$ 194,223</u>
Fund Balance, Beginning of Year		<u>2,366,252</u>			<u>120,037</u>			<u>512,461</u>	
Fund Balance, End of Year		<u>\$ 2,638,775</u>			<u>\$ 150,548</u>			<u>\$ 348,826</u>	

Continued

City of Brentwood

**Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual**

Budgeted Non-Major Governmental Funds (Continued)

For Year Ended June 30, 2024

Special Revenue Funds (Continued)

	Other Grants			Economic Development Grant			Citywide Park Assessment District		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses	-	-	-	155,000	194,830	39,830	-	-	-
Uses of Money and Property	6	25,148	25,142	2,867	19,902	17,035	1,976	166,986	165,010
Intergovernmental	285,000	422,747	137,747	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	-	163	163	3,776,913	3,757,201	(19,712)
Total Revenues	<u>285,006</u>	<u>447,895</u>	<u>162,889</u>	<u>157,867</u>	<u>214,895</u>	<u>57,028</u>	<u>3,778,889</u>	<u>3,924,187</u>	<u>145,298</u>
EXPENDITURES									
Current:									
General Government	250,050	161,435	88,615	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	278,055	243,663	34,392	-	-	-
Parks and Recreation	-	-	-	-	-	-	6,773,404	6,502,717	270,687
Community Services	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>250,050</u>	<u>161,435</u>	<u>88,615</u>	<u>278,055</u>	<u>243,663</u>	<u>34,392</u>	<u>6,773,404</u>	<u>6,502,717</u>	<u>270,687</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>34,956</u>	<u>286,460</u>	<u>251,504</u>	<u>(120,188)</u>	<u>(28,768)</u>	<u>91,420</u>	<u>(2,994,515)</u>	<u>(2,578,530)</u>	<u>415,985</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	3,878,444	3,556,077	(322,367)
Transfers Out	(1,198,225)	(590,438)	607,787	-	-	-	(70,830)	(70,830)	-
Total Other Financing Sources (Uses)	<u>(1,198,225)</u>	<u>(590,438)</u>	<u>607,787</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,807,614</u>	<u>3,485,247</u>	<u>(322,367)</u>
Net Change in Fund Balances	<u>\$ (1,163,269)</u>	<u>(303,978)</u>	<u>\$ 859,291</u>	<u>\$ (120,188)</u>	<u>(28,768)</u>	<u>\$ 91,420</u>	<u>\$ 813,099</u>	<u>906,717</u>	<u>\$ 93,618</u>
Fund Balance, Beginning of Year		<u>637,019</u>			<u>347,534</u>			<u>3,048,327</u>	
Fund Balance, End of Year		<u>\$ 333,041</u>			<u>\$ 318,766</u>			<u>\$ 3,955,044</u>	

Continued

City of Brentwood

**Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual**

Budgeted Non-Major Governmental Funds (Continued)

For Year Ended June 30, 2024

Special Revenue Funds (Continued)

	Community Facilities Districts			Roadway Development Impact Fee			Parks and Trails Development Impact Fee		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ 8,575,140	\$ 8,438,548	\$ (136,592)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses	-	-	-	-	-	-	-	-	-
Uses of Money and Property	16,402	47,292	30,890	112,065	745,467	633,402	25,027	314,821	289,794
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	1,041,952	200,477	(841,475)	398,605	417,928	19,323
Total Revenues	<u>8,591,542</u>	<u>8,485,840</u>	<u>(105,702)</u>	<u>1,154,017</u>	<u>945,944</u>	<u>(208,073)</u>	<u>423,632</u>	<u>732,749</u>	<u>309,117</u>
EXPENDITURES									
Current:									
General Government	-	-	-	766,587	722,577	44,010	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	921,161	895,818	25,343
Community Services	62,197	31,055	31,142	-	-	-	-	-	-
Total Expenditures	<u>62,197</u>	<u>31,055</u>	<u>31,142</u>	<u>766,587</u>	<u>722,577</u>	<u>44,010</u>	<u>921,161</u>	<u>895,818</u>	<u>25,343</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>8,529,345</u>	<u>8,454,785</u>	<u>(74,560)</u>	<u>387,430</u>	<u>223,367</u>	<u>(164,063)</u>	<u>(497,529)</u>	<u>(163,069)</u>	<u>334,460</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	756,229	756,227	(2)	-	-	-	-	4,066	4,066
Transfers Out	(9,643,443)	(9,132,618)	510,825	(9,382,368)	(9,382,368)	-	(1,752,634)	(1,752,634)	-
Total Other Financing Sources (Uses)	<u>(8,887,214)</u>	<u>(8,376,391)</u>	<u>510,823</u>	<u>(9,382,368)</u>	<u>(9,382,368)</u>	<u>-</u>	<u>(1,752,634)</u>	<u>(1,748,568)</u>	<u>4,066</u>
Net Change in Fund Balances	<u>\$ (357,869)</u>	<u>78,394</u>	<u>\$ 436,263</u>	<u>\$ (8,994,938)</u>	<u>(9,159,001)</u>	<u>\$ (164,063)</u>	<u>\$ (2,250,163)</u>	<u>(1,911,637)</u>	<u>\$ 338,526</u>
Fund Balance, Beginning of Year		2,055,453			14,015,259			667,920	
Fund Balance, End of Year		<u>\$ 2,133,847</u>			<u>\$ 4,856,258</u>			<u>\$ (1,243,717)</u>	

Continued

City of Brentwood

**Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual**

Budgeted Non-Major Governmental Funds (Continued)

For Year Ended June 30, 2024

Special Revenue Funds (Continued)

	Community Facilities Development Impact Fee			Development Impact Fee Administration			Agriculture Land Administration		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses	-	-	-	-	-	-	-	-	-
Uses of Money and Property	-	-	-	2,794	12,125	9,331	5,641	33,236	27,595
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	45,898	41,696	(4,202)	198,087	58,575	(139,512)	-	154,771	154,771
Total Revenues	<u>45,898</u>	<u>41,696</u>	<u>(4,202)</u>	<u>200,881</u>	<u>70,700</u>	<u>(130,181)</u>	<u>5,641</u>	<u>188,007</u>	<u>182,366</u>
EXPENDITURES									
Current:									
General Government	36,862	26,961	9,901	251,604	250,235	1,369	57,420	49,405	8,015
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>36,862</u>	<u>26,961</u>	<u>9,901</u>	<u>251,604</u>	<u>250,235</u>	<u>1,369</u>	<u>57,420</u>	<u>49,405</u>	<u>8,015</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>9,036</u>	<u>14,735</u>	<u>5,699</u>	<u>(50,723)</u>	<u>(179,535)</u>	<u>(128,812)</u>	<u>(51,779)</u>	<u>138,602</u>	<u>190,381</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	(142,295)	(142,222)	73	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(142,295)</u>	<u>(142,222)</u>	<u>73</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (133,259)</u>	<u>(127,487)</u>	<u>\$ 5,772</u>	<u>\$ (50,723)</u>	<u>(179,535)</u>	<u>\$ (128,812)</u>	<u>\$ (51,779)</u>	<u>138,602</u>	<u>\$ 190,381</u>
Fund Balance, Beginning of Year		(8,059)			352,145			681,431	
Fund Balance, End of Year		<u>\$ (135,546)</u>			<u>\$ 172,610</u>			<u>\$ 820,033</u>	

Continued

City of Brentwood

**Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual**

Budgeted Non-Major Governmental Funds (Continued)

For Year Ended June 30, 2024

Special Revenue Funds (Continued)

	Agriculture Land Acquisition			Public Art Administration			Public Art Acquisition		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses	-	-	-	-	-	-	-	-	-
Uses of Money and Property	20,327	138,926	118,599	6,475	48,531	42,056	21,474	153,210	131,736
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	619,087	619,087	-	26,809	26,809	-	107,235	107,235
Total Revenues	<u>20,327</u>	<u>758,013</u>	<u>737,686</u>	<u>6,475</u>	<u>75,340</u>	<u>68,865</u>	<u>21,474</u>	<u>260,445</u>	<u>238,971</u>
EXPENDITURES									
Current:									
General Government	224,447	48,899	175,548	930	929	1	41,195	41,195	-
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>224,447</u>	<u>48,899</u>	<u>175,548</u>	<u>930</u>	<u>929</u>	<u>1</u>	<u>41,195</u>	<u>41,195</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(204,120)</u>	<u>709,114</u>	<u>913,234</u>	<u>5,545</u>	<u>74,411</u>	<u>68,866</u>	<u>(19,721)</u>	<u>219,250</u>	<u>238,971</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	(384)	(384)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(384)</u>	<u>(384)</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (204,120)</u>	<u>709,114</u>	<u>\$ 913,234</u>	<u>\$ 5,545</u>	<u>74,411</u>	<u>\$ 68,866</u>	<u>\$ (20,105)</u>	<u>218,866</u>	<u>\$ 238,971</u>
Fund Balance, Beginning of Year		2,743,676			920,930			2,855,268	
Fund Balance, End of Year		<u>\$ 3,452,790</u>			<u>\$ 995,341</u>			<u>\$ 3,074,134</u>	

Continued

City of Brentwood

**Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual**

Budgeted Non-Major Governmental Funds (Continued)

For Year Ended June 30, 2024

Special Revenue Funds (Continued)

	Parking In-Lieu			Asset Forfeiture			Abandoned Vehicle Abatement		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses	-	-	-	-	-	-	-	-	-
Uses of Money and Property	4	20	16	1,082	3,256	2,174	671	6,311	5,640
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	-	1,558	1,558	40,000	31,263	(8,737)
Total Revenues	<u>4</u>	<u>20</u>	<u>16</u>	<u>1,082</u>	<u>4,814</u>	<u>3,732</u>	<u>40,671</u>	<u>37,574</u>	<u>(3,097)</u>
EXPENDITURES									
Current:									
General Government	50	-	50	145	-	145	-	-	-
Public Safety	-	-	-	-	-	-	90	-	90
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>50</u>	<u>-</u>	<u>50</u>	<u>145</u>	<u>-</u>	<u>145</u>	<u>90</u>	<u>-</u>	<u>90</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(46)</u>	<u>20</u>	<u>66</u>	<u>937</u>	<u>4,814</u>	<u>3,877</u>	<u>40,581</u>	<u>37,574</u>	<u>(3,007)</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	(174,000)	(174,000)	-	(80,000)	-	80,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(174,000)</u>	<u>(174,000)</u>	<u>-</u>	<u>(80,000)</u>	<u>-</u>	<u>80,000</u>
Net Change in Fund Balances	<u>\$ (46)</u>	<u>20</u>	<u>\$ 66</u>	<u>\$ (173,063)</u>	<u>(169,186)</u>	<u>\$ 3,877</u>	<u>\$ (39,419)</u>	<u>37,574</u>	<u>\$ 76,993</u>
Fund Balance, Beginning of Year		<u>425</u>			<u>184,108</u>			<u>101,999</u>	
Fund Balance, End of Year		<u>\$ 445</u>			<u>\$ 14,922</u>			<u>\$ 139,573</u>	

Continued

City of Brentwood

**Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual**

Budgeted Non-Major Governmental Funds (Continued)

For Year Ended June 30, 2024

Special Revenue Funds (Continued)

	PEG Media			Measure J			City Low Income Housing		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses	-	-	-	-	-	-	-	-	-
Uses of Money and Property	4,386	29,035	24,649	15,766	73,394	57,628	121	860	739
Intergovernmental	-	-	-	1,221,300	1,194,852	(26,448)	-	-	-
Fees and Other Revenues	-	-	-	-	-	-	-	-	-
Total Revenues	<u>4,386</u>	<u>29,035</u>	<u>24,649</u>	<u>1,237,066</u>	<u>1,268,246</u>	<u>31,180</u>	<u>121</u>	<u>860</u>	<u>739</u>
EXPENDITURES									
Current:									
General Government	5,588	496	5,092	16,748	16,748	-	97,400	92,350	5,050
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>5,588</u>	<u>496</u>	<u>5,092</u>	<u>16,748</u>	<u>16,748</u>	<u>-</u>	<u>97,400</u>	<u>92,350</u>	<u>5,050</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,202)</u>	<u>28,539</u>	<u>29,741</u>	<u>1,220,318</u>	<u>1,251,498</u>	<u>31,180</u>	<u>(97,279)</u>	<u>(91,490)</u>	<u>5,789</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	-	58,222	58,222	-	66,427	66,427	-	-	-
Transfers Out	-	-	-	(1,294,763)	(1,294,146)	617	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>58,222</u>	<u>58,222</u>	<u>(1,294,763)</u>	<u>(1,227,719)</u>	<u>67,044</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (1,202)</u>	<u>86,761</u>	<u>\$ 87,963</u>	<u>\$ (74,445)</u>	<u>23,779</u>	<u>\$ 98,224</u>	<u>\$ (97,279)</u>	<u>(91,490)</u>	<u>\$ 5,789</u>
Fund Balance, Beginning of Year		<u>533,173</u>			<u>2,066,041</u>			<u>527,800</u>	
Fund Balance, End of Year		<u>\$ 619,934</u>			<u>\$ 2,089,820</u>			<u>\$ 436,310</u>	

Continued

City of Brentwood

**Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual**

Budgeted Non-Major Governmental Funds (Continued)

For Year Ended June 30, 2024

	Permanent Fund			Capital Project Funds					
	Riparian Mitigation Site Maintenance			2015 Lease Financing Acquisition			Civic Center Capital Improvement Financing Program		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses	-	-	-	-	-	-	-	-	-
Uses of Money and Property	402	4,454	4,052	-	-	-	1,597	4,660	3,063
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	-	-	-	-	-	-	1,180,029	1,211,416	31,387
Total Revenues	<u>402</u>	<u>4,454</u>	<u>4,052</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,181,626</u>	<u>1,216,076</u>	<u>34,450</u>
EXPENDITURES									
Current:									
General Government	-	-	-	-	-	-	214	68	146
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	81	-	81	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>81</u>	<u>-</u>	<u>81</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>214</u>	<u>68</u>	<u>146</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>321</u>	<u>4,454</u>	<u>4,133</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,181,412</u>	<u>1,216,008</u>	<u>34,596</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	388,930	388,930	-	-	-
Transfers Out	(1,300)	(1,300)	-	(388,931)	(388,930)	1	(1,188,699)	(1,188,698)	1
Total Other Financing Sources (Uses)	<u>(1,300)</u>	<u>(1,300)</u>	<u>-</u>	<u>(388,931)</u>	<u>-</u>	<u>388,931</u>	<u>(1,188,699)</u>	<u>(1,188,698)</u>	<u>1</u>
Net Change in Fund Balances	<u>\$ (979)</u>	<u>3,154</u>	<u>\$ 4,133</u>	<u>\$ (388,931)</u>	<u>-</u>	<u>\$ 388,931</u>	<u>\$ (7,287)</u>	<u>27,310</u>	<u>\$ 34,597</u>
Fund Balance, Beginning of Year		80,014			-			21,362	
Fund Balance, End of Year		<u>\$ 83,168</u>			<u>\$ -</u>			<u>\$ 48,672</u>	

Continued

City of Brentwood

**Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual**

Budgeted Non-Major Governmental Funds (Continued)

For Year Ended June 30, 2024

Capital Project Funds (Continued)

	City Capital Improvement Financing Program			Capital Infrastructure			Vineyards Projects		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses	-	-	-	-	-	-	-	-	-
Uses of Money and Property	3,886	121,501	117,615	5,287	375,360	370,073	-	475,222	475,222
Intergovernmental	-	-	-	-	-	-	-	-	-
Fees and Other Revenues	520,374	546,050	25,676	-	-	-	-	-	-
Total Revenues	<u>524,260</u>	<u>667,551</u>	<u>143,291</u>	<u>5,287</u>	<u>375,360</u>	<u>370,073</u>	<u>-</u>	<u>475,222</u>	<u>475,222</u>
EXPENDITURES									
Current:									
General Government	2,349	2,349	-	1,365,715	-	1,365,715	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>2,349</u>	<u>2,349</u>	<u>-</u>	<u>1,365,715</u>	<u>-</u>	<u>1,365,715</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>521,911</u>	<u>665,202</u>	<u>143,291</u>	<u>(1,360,428)</u>	<u>375,360</u>	<u>1,735,788</u>	<u>-</u>	<u>475,222</u>	<u>475,222</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	2,298,499	281,838	(2,016,661)	-	-	-	-	-	-
Transfers Out	(3,315,966)	(3,030,079)	285,887	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(1,017,467)</u>	<u>(2,748,241)</u>	<u>(1,730,774)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (495,556)</u>	<u>(2,083,039)</u>	<u>\$ (1,587,483)</u>	<u>\$ (1,360,428)</u>	<u>375,360</u>	<u>\$ 1,735,788</u>	<u>\$ -</u>	<u>475,222</u>	<u>\$ 475,222</u>
Fund Balance, Beginning of Year		669,455			1,815,246			(322,549)	
Fund Balance, End of Year		<u>\$ (1,413,584)</u>			<u>\$ 2,190,606</u>			<u>\$ 152,673</u>	

City of Brentwood

**Combining Statement of Net Position
All Internal Service Funds
June 30, 2024**

	Information Services	Vehicle and Equipment Replacement	Information Systems Replacement	Facilities Replacement	Tuition
ASSETS					
Current Assets:					
Cash and Investments	\$ 1,876,551	\$ 9,324,625	\$ 3,475,327	\$ 11,147,678	\$ 83,585
Receivables, Net of Allowance for Doubtful Accounts	90	454	262	528	4
Inventories	-	-	-	-	-
Prepays	456,698	-	-	-	-
Interfund Advance Receivable	-	-	-	-	-
Total Current Assets	<u>2,333,339</u>	<u>9,325,079</u>	<u>3,475,589</u>	<u>11,148,206</u>	<u>83,589</u>
Non-Current Assets:					
Interfund Advance Receivable	-	-	-	-	-
Capital Assets:					
Depreciable	-	25,345,639	-	-	-
Less: Accumulated Depreciation and Amortization	-	(15,359,334)	-	-	-
Total Capital Assets, Net of Accumulated Depreciation and Amortization	<u>-</u>	<u>9,986,305</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Non-Current Assets	<u>-</u>	<u>9,986,305</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>2,333,339</u>	<u>19,311,384</u>	<u>3,475,589</u>	<u>11,148,206</u>	<u>83,589</u>
DEFERRED OUTFLOWS OF RESOURCES					
Related to OPEB	465,016	-	-	-	-
Related to Pensions	1,031,706	-	-	-	-
Total Deferred Outflows of Resources	<u>1,496,722</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable and Accrued Liabilities	58,331	285,401	3,096	461,413	9,649
Compensated Absences Payable	94,533	-	-	-	-
Total Current Liabilities	<u>152,864</u>	<u>285,401</u>	<u>3,096</u>	<u>461,413</u>	<u>9,649</u>
Non-Current Liabilities Due in More Than One Year:					
Net OPEB Liability	1,419,954	-	-	-	-
Net Pension Liability	1,886,408	-	-	-	-
Compensated Absences Payable	63,022	-	-	-	-
Total Non-Current Liabilities	<u>3,369,384</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>3,522,248</u>	<u>285,401</u>	<u>3,096</u>	<u>461,413</u>	<u>9,649</u>
DEFERRED INFLOWS OF RESOURCES					
Related to OPEB	255,769	-	-	-	-
Related to Pensions	54,644	-	-	-	-
Total Deferred Inflows of Resources	<u>310,413</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION					
Net Investment in Capital Assets and Capacity Rights Unrestricted	-	9,986,305	-	-	-
	(2,600)	9,039,678	3,472,493	10,686,793	73,940
Total Net Position	<u>\$ (2,600)</u>	<u>\$ 19,025,983</u>	<u>\$ 3,472,493</u>	<u>\$ 10,686,793</u>	<u>\$ 73,940</u>

Continued

City of Brentwood

Combining Statement of Net Position
All Internal Service Funds (Continued)
 June 30, 2024

	Fleet Maintenance Services	Facilities Maintenance Services	Parks and LLAD Replacement	Insurance	Pension/Other Post-Employment Benefits Obligation	Totals
ASSETS						
Current Assets:						
Cash and Investments	\$ 942,204	\$ 2,172,509	\$ 26,862,036	\$ 420,925	\$ 14,261,977	\$ 70,567,417
Receivables, Net of Allowance for Doubtful Accounts	43	102	1,252	-	576	3,311
Inventories	93,674	-	-	-	-	93,674
Prepays	1,457	1,853	-	-	553,416	1,013,424
Interfund Advance Receivable	-	-	72,248	-	281,838	354,086
Total Current Assets	<u>1,037,378</u>	<u>2,174,464</u>	<u>26,935,536</u>	<u>420,925</u>	<u>15,097,807</u>	<u>72,031,912</u>
Non-Current Assets:						
Interfund Advance Receivable	-	-	505,733	-	1,447,366	1,953,099
Capital Assets:						
Depreciable	-	-	-	-	-	25,345,639
Less: Accumulated Depreciation and Amortization	-	-	-	-	-	(15,359,334)
Total Capital Assets, Net of Accumulated Depreciation and Amortization	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,986,305</u>
Total Non-Current Assets	<u>-</u>	<u>-</u>	<u>505,733</u>	<u>-</u>	<u>1,447,366</u>	<u>11,939,404</u>
Total Assets	<u>1,037,378</u>	<u>2,174,464</u>	<u>27,441,269</u>	<u>420,925</u>	<u>16,545,173</u>	<u>83,971,316</u>
DEFERRED OUTFLOWS OF RESOURCES						
Related to OPEB	207,355	187,723	-	-	-	860,094
Related to Pensions	358,899	330,341	-	-	-	1,720,946
Total Deferred Outflows of Resources	<u>566,254</u>	<u>518,064</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,581,040</u>
LIABILITIES						
Current Liabilities:						
Accounts Payable and Accrued Liabilities	154,620	70,154	92,902	64,957	-	1,200,523
Compensated Absences Payable	21,071	29,025	-	-	-	144,629
Total Current Liabilities	<u>175,691</u>	<u>99,179</u>	<u>92,902</u>	<u>64,957</u>	<u>-</u>	<u>1,345,152</u>
Non-Current Liabilities Due in More Than One Year:						
Net OPEB Liability	606,533	932,185	-	-	-	2,958,672
Net Pension Liability	648,345	606,961	-	-	-	3,141,714
Compensated Absences Payable	14,047	19,350	-	-	-	96,419
Total Non-Current Liabilities	<u>1,268,925</u>	<u>1,558,496</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,196,805</u>
Total Liabilities	<u>1,444,616</u>	<u>1,657,675</u>	<u>92,902</u>	<u>64,957</u>	<u>-</u>	<u>7,541,957</u>
DEFERRED INFLOWS OF RESOURCES						
Related to OPEB	128,480	154,986	-	-	-	539,235
Related to Pensions	18,781	17,582	-	-	-	91,007
Total Deferred Inflows of Resources	<u>147,261</u>	<u>172,568</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>630,242</u>
NET POSITION						
Net Investment in Capital Assets and Capacity Rights Unrestricted	-	-	-	-	-	9,986,305
Total Net Position	<u>\$ 11,755</u>	<u>\$ 862,285</u>	<u>\$ 27,348,367</u>	<u>\$ 355,968</u>	<u>\$ 16,545,173</u>	<u>\$ 68,393,852</u>
Total Net Position	<u>\$ 11,755</u>	<u>\$ 862,285</u>	<u>\$ 27,348,367</u>	<u>\$ 355,968</u>	<u>\$ 16,545,173</u>	<u>\$ 78,380,157</u>

City of Brentwood

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

All Internal Service Funds

For Year Ended June 30, 2024

	Information Services	Vehicle and Equipment Replacement	Information Systems Replacement	Facilities Replacement	Tuition
Operating Revenues:					
Charges for Services	\$ 4,270,506	\$ 1,709,215	\$ 1,091,292	\$ 1,098,083	\$ 15,333
Other Income	-	29,422	-	-	-
Total Operating Revenues	<u>4,270,506</u>	<u>1,738,637</u>	<u>1,091,292</u>	<u>1,098,083</u>	<u>15,333</u>
Operating Expenses:					
Personnel Services	2,601,782	-	-	-	-
Repairs and Maintenance	78,538	19,576	-	538,601	-
Materials, Supplies and Services	1,253,540	173,742	150,990	75,016	22,993
Depreciation and Amortization	-	1,900,746	-	-	-
Total Operating Expenses	<u>3,933,860</u>	<u>2,094,064</u>	<u>150,990</u>	<u>613,617</u>	<u>22,993</u>
Operating Income (Loss)	<u>336,646</u>	<u>(355,427)</u>	<u>940,302</u>	<u>484,466</u>	<u>(7,660)</u>
Non-Operating Revenues (Expenses):					
Interest Income	78,105	455,153	242,129	496,194	3,819
Gain or (Loss) on Disposal of Capital Assets	-	196,343	-	-	-
Total Non-Operating Revenues (Expenses)	<u>78,105</u>	<u>651,496</u>	<u>242,129</u>	<u>496,194</u>	<u>3,819</u>
Income (Loss) Before Contributions and Transfers	414,751	296,069	1,182,431	980,660	(3,841)
Capital Assets Contributed from (to) Governmental Activities	-	-	(200,067)	(41,187)	-
Transfers In	-	1,143,898	28,677	-	-
Transfers Out	-	-	(719,600)	-	-
Change in Net Position	414,751	1,439,967	291,441	939,473	(3,841)
Net Position, Beginning of Year	(417,351)	17,586,016	3,181,052	9,747,320	77,781
Net Position, End of Year	<u>\$ (2,600)</u>	<u>\$ 19,025,983</u>	<u>\$ 3,472,493</u>	<u>\$ 10,686,793</u>	<u>\$ 73,940</u>

Continued

Combining Statement of Revenues, Expenses and Changes in Fund Net Position
All Internal Service Funds (Continued)
For Year Ended June 30, 2024

	Fleet Maintenance Services	Facilities Maintenance Services	Parks and LLAD Replacement	Insurance	Pension/Other Post-Employment Benefits Obligation	Totals
Operating Revenues:						
Charges for Services	\$ 2,164,816	\$ 1,887,055	\$ 1,596,206	\$ 3,528,390	\$ 4,178,154	\$ 21,539,050
Other Income	302	1,622	14,943	-	11,945	58,234
Total Operating Revenues	<u>2,165,118</u>	<u>1,888,677</u>	<u>1,611,149</u>	<u>3,528,390</u>	<u>4,190,099</u>	<u>21,597,284</u>
Operating Expenses:						
Personnel Services	887,295	850,998	-	-	6,069,714	10,409,789
Repairs and Maintenance	31,708	90,509	408,257	-	-	1,167,189
Materials, Supplies and Services	1,046,156	824,164	408,695	3,598,656	144,687	7,698,639
Depreciation and Amortization	-	-	-	-	-	1,900,746
Total Operating Expenses	<u>1,965,159</u>	<u>1,765,671</u>	<u>816,952</u>	<u>3,598,656</u>	<u>6,214,401</u>	<u>21,176,363</u>
Operating Income (Loss)	<u>199,959</u>	<u>123,006</u>	<u>794,197</u>	<u>(70,266)</u>	<u>(2,024,302)</u>	<u>420,921</u>
Non-Operating Revenues (Expenses):						
Interest Income	35,899	94,748	1,219,890	-	595,517	3,221,454
Gain or (Loss) on Disposal of Capital Assets	-	-	-	-	-	196,343
Total Non-Operating Revenues (Expenses)	<u>35,899</u>	<u>94,748</u>	<u>1,219,890</u>	<u>-</u>	<u>595,517</u>	<u>3,417,797</u>
Income (Loss) Before Contributions and Transfers	235,858	217,754	2,014,087	(70,266)	(1,428,785)	3,838,718
Capital Assets Contributed from (to) Governmental Activities	-	-	(321,877)	-	-	(563,131)
Transfers In	-	-	967,828	-	2,667,652	4,808,055
Transfers Out	-	-	(452,127)	-	-	(1,171,727)
Change in Net Position	235,858	217,754	2,207,911	(70,266)	1,238,867	6,911,915
Net Position, Beginning of Year	<u>(224,103)</u>	<u>644,531</u>	<u>25,140,456</u>	<u>426,234</u>	<u>15,306,306</u>	<u>71,468,242</u>
Net Position, End of Year	<u>\$ 11,755</u>	<u>\$ 862,285</u>	<u>\$ 27,348,367</u>	<u>\$ 355,968</u>	<u>\$ 16,545,173</u>	<u>\$ 78,380,157</u>

Combining Statement of Cash Flows
All Internal Service Funds
For Year Ended June 30, 2024

	Information Services	Vehicle and Equipment Replacement	Information Systems Replacement	Facilities Replacement	Tuition
Cash Flows from Operating Activities					
Cash Received from Customers/Other Funds	\$ 3,942,903	\$ 1,717,704	\$ 1,091,292	\$ 1,098,083	\$ 15,333
Cash Payments to Suppliers of Goods and Services	(1,059,988)	(252,723)	(164,980)	(155,276)	(20,697)
Cash Payments to Employees for Services	(2,466,204)	-	-	-	-
Cash Payments for Interfund Services	(309,359)	-	-	-	-
Other Receipts	-	29,422	-	-	-
Net Cash Provided By (Used for) Operating Activities	107,352	1,494,403	926,312	942,807	(5,364)
Cash Flows from Non-Capital Financing Activities					
Transfers Received	-	1,143,898	28,677	-	-
Transfers Paid	-	-	(719,600)	-	-
Interfund Advance Receivable	-	-	-	-	-
Net Cash Provided By (Used for) Non-Capital Financing Activities	-	1,143,898	(690,923)	-	-
Cash Flows from Capital and Related Financing Activities					
Capital Assets Purchased and Contributed to Governmental Funds	-	-	(200,067)	(41,187)	-
Proceeds from Sale of Capital Assets	-	196,343	-	-	-
Acquisition and Construction of Capital Assets	-	(3,623,735)	-	-	-
Net Cash Provided By (Used for) Capital and Related Financing Activities	-	(3,427,392)	(200,067)	(41,187)	-
Cash Flows from Investing Activities					
Interest on Investments	78,295	456,401	242,646	497,325	3,830
Net Cash Provided By Investing Activities	78,295	456,401	242,646	497,325	3,830
Net Increase (Decrease) in Cash and Cash Equivalents	185,647	(332,690)	277,968	1,398,945	(1,534)
Cash and Cash Equivalents - Beginning of Year	1,690,904	9,657,315	3,197,359	9,748,733	85,119
Cash and Cash Equivalents - End of Year	\$ 1,876,551	\$ 9,324,625	\$ 3,475,327	\$ 11,147,678	\$ 83,585
Reconciliation of Operating Income to Net Cash Provided By (Used for) Operating Activities:					
Operating Income (Loss)	\$ 336,646	\$ (355,427)	\$ 940,302	\$ 484,466	\$ (7,660)
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used for) Operating Activities:					
Depreciation and Amortization	-	1,900,746	-	-	-
Change in Assets, Liabilities and Deferred Outflows/Inflows of Resources:					
Receivables	-	8,489	-	-	-
Prepaid Items	(327,914)	-	-	-	-
Accounts Payable and Other Payables	(37,269)	(59,405)	(13,990)	458,341	2,296
Net OPEB Liability and Deferred Outflows/Inflows of Resources related to OPEB	(17,868)	-	-	-	-
Net Pension Liability and Deferred Outflows/Inflows of Resources related to Pensions	130,131	-	-	-	-
Compensated Absences Payable	23,626	-	-	-	-
Net Cash Provided By (Used for) Operating Activities	\$ 107,352	\$ 1,494,403	\$ 926,312	\$ 942,807	\$ (5,364)

Continued

Combining Statement of Cash Flows
All Internal Service Funds (Continued)
For Year Ended June 30, 2024

	Fleet Maintenance Services	Facilities Maintenance Services	Parks and LLAD Replacement	Insurance	Pension/Other Post-Employment Benefits Obligation	Totals
Cash Flows from Operating Activities						
Cash Received from Customers/Other Funds	\$ 2,168,108	\$ 1,893,143	\$ 1,596,206	\$ 3,528,390	\$ 4,195,915	\$ 21,247,077
Cash Payments to Suppliers of Goods and Services	(788,071)	(703,935)	(780,170)	(3,584,726)	(144,687)	(7,655,253)
Cash Payments to Employees for Services	(874,393)	(814,050)	-	-	(6,087,564)	(10,242,211)
Cash Payments for Interfund Services	(186,617)	(197,628)	-	-	-	(693,604)
Other Receipts	302	1,622	14,943	-	11,945	58,234
Net Cash Provided By (Used for) Operating Activities	319,329	179,152	830,979	(56,336)	(2,024,391)	2,714,243
Cash Flows from Non-Capital Financing Activities						
Transfers Received	-	-	967,828	-	2,667,652	4,808,055
Transfers Paid	-	-	(452,127)	-	-	(1,171,727)
Interfund Advance Receivable	-	-	72,248	-	(1,729,204)	(1,656,956)
Net Cash Provided By (Used for) Non-Capital Financing Activities	-	-	587,949	-	938,448	1,979,372
Cash Flows from Capital and Related Financing Activities						
Capital Assets Purchased and Contributed to Governmental Funds	-	-	(321,877)	-	-	(563,131)
Proceeds from Sale of Capital Assets	-	-	-	-	-	196,343
Acquisition and Construction of Capital Assets	-	-	-	-	-	(3,623,735)
Net Cash Provided By (Used for) Capital and Related Financing Activities	-	-	(321,877)	-	-	(3,990,523)
Cash Flows from Investing Activities						
Interest on Investments	35,956	94,972	1,222,867	-	597,419	3,229,711
Net Cash Provided By Investing Activities	35,956	94,972	1,222,867	-	597,419	3,229,711
Net Increase (Decrease) in Cash and Cash Equivalents	355,285	274,124	2,319,918	(56,336)	(488,524)	3,932,803
Cash and Cash Equivalents - Beginning of Year	586,919	1,898,385	24,542,118	477,261	14,750,501	66,634,614
Cash and Cash Equivalents - End of Year	\$ 942,204	\$ 2,172,509	\$ 26,862,036	\$ 420,925	\$ 14,261,977	\$ 70,567,417
Reconciliation of Operating Income to Net Cash Provided By (Used for) Operating Activities:						
Operating Income (Loss)	\$ 199,959	\$ 123,006	\$ 794,197	\$ (70,266)	\$ (2,024,302)	\$ 420,921
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used for) Operating Activities:						
Depreciation and Amortization	-	-	-	-	-	1,900,746
Change in Assets, Liabilities and Deferred Outflows/Inflows of Resources:						
Receivables	-	-	-	-	-	8,489
Prepaid Items	3,054	5,939	-	-	(89)	(319,010)
Accounts Payable and Other Payables	103,176	13,110	36,782	13,930	-	516,971
Net OPEB Liability and Deferred Outflows/Inflows of Resources related to OPEB	(7,967)	(7,213)	-	-	-	(33,048)
Net Pension Liability and Deferred Outflows/Inflows of Resources related to Pensions	8,843	32,889	-	-	-	171,863
Compensated Absences Payable	12,264	11,421	-	-	-	47,311
Net Cash Provided By (Used for) Operating Activities	\$ 319,329	\$ 179,152	\$ 830,979	\$ (56,336)	\$ (2,024,391)	\$ 2,714,243

City of Brentwood

Combining Statement of Fiduciary Net Position

Custodial Funds

June 30, 2024

	Special Assessment Districts	Asset Seizure	Pass-Through Funds	Total Custodial Funds
ASSETS				
Current Assets:				
Cash and Investments	\$ 10,936,460	\$ -	\$ 1,400,960	\$ 12,337,420
Restricted Cash and Investments	3,609,424	-	-	3,609,424
Interest Receivable	2,421	-	-	2,421
Total Assets	<u>14,548,305</u>	<u>-</u>	<u>1,400,960</u>	<u>15,949,265</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	4,180	-	-	4,180
Due to Local Governments	-	-	689,630	689,630
Total Liabilities	<u>4,180</u>	<u>-</u>	<u>689,630</u>	<u>693,810</u>
NET POSITION (DEFICIT)				
Restricted for:				
Individuals and Organizations	14,544,125	-	-	14,544,125
Other Governments	-	-	711,330	711,330
Total Net Position (Deficit)	<u>\$ 14,544,125</u>	<u>\$ -</u>	<u>\$ 711,330</u>	<u>\$ 15,255,455</u>

City of Brentwood

Combining Statement of Changes in Fiduciary Net Position

Custodial Funds

For Year Ended June 30, 2024

	Special Assessment Districts	Asset Seizure	Pass-Through Funds	Total Custodial Funds
ADDITIONS				
Contributions:				
Assessments	\$ 12,967,392	\$ -	\$ -	\$ 12,967,392
Private Contributions	-	3,132	4,019,849	4,022,981
Total Contributions	<u>12,967,392</u>	<u>3,132</u>	<u>4,019,849</u>	<u>16,990,373</u>
Net Investment Earnings	566,045	-	-	566,045
Total Additions	<u>13,533,437</u>	<u>3,132</u>	<u>4,019,849</u>	<u>17,556,418</u>
DEDUCTIONS				
Administrative Expenses	307,451	-	-	307,451
Payments to Bondholders	12,536,264	-	-	12,536,264
Recipient Payments	-	3,132	3,309,947	3,313,079
Total Deductions	<u>12,843,715</u>	<u>3,132</u>	<u>3,309,947</u>	<u>16,156,794</u>
Net Increase (Decrease) in Fiduciary Net Position	689,722	-	709,902	1,399,624
Net Position (Deficit) - Beginning of Year	13,854,403	-	1,428	13,855,831
Net Position (Deficit) - End of Year	<u>\$ 14,544,125</u>	<u>\$ -</u>	<u>\$ 711,330</u>	<u>\$ 15,255,455</u>

STATISTICAL SECTION CONTENTS

	<u>Page</u>
Financial Trends	154 to 158
<p>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</p>	
Revenue Capacity	159 to 167
<p>These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property taxes, sales taxes and water user fee revenue.</p>	
Debt Capacity	168 to 172
<p>These schedules contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</p>	
Demographic and Economic Information	173 to 174
<p>These schedules contain demographic and economic information to help the reader understand the environment within which the City's financial activities take place.</p>	
Operating Information	175 to 178
<p>These schedules contain operational and resource information to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.</p>	
<p>Sources: Unless otherwise noted, the information in these schedules is derived from the City's relevant Annual Comprehensive Financial Reports.</p>	

OTHER AUDIT REPORT

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	179 to 180
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City of Brentwood

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

(Unaudited)

	2015 ⁽¹⁾	2016	2017 ⁽²⁾	2018	2019	2020	2021	2022	2023	2024
Governmental Activities										
Net Investment in Capital Assets	\$ 433,381,298	\$ 434,420,162	\$ 422,791,124	\$ 429,289,132	\$ 428,440,973	\$ 438,758,759	\$ 439,532,350	\$ 445,827,339	\$ 450,695,117	\$ 458,294,923
Restricted	71,876,509	79,824,615	95,801,016	95,686,834	89,830,884	90,068,569	97,743,329	98,666,260	104,166,207	108,401,964
Unrestricted	22,429,161	23,264,290	29,172,068	21,024,270	32,437,289	38,162,260	43,450,142	59,980,629	60,303,301	56,080,289
Total Governmental Activities Net Position	\$ 527,686,968	\$ 537,509,067	\$ 547,764,208	\$ 546,000,236	\$ 550,709,146	\$ 566,989,588	\$ 580,725,821	\$ 604,474,228	\$ 615,164,625	\$ 622,777,176
Business-Type Activities										
Net Investment in Capital Assets										
and Capacity Rights	\$ 179,269,329	\$ 183,270,963	\$ 195,261,914	\$ 206,237,571	\$ 221,745,108	\$ 227,074,648	\$ 233,287,769	\$ 244,726,467	\$ 256,399,994	\$ 259,130,097
Restricted	25,172,201	29,240,801	25,362,943	25,157,771	27,643,027	34,893,200	51,135,610	46,692,198	44,156,526	39,844,327
Unrestricted	36,251,098	40,008,359	42,896,575	42,251,920	46,789,534	54,389,753	50,324,808	67,345,200	69,320,275	85,754,795
Total Business-Type Activities Net Position	\$ 240,692,628	\$ 252,520,123	\$ 263,521,432	\$ 273,647,262	\$ 296,177,669	\$ 316,357,601	\$ 334,748,187	\$ 358,763,865	\$ 369,876,795	\$ 384,729,219
Primary Government										
Net Investment in Capital Assets										
and Capacity Rights	\$ 612,650,627	\$ 616,590,129	\$ 618,053,038	\$ 635,526,703	\$ 650,186,081	\$ 665,833,407	\$ 672,820,119	\$ 690,553,806	\$ 707,095,111	\$ 717,425,020
Restricted	97,048,710	103,791,758	121,163,959	120,844,605	117,473,911	124,961,769	148,878,939	145,358,458	148,322,733	148,246,291
Unrestricted	58,680,259	69,647,303	72,068,643	63,276,190	79,226,823	92,552,013	93,774,950	127,325,829	129,623,576	141,835,084
Total Primary Government Net Position	\$ 768,379,596	\$ 790,029,190	\$ 811,285,640	\$ 819,647,498	\$ 846,886,815	\$ 883,347,189	\$ 915,474,008	\$ 963,238,093	\$ 985,041,420	\$ 1,007,506,395

(1) The City implemented the provisions of GASB Statement No. 68 for fiscal year ended June 30, 2015. Historical data has not been converted.

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

City of Brentwood

CHANGES IN NET POSITION - GOVERNMENTAL ACTIVITIES

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

(Unaudited)

	2015	2016	2017 ⁽¹⁾	2018 ⁽¹⁾	2019	2020	2021	2022	2023	2024
Expenses										
General Government	\$ 13,394,675	\$ 13,973,215	\$ 13,709,033	\$ 13,388,117	\$ 17,523,683	\$ 12,657,560	\$ 14,773,773	\$ 12,640,259	\$ 16,811,978	\$ 15,501,108
Public Safety	18,273,959	19,566,435	18,718,910	19,955,450	20,061,724	25,906,048	24,396,882	23,093,796	31,823,344	32,577,720
Community Development	3,815,207	3,980,128	4,386,875	4,790,307	4,684,855	5,602,306	5,196,191	4,652,217	6,142,789	6,715,451
Engineering	2,664,921	2,617,590	2,982,747	3,174,218	2,997,431	3,242,751	3,297,183	2,764,684	3,314,324	3,762,120
Public Works	6,953,406	6,977,557	7,266,573	7,606,439	8,145,779	7,711,732	7,564,560	7,369,216	8,734,183	9,410,141
Parks and Recreation	11,667,358	11,539,064	12,645,111	12,937,460	14,901,976	13,753,725	16,177,997	19,241,106	17,326,837	18,967,380
Community Services	6,180,114	7,056,264	7,300,460	7,802,659	8,585,969	11,816,750	9,119,958	7,862,198	8,161,482	8,967,495
Interest on Long-Term Debt	4,658,130	4,929,385	4,896,060	4,780,172	6,066,532	2,668,343	2,540,294	1,745,437	1,828,523	1,717,740
Total Expenses	67,607,770	70,639,638	71,905,769	74,434,822	82,967,949	83,359,215	83,066,838	79,368,913	94,143,460	97,619,155
Program Revenues										
Charges for Services:										
General Government	8,365,696	8,570,160	9,134,325	9,204,518	9,327,444	9,018,596	9,500,309	9,512,175	9,952,024	10,390,253
Public Safety	432,433	457,271	418,829	418,188	476,632	527,323	369,513	405,942	533,732	508,599
Community Development	3,481,731	4,035,603	4,297,207	3,745,019	3,455,052	3,312,581	3,237,586	4,026,433	2,448,537	2,219,221
Engineering	2,226,848	2,281,340	2,100,302	2,077,627	2,655,887	1,675,369	2,378,156	1,869,904	1,987,664	2,194,614
Parks and Recreation	1,338,312	1,357,279	1,463,855	1,489,080	1,600,376	1,203,975	461,168	1,538,564	1,727,637	1,748,653
Operating Grants and Contributions	16,226,090	15,810,148	17,787,223	21,768,980	24,098,343	23,907,210	24,784,063	25,304,745	34,425,385	28,903,481
Capital Grants and Contributions	15,319,706	18,683,812	19,008,097	19,882,418	16,587,584	21,385,163	21,820,341	28,780,866	11,875,300	8,474,201
Total Program Revenues	47,390,816	51,195,613	54,209,838	58,585,830	58,201,318	61,030,217	62,551,136	71,438,629	62,950,279	54,439,022
Total Governmental Activities Net Expense	(20,216,954)	(19,444,025)	(17,695,931)	(15,848,992)	(24,766,631)	(22,328,998)	(20,515,702)	(7,930,284)	(31,193,181)	(43,180,133)
General Revenues and Other Changes in Net Position										
Taxes:										
Property Taxes	12,454,027	13,602,591	12,922,787	13,819,751	14,936,950	15,911,518	16,754,167	17,662,589	19,631,984	20,169,793
Sales Tax	6,836,918	7,319,216	8,188,046	8,785,927	8,941,152	8,555,697	9,380,307	11,033,446	11,191,139	11,162,609
Franchise Fees	1,400,350	1,473,443	1,487,179	1,499,715	1,420,321	1,461,483	1,547,505	1,581,396	1,649,986	1,645,223
Real Property Transfer Tax	452,426	506,626	547,975	641,279	491,249	473,351	781,173	794,244	464,723	460,558
Measure J, Transient Occupancy Tax	349,683	377,043	396,763	555,535	551,122	505,956	486,632	657,874	688,606	604,525
Motor Vehicle Taxes In-Lieu, Unrestricted	3,256,924	3,655,028	3,952,928	4,291,791	4,603,565	4,931,720	5,210,147	5,480,504	5,969,216	6,310,048
Gain on Sale of Real Property	-	-	-	-	-	-	-	-	267,927	196,343
Investment Earnings	1,095,957	2,988,030	373,212	502,436	6,608,333	7,541,296	449,898	(6,200,352)	1,887,705	8,806,561
Miscellaneous	871,959	1,156,862	352,324	692,654	641,871	783,295	492,380	458,050	417,729	397,503
Transfers	702,328	762,119	(270,142)	(2,399,950)	(8,719,022)	(1,554,876)	(850,274)	(1,225,585)	(285,437)	1,039,521
Special Items:										
Denial of Transfer of Assets to the City	(12,381,097)	(2,574,834)	-	(1,327,129)	-	-	-	-	-	-
Total General Revenues and Other Changes in Net Position	15,039,475	29,266,124	27,951,072	27,062,009	29,475,541	38,609,440	34,251,935	30,242,166	41,883,578	50,792,684
Total Governmental Activities Change in Net Position	\$ (5,177,479)	\$ 9,822,099	\$ 10,255,141	\$ 11,213,017	\$ 4,708,910	\$ 16,280,442	\$ 13,736,233	\$ 22,311,882	\$ 10,690,397	\$ 7,612,551

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

City of Brentwood

CHANGES IN NET POSITION - BUSINESS-TYPE ACTIVITIES

LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Unaudited)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Wastewater	\$ 10,000,905	\$ 10,003,159	\$ 10,328,357	\$ 10,744,008	\$ 10,314,363	\$ 11,152,196	\$ 11,803,229	\$ 11,516,452	\$ 13,800,911	\$ 14,340,756
Solid Waste	10,373,325	10,680,780	11,493,599	12,281,266	12,945,626	13,233,700	13,648,764	13,547,713	14,670,911	16,125,176
Water	19,538,589	22,129,063	20,972,101	21,090,099	23,019,680	22,950,431	25,708,546	24,126,086	26,208,986	26,311,556
City Rentals	174,597	178,558	196,829	194,306	275,207	213,595	124,962	142,191	102,045	-
Housing	656,778	723,908	797,400	879,920	683,927	813,376	793,820	796,823	845,819	886,236
Total Expenses	40,744,194	43,715,468	43,788,286	45,189,599	47,238,803	48,363,298	52,079,321	50,129,265	55,628,672	57,663,724
Program Revenues										
Charges for Services:										
Wastewater	12,002,184	11,663,637	11,261,121	12,096,684	13,749,988	13,450,041	14,899,845	15,996,687	16,241,628	16,315,416
Solid Waste	10,132,236	10,520,115	11,376,482	12,293,622	14,381,240	14,975,341	15,608,738	17,297,074	18,209,025	18,790,815
Water	17,599,064	16,288,609	17,977,213	21,784,977	22,894,067	25,719,969	27,801,513	27,378,018	26,637,293	29,345,008
City Rentals	476,212	486,477	497,573	579,656	605,941	562,648	130,105	-	-	-
Housing	239,057	265,269	285,418	305,623	317,385	330,951	327,577	385,496	345,324	361,206
Operating Grants and Contributions	-	918,028	1,024,113	740,936	595,800	407,651	182,113	1,417,564	239,312	431,354
Capital Grants and Contributions	4,382,019	7,414,680	11,863,994	9,812,301	4,679,827	7,006,724	10,428,209	14,422,134	3,609,350	1,944,270
Total Program Revenues	44,830,772	47,556,815	54,285,914	57,613,799	57,224,248	62,453,325	69,378,100	76,896,973	65,281,932	67,188,069
Total Business-Type Activities Net Expense	4,086,578	3,841,347	10,497,628	12,424,200	9,985,445	14,090,027	17,298,779	26,767,708	9,653,260	9,524,345
General Revenues and Other Changes in Net Position										
Investment Earnings	719,108	1,759,735	233,539	200,691	3,825,940	4,535,029	241,533	(3,977,615)	1,174,233	6,367,600
Transfers	(702,328)	(762,119)	270,142	2,399,950	8,719,022	1,554,876	850,274	1,225,585	285,437	(1,039,521)
Total General Revenues and Other Changes in Net Position	16,780	997,616	503,681	2,600,641	12,544,962	6,089,905	1,091,807	(2,752,030)	1,459,670	5,328,079
Total Business-Type Activities Change in Net Position	4,103,358	4,838,963	11,001,309	15,024,841	22,530,407	20,179,932	18,390,586	24,015,678	11,112,930	14,852,424
Total Primary Government Change in Net Position	\$ (1,074,121)	\$ 14,661,062	\$ 21,256,450	\$ 26,237,858	\$ 27,239,317	\$ 36,460,374	\$ 32,126,819	\$ 46,327,560	\$ 21,803,327	\$ 22,464,975

City of Brentwood

FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

(Unaudited)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Nonspendable	\$ 108,998	\$ 68,054	\$ 83,944	\$ 87,527	\$ 88,247	\$ 89,806	\$ 76,064	\$ 39,794	\$ 263,722	\$ 301,978
Restricted	92,426	92,426	94,464	95,620	95,930	95,930	95,930	-	678,000	678,000
Committed	1,250,000	9,266,345	7,553,950	11,986,875	12,271,706	11,605,158	11,467,875	10,478,042	9,455,685	6,008,590
Assigned	5,137,130	-	-	-	-	-	-	-	-	-
Unassigned	12,318,912	13,120,085	15,673,545	16,399,436	17,403,997	18,798,852	19,386,486	21,019,628	22,066,513	22,423,011
Total General Fund	\$ 18,907,466	\$ 22,546,910	\$ 23,405,903	\$ 28,569,458	\$ 29,859,880	\$ 30,589,746	\$ 31,026,355	\$ 31,537,464	\$ 32,463,920	\$ 29,411,579
Other Governmental Funds										
Nonspendable	\$ 576	\$ 889	\$ 80,914	\$ 81,092	\$ 80,904	\$ 81,680	\$ 81,469	\$ 80,915	\$ 88,584	\$ 92,352
Restricted	79,481,499	93,642,510	100,964,619	95,849,782	89,659,638	89,869,729	97,489,866	98,593,372	104,276,684	106,536,726
Committed	7,047,085	6,963,196	1,779,008	2,696,413	2,626,972	2,772,858	3,166,477	3,789,250	5,102,910	2,133,847
Unassigned	(2,421,683)	(561,034)	(510)	(1,280,327)	(966,997)	(502,784)	(223,414)	(94,294)	(330,608)	(2,792,847)
Total Other Governmental Funds	\$ 84,107,477	\$ 100,045,561	\$ 102,824,031	\$ 97,346,960	\$ 91,400,517	\$ 92,221,483	\$ 100,514,398	\$ 102,369,243	\$ 109,137,570	\$ 105,970,078
Total Governmental Funds	\$ 103,014,943	\$ 122,592,471	\$ 126,229,934	\$ 125,916,418	\$ 121,260,397	\$ 122,811,229	\$ 131,540,753	\$ 133,906,707	\$ 141,601,490	\$ 135,381,657

City of Brentwood

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

(Unaudited)

	2015	2016	2017 ⁽¹⁾	2018 ⁽¹⁾	2019 ⁽¹⁾	2020	2021	2022	2023	2024
REVENUES										
Taxes	\$ 20,213,939	\$ 21,926,396	\$ 26,878,073	\$ 29,406,949	\$ 31,061,688	\$ 32,006,777	\$ 34,396,873	\$ 37,606,581	\$ 40,087,929	\$ 40,705,488
Licenses	633,722	826,330	878,054	887,614	880,361	853,455	927,184	955,854	978,854	974,150
Permits and Fines	6,264,281	6,806,441	6,686,821	6,062,836	6,270,459	5,407,548	5,941,970	6,188,715	4,676,519	4,888,377
Uses of Money and Property	912,078	1,967,917	469,616	688,771	4,688,742	5,075,099	624,972	(3,311,516)	1,584,230	5,844,675
Intergovernmental	8,940,071	8,981,674	9,903,403	9,995,621	14,580,776	12,406,486	14,191,531	11,989,612	19,538,218	15,735,238
Franchises	1,400,350	1,473,443	1,487,179	1,499,715	1,420,321	1,461,483	1,547,505	1,581,396	1,649,986	1,645,223
Charges for Other Services	306,603	287,150	561,815	573,488	728,194	281,466	187,540	259,762	306,005	231,294
Charges to Other Funds	6,705,041	6,811,651	7,538,724	7,333,321	7,822,311	7,780,455	8,179,116	8,190,240	8,689,235	8,910,637
Fees and Other Revenues	25,565,932	27,238,276	22,995,874	24,835,315	23,425,018	24,552,588	24,408,076	29,708,572	19,311,874	20,138,597
Total Revenues	70,942,017	76,319,278	77,399,559	81,283,630	90,877,870	89,825,357	90,404,767	93,169,216	96,822,850	99,073,679
EXPENDITURES										
Current:										
General Government	10,746,924	11,421,015	11,067,613	10,740,742	13,500,206	9,649,880	11,297,439	11,201,089	13,942,512	12,067,599
Public Safety	18,226,275	19,353,959	21,544,435	22,307,319	23,406,679	24,522,711	25,244,305	34,175,515	28,898,715	30,043,734
Community Development	4,083,722	4,323,936	4,644,493	4,995,776	5,329,332	5,796,266	5,470,311	5,863,412	6,536,589	6,758,145
Engineering	2,741,148	2,865,976	3,227,631	3,315,619	3,460,092	3,417,308	3,402,200	3,545,915	3,593,515	3,785,289
Public Works	2,814,945	2,999,793	3,213,775	3,548,386	3,914,338	3,721,300	3,863,868	4,019,329	4,106,366	4,413,425
Parks and Recreation	9,858,227	9,550,815	10,613,064	10,826,070	10,842,249	11,281,521	12,770,022	13,837,574	14,871,122	15,734,401
Community Services	6,192,471	7,073,130	7,314,162	7,870,635	8,553,831	11,934,521	9,260,744	7,955,338	8,220,188	9,008,913
Capital Outlay	2,353,631	3,834,624	3,388,096	14,185,472	8,304,654	7,711,572	1,044,413	1,624,299	3,797,701	13,442,941
Debt Service:										
Principal	1,910,000	2,717,796	4,000,818	4,309,412	4,531,499	4,725,783	4,963,919	19,443,690	5,741,465	6,210,130
Interest and Fiscal Charges	4,428,429	4,681,817	4,630,649	4,495,898	4,924,096	2,643,960	2,526,525	2,351,854	1,780,534	1,688,629
Total Expenditures	63,355,772	68,822,861	73,644,736	86,595,329	86,766,976	85,404,822	79,843,746	104,018,015	91,488,707	103,153,206
REVENUES OVER (UNDER) EXPENDITURES	7,586,245	7,496,417	3,754,823	(5,311,699)	4,110,894	4,420,535	10,561,021	(10,848,799)	5,334,143	(4,079,527)
OTHER FINANCING SOURCES (USES)										
Debt/Bond Issuance	-	11,515,000	-	-	-	-	-	-	-	1,134,501
Premium on Bonds Issued	-	-	-	-	5,297,298	-	-	-	-	-
Refunding Bonds Issued	-	-	-	-	32,210,000	-	-	14,450,491	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	(42,663,905)	-	-	-	-	-
Proceeds from Sale of Property	-	-	-	-	-	-	-	-	1,600,000	-
Transfers In	17,062,601	32,528,893	40,527,627	33,710,608	25,990,602	24,734,842	30,820,978	30,549,644	48,402,183	41,396,416
Transfers Out	(19,620,633)	(31,962,782)	(40,644,987)	(28,712,425)	(29,600,910)	(27,604,545)	(32,652,475)	(33,221,907)	(48,319,543)	(43,993,223)
Total Other Financing Sources (Uses)	(2,558,032)	12,081,111	(117,360)	4,998,183	(8,766,915)	(2,869,703)	(1,831,497)	11,778,228	1,682,640	(1,462,306)
Net Change in Fund Balances	\$ 5,028,213	\$ 19,577,528	\$ 3,637,463	\$ (313,516)	\$ (4,656,021)	\$ 1,550,832	\$ 8,729,524	\$ 929,429	\$ 7,016,783	\$ (5,541,833)
Debt Service as a Percentage of Noncapital Expenditures	11.39%	12.29%	12.16%	12.05%	9.49%	9.51%	21.29%	21.29%	8.58%	8.80%

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

City of Brentwood

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN TAX YEARS

(Unaudited)

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2015	\$ 5,959,195,178	\$ 663,104,071	\$ 41,218,443	\$ 574,904,931	\$ 187,411,369	\$ 7,051,011,254	1.0059%
2016	6,752,719,003	681,242,924	44,844,527	630,262,779	191,001,081	7,918,068,152	1.0055%
2017	7,325,221,995	732,682,891	49,905,838	651,999,580	199,761,692	8,560,048,612	1.0054%
2018	8,035,473,592	774,705,747	53,146,631	619,828,756	197,364,463	9,285,790,263	1.0051%
2019	8,698,086,441	803,435,376	94,258,947	575,947,374	202,198,948	9,969,529,190	1.0050%
2020	9,345,436,471	834,684,128	96,654,841	580,146,368	215,602,467	10,641,319,341	1.0048%
2021	9,915,034,056	867,155,727	103,452,830	598,717,073	229,804,117	11,254,555,569	1.0048%
2022	10,402,665,673	919,931,165	110,293,241	601,566,592	252,806,680	11,781,649,991	1.0049%
2023	11,395,946,342	999,542,218	117,266,060	616,204,623	259,507,750	12,869,451,493	1.0048%
2024	12,165,712,811	1,053,211,413	122,097,044	705,371,124	262,431,971	13,783,960,421	1.0049%

Source: Contra Costa County Assessor

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

City of Brentwood

DIRECT AND OVERLAPPING PROPERTY TAXES

LAST TEN TAX YEARS

(Unaudited)

Fiscal Year	City Direct Rates			Overlapping Rates ⁽¹⁾		
	Basic Rate	General Obligation Debt Service	Total Direct Tax Rate	Liberty Union High School District	Brentwood Union School District	Other Districts
2015	1.00%	0.0059%	1.0059%	0.0273%	0.0522%	0.1033%
2016	1.00%	0.0055%	1.0055%	0.0237%	0.0447%	0.0931%
2017	1.00%	0.0054%	1.0054%	0.0217%	0.0698%	0.0697%
2018	1.00%	0.0051%	1.0051%	0.0450%	0.0635%	0.0942%
2019	1.00%	0.0050%	1.0050%	0.0414%	0.0445%	0.0870%
2020	1.00%	0.0048%	1.0048%	0.0399%	0.0617%	0.1013%
2021	1.00%	0.0048%	1.0048%	0.0370%	0.0445%	0.0866%
2022	1.00%	0.0049%	1.0049%	0.0360%	0.0441%	0.0844%
2023	1.00%	0.0048%	1.0048%	0.0260%	0.0498%	0.0831%
2024	1.00%	0.0049%	1.0049%	0.0283%	0.0462%	0.0843%

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

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

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

City of Brentwood

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

(Unaudited)

Taxpayer	Fiscal Year 2024			Fiscal Year 2015		
	Taxable Assessed Value	Rank	Percent of City's Total Taxable Value	Taxable Assessed Value	Rank	Percent of City's Total Taxable Value
FHB Land Property, LLC	\$ 94,406,329	1	0.70%	\$ -	-	-
GTA Amber Lane LLC	88,465,633	2	0.66%			
Silvergate Brentwood LLC	69,397,347	3	0.52%			
Merrill Gardens Brentwood LLC	59,474,433	4	0.44%			
DS Lone Tree Plaza LLC	57,273,626	5	0.43%	37,445,843	5	0.54%
Sierra Landmark LLC	53,000,000	6	0.39%			
KCM Brentwood LLC	50,690,678	7	0.38%			
John Muir Mt Diablo Health	44,462,863	8	0.33%	38,198,130	4	0.55%
AFE Brentwood Park LLC	26,823,514	9	0.20%	18,855,000	10	0.27%
Brentwood Arbor Ridge LP	26,344,510	10	0.20%	22,085,310	7	0.32%
G and I VII Brentwood LP				77,073,738	1	1.11%
Sand Creek Crossing LLC				45,388,700	2	0.65%
Tri Pointe Homes Inc				43,458,286	3	0.63%
Trilogy Vineyards, LLC				25,408,388	6	0.37%
New Urban Comm Sciortino, LLC				19,775,100	8	0.28%
Brentwood Towncentre Apartments				19,714,097	9	0.28%
Total	\$ 570,338,933		4.24%	\$ 347,402,592		5.00%

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
2015	\$ 12,454,027	\$ 12,454,027	100.00%
2016	13,602,591	13,602,591	100.00%
2017	14,968,042	14,968,042	100.00%
2018	15,929,680	15,929,680	100.00%
2019	14,936,950	14,936,950	100.00%
2020	15,911,518	15,911,518	100.00%
2021	16,754,167	16,754,167	100.00%
2022	17,662,589	17,662,589	100.00%
2023	19,631,984	19,631,984	100.00%
2024	20,169,793	20,169,793	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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Apparel Stores	\$ 49,524	\$ 53,502	\$ 57,143	\$ 57,848	\$ 60,142	\$ 58,902	\$ 41,813	\$ 65,032	\$ 69,850	\$ 74,934
Food Stores	47,983	50,251	50,026	51,721	53,567	55,623	62,983	61,863	64,742	67,012
Eating and Drinking Establishments	100,497	112,715	120,253	131,119	139,144	142,487	124,035	167,381	186,953	211,816
Building Materials	63,693	72,414	80,502	95,994	95,259	95,389	115,145	127,550	125,460	115,407
Auto Dealers and Supplies	54,180	68,267	76,852	86,794	98,184	98,979	97,078	107,185	104,161	103,494
Service Stations	106,658	94,021	90,449	105,328	124,856	121,639	89,535	119,788	156,214	144,495
Other Retail Stores	131,494	143,394	152,268	158,470	145,530	119,609	110,041	119,856	119,617	119,545
All Other Outlets	136,218	159,019	168,056	188,438	193,540	214,049	268,807	314,686	322,834	318,265
Total	\$ 690,247	\$ 753,583	\$ 795,549	\$ 875,712	\$ 910,222	\$ 906,677	\$ 909,437	\$ 1,083,341	\$ 1,149,831	\$ 1,154,968
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
2015	1.00%	1.00%	6.50%	8.50%
2016	1.00%	1.00%	6.50%	8.50%
2017	1.00%	1.00%	6.25% ⁽¹⁾	8.25%
2018	1.00%	1.00%	6.25%	8.25%
2019	1.00%	1.00%	6.25%	8.25%
2020	1.00%	1.00%	6.25%	8.25%
2021	1.00%	1.50% ⁽²⁾	6.25%	8.75%
2022	1.00%	1.50%	6.25%	8.75%
2023	1.00%	1.50%	6.25%	8.75%
2024	1.00%	1.50%	6.25%	8.75%

Source: California Department of Tax and Fee Administration

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

(1) On January 1, 2013 the State rate was increased by 0.25%. The increase expired January 1, 2017.

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

City of Brentwood

TOP 25 SALES TAX PRODUCERS
CURRENT CALENDAR YEAR AND NINE YEARS AGO

(Unaudited)

2023		2014	
Tax Remitter ⁽¹⁾	Business Category	Tax Remitter ⁽¹⁾	Business Category
7 Eleven	Service Stations	Arco AM PM	Service Stations
Ace Hardware	Building Materials	AT&T Mobility	Electronics/Appliance Stores
Arco AM PM	Service Stations	Best Buy	Electronics/Appliance Stores
Arco AM PM	Service Stations	Big B Lumber	Building Materials
Arco AM PM	Service Stations	Bill Brandt Ford	New Motor Vehicle Dealers
Big B Lumber	Building Materials	Brentwood Chevron Service Station	Service Stations
Bill Brandt Ford	New Motor Vehicle Dealers	Brentwood Ready Mix	Contractors
BJ's Restaurant & Brewhouse	Casual Dining	Brentwood Service Station	Service Stations
Brentwood Ready Mix	Contractors	Chevron	Service Stations
Chevron	Service Stations	Circle K Gas	Service Stations
Dallas Shanks Services	Service Stations	Dallas Shanks Chevron Services	Service Stations
Home Depot	Building Materials	Food Maxx	Grocery Stores
Home Goods	Home Furnishings	Home Depot	Building Materials
In N Out Burger	Quick-Service Restaurants	Home Goods	Home Furnishings
Kohls	Department Stores	Kohls	Department Stores
Marshalls	Family Apparel	Los Primos Auto Plaza	Used Automotive Dealers
Power Market	Service Stations	Quik Stop	Service Stations
Ross	Family Apparel	Raley's	Grocery Stores
Safeway	Grocery Stores	Ross	Family Apparel
Sportsman's Warehouse Southwest	Sporting Goods/Bike Stores	Safeway	Grocery Stores
TJ Maxx	Family Apparel	TJ Maxx	Family Apparel
Trident Environmental & Engineering	Heavy Industrial	Tower Mart	Service Stations
Ulta Beauty	Specialty Stores	Vintners Shell Stations	Service Stations
Walgreens	Drug Stores	Walgreens	Drug Stores
Winco Foods	Grocery Stores	Winco Foods	Grocery Stores

Percent of Calendar Year Total Paid by Top 25 Accounts = 46.33%

Percent of Calendar Year Total Paid by Top 25 Accounts = 49.43%

Source: HdL Coren & Cone

Period: January - December

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

City of Brentwood

WATER USE REVENUE BY CUSTOMER TYPE ⁽¹⁾
LAST TEN FISCAL YEARS
(Unaudited)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Type of Customer										
Residential	\$ 8,207,427	\$ 5,556,876	\$ 7,604,905	\$ 10,168,782	\$ 10,186,331	\$ 12,073,185	\$ 13,708,235	\$ 12,468,504	\$ 11,337,784	\$ 12,319,456
Commercial	1,465,084	1,156,292	1,563,242	1,914,185	2,171,794	2,341,862	2,527,881	2,625,873	2,598,722	3,155,938
Industrial	566,740	429,897	467,446	526,072	643,601	720,373	824,694	818,864	813,942	567,487
Government	919,019	726,120	933,648	1,161,546	1,318,552	1,518,578	1,741,075	1,666,928	1,405,072	1,664,415
Total	\$ 11,158,270	\$ 7,869,185	\$ 10,569,241	\$ 13,770,585	\$ 14,320,278	\$ 16,653,998	\$ 18,801,885	\$ 17,580,169	\$ 16,155,520	\$ 17,707,295

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

(1) Billing period from July 1 to June 30

City of Brentwood

WATER RATES
LAST TEN FISCAL YEARS
(Unaudited)

	2015	2016	2017 ⁽¹⁾	2018	2019	2020	2021	2022	2023	2024
Monthly Base Rate										
5/8" or 3/4" meter	\$ 20.24	\$ 20.85	\$ 21.61	\$ 23.56	\$ 24.03	\$ 24.88	\$ 25.76	\$ 26.67	\$ 27.61	\$ 28.16
1" meter	30.36	31.27	29.83	32.52	34.00	35.19	36.43	37.71	39.03	41.24
1 1/2" meter	60.73	62.55	50.39	54.93	58.90	60.97	63.11	65.32	67.61	73.91
2" meter	101.21	104.25	75.07	81.83	88.79	91.90	95.12	98.45	101.90	113.13
3" meter	182.19	187.65	153.21	167.00	183.44	189.87	196.52	203.40	210.52	237.31
4" meter	263.16	271.05	268.36	292.65	322.91	292.65	293.65	294.65	295.65	420.31
6" meter	546.57	562.96	543.89	592.85	656.65	679.64	703.43	728.06	753.55	858.20
Consumption Charge (per 1,000 gallons = 1 unit)										
Residential Tiers										
Tier 1: Units 1-10	\$ 3.17	\$ 3.27								
Tier 1: Units 1-5			\$ 2.49	\$ 2.72	\$ 2.84	\$ 2.94	\$ 3.05	\$ 3.16	\$ 3.28	\$ 3.18
Tier 2: Units 11-20	3.78	3.89								
Tier 2: Units 6-14			4.96	5.41	5.48	5.68	5.88	6.09	6.31	6.60
Tier 3: Units 21-30	4.52	4.66								
Tier 3: Units 15-20			5.93	6.47	6.43	6.66	6.90	7.15	7.41	8.33
Tier 4: Units 31+	5.27	5.43								
Tier 4: Units 21+			6.52	7.11	6.64	6.88	7.13	7.38	7.64	8.43
Non Residential Tiers										
Tier 1: Units 1-10	\$ 3.17	\$ 3.27								
Tier 1: Units 1-5			\$ 2.31	\$ 2.52	\$ 2.93	\$ 3.04	\$ 3.15	\$ 3.27	\$ 3.39	\$ 3.20
Tier 2: Units 11+	3.78	3.89								
Tier 2: Units 6+			4.60	5.02	5.97	6.18	6.40	6.63	6.87	7.98
Non Potable										
Tier 1: Units 1+	\$ 1.17	\$ 1.20	\$ 1.31	\$ 1.43	\$ 1.43	\$ 1.47	\$ 1.51	\$ 1.56	\$ 1.60	\$ 1.08

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

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

City of Brentwood

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Governmental Activities							
	2002 General Obligation Bonds	2012 CIP Revenue Refunding Bonds	2009 Civic Center Project Lease Revenue Bonds	2015 Lease Financing	2019 Civic Center Project Lease Revenue Refunding Bonds	Capital Improvement Bonds 2021 A & B	Notes Payable	Subscription Liability
2015	\$ 6,409,559	\$ 22,505,053	\$ 46,170,132	\$ -	\$ -	\$ -	\$ -	\$ -
2016	6,324,752	21,521,734	45,125,826	11,515,000	-	-	14,598,135	-
2017	6,212,789	20,533,414	44,041,520	11,180,000	-	-	13,382,317	-
2018	6,074,688	19,505,094	42,912,215	10,745,000	-	-	12,087,905	-
2019	5,905,231	18,421,774	-	10,295,000	37,445,821	-	10,711,406	-
2020	5,702,259	17,288,454	-	9,830,000	36,006,496	-	9,250,623	-
2021	5,458,672	16,095,135	-	9,350,000	34,522,171	-	7,701,704	-
2022	5,176,715	-	-	8,855,000	32,982,846	14,450,491	6,063,014	-
2023	4,521,341	-	-	7,835,000	29,804,198	11,381,161	2,599,414	-
2024	4,472,464	-	-	7,820,000	29,739,197	11,366,927	2,504,276	885,208

Fiscal Year	Business-Type Activities					Total Primary Government	Percentage of Personal Income ⁽¹⁾	Per Capita ⁽¹⁾
	2008 Water Revenue Bonds	2014 Water Revenue Bonds	State Water Resources Loan (Wastewater)	State Water Resources Loan (WWTP Expansion Ph. II)	State Water Resources Loan (Recycled Water)			
2015	\$ 4,165,000	\$ 48,608,126	\$ 16,852,847	\$ -	\$ -	\$ 168,711,420	9.59%	\$ 2,986
2016	2,845,000	48,356,034	14,875,763	-	-	161,426,837	8.95%	2,828
2017	1,460,000	48,103,942	12,862,991	-	-	153,751,835	8.02%	2,616
2018	-	46,301,849	10,813,886	-	-	148,440,637	7.45%	2,431
2019	-	44,439,757	8,727,793	-	6,566,758	142,513,540	6.64%	2,239
2020	-	42,497,664	6,604,044	-	8,452,399	135,631,939	5.73%	2,083
2021	-	40,470,572	4,441,959	11,264,302	10,757,225	140,061,740	5.37%	2,119
2022	-	38,358,479	2,240,846	25,797,267	13,586,322	147,510,980	5.53%	2,297
2023	-	36,156,387	-	40,700,429	14,389,629	147,387,559	5.65%	2,230
2024	-	33,854,294	-	13,959,450	47,684,388	152,286,204	5.71%	2,367

Note: Details regarding the City's outstanding debt can be found in Note #6.

(1) See Schedule - 19 for personal income and population data.

City of Brentwood

RATIOS OF GENERAL BONDED DEBT OUTSTANDING**LAST TEN FISCAL YEARS**

(Unaudited)

Fiscal Year	2002 General Obligation Bonds	Less: Amounts Restricted in the Debt Service Fund	Net Total Debt	Percentage of Actual Taxable Value of Property	Per Capita
2015	\$ 6,409,559	\$ 64,751	\$ 6,344,808	0.09%	\$ 112
2016	6,324,752	78,247	6,246,505	0.08%	109
2017	6,212,789	85,979	6,126,810	0.07%	104
2018	6,074,688	79,768	5,994,920	0.07%	98
2019	5,905,231	98,578	5,806,653	0.06%	91
2020	5,702,259	92,013	5,610,246	0.06%	86
2021	5,458,672	71,043	5,387,629	0.05%	82
2022	5,176,715	60,823	5,115,892	0.04%	80
2023	4,521,341	75,038	4,446,303	0.04%	70
2024	4,472,464	72,644	4,399,820	0.03%	68

Source: City of Brentwood Finance and Information Systems Department

Note: Details regarding the City's outstanding debt can be found in Note #6.

City of Brentwood

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of June 30, 2024

(Unaudited)

2023/24 Assessed Valuation	\$ 13,783,960,421
Redevelopment Incremental Valuation	1,492,497,214
Adjusted Assessed Valuation	\$ 12,291,463,207

	Total Debt 6/30/24	Percentage Applicable ⁽¹⁾	City's Share of Debt 6/30/24
DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:			
Bay Area Rapid Transit	\$ 2,445,575,000	1.345%	\$ 32,892,984
Contra Costa Community College District	618,770,000	5.079%	31,427,328
Liberty Union High School District	131,485,000	51.405%	67,589,864
Brentwood Union School District	101,045,135	91.605%	92,562,396
Oakley Union School District	35,745,000	0.001%	357
City of Brentwood	4,472,464 ⁽²⁾	100.000%	4,472,464
City of Brentwood Community Facilities Districts	14,753,684	100.000%	14,753,684
City of Brentwood 1915 Act Bonds	83,716,058	100.000%	83,716,058
California Statewide Communities Development Authority Assessment Districts	30,224,609	100.000%	30,224,609
East Bay Regional Park District	144,520,000	2.114%	3,055,153
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT	\$ 3,610,306,950		\$ 360,694,897
DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:			
Contra Costa County General Fund Obligations	\$ 171,495,000	5.063%	\$ 8,682,792
City of Brentwood General Fund Obligations	36,676,716	100.000%	36,676,716
GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT	\$ 208,171,716		\$ 45,359,508
Less: Contra Costa Obligations Supported From Revenue Funds			2,153,034
NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 43,206,474
OVERLAPPING TAX INCREMENT DEBT (SUCCESSOR AGENCY)	\$ 18,126,052	100.000%	\$ 18,126,052
TOTAL DIRECT DEBT			\$ 55,902,864
TOTAL GROSS OVERLAPPING DEBT			\$ 368,277,593
TOTAL NET OVERLAPPING DEBT			\$ 366,124,559
GROSS COMBINED TOTAL DEBT			\$ 424,180,457 ⁽³⁾
NET COMBINED TOTAL DEBT			\$ 422,027,423

Ratios to Adjusted Assessed Valuation:

Total Direct Debt (\$55,902,864)	0.45%
Gross Combined Total Debt	3.45%
Net Combined Total Debt	3.43%

Source: California Municipal Statistics, Inc.

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

(2) Includes \$5,787,486 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)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt Limit	\$ 264,412,922	\$ 296,927,556	\$ 321,001,823	\$ 348,217,135	\$ 373,857,345	\$ 399,049,475	\$ 422,045,834	\$ 441,811,875	\$ 482,604,431	\$ 516,898,516
Total Net Debt Applicable to Limit	6,344,808	6,246,505	6,126,810	5,994,920	5,806,653	5,610,246	5,387,629	5,115,892	4,446,303	4,399,820
Legal Debt Margin	\$ 258,068,114	\$ 290,681,051	\$ 314,875,013	\$ 342,222,215	\$ 368,050,692	\$ 393,439,229	\$ 416,658,205	\$ 436,695,983	\$ 478,158,128	\$ 512,498,696
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	2.40%	2.10%	1.91%	1.72%	1.55%	1.41%	1.28%	1.16%	0.92%	0.85%

Legal Debt Margin Calculation for Fiscal Year 2024

Assessed Value ⁽¹⁾	\$ 13,783,960,421
Debt Limit (3.75% of Assessed Value) ⁽²⁾	516,898,516
Debt Applicable to Limit:	
General Obligation Bonds	4,399,820
Total Net Debt Applicable to Limit	<u>4,399,820</u>
Legal Debt Margin	<u>\$ 512,498,696</u>

Source: Contra Costa County Assessor

(1) Contra Costa County Auditor/Controller

(2) State of California Government Code 25 and 43605

City of Brentwood

PLEDGED REVENUE COVERAGE

LAST TEN FISCAL YEARS

(Unaudited)

Water Revenue Bonds, Series 2008 and Water Revenue Refunding Bonds, Series 2014

Fiscal Year	Adjusted Annual Water Revenues	Less: Operating Expenses	Adjusted Annual Net Water Revenues	Debt Service		Coverage
				Principal	Interest	
2015 ⁽¹⁾	\$ 18,963,542	\$ (14,473,726)	\$ 4,489,816	\$ 1,255,000	\$ 1,342,923	1.73
2016 ⁽²⁾	21,206,265	(13,999,154)	7,207,111	1,320,000	2,192,225	2.05
2017 ⁽²⁾	20,999,938	(15,531,834)	5,468,104	1,385,000	2,126,225	1.56
2018 ⁽³⁾	25,157,794	(16,640,999)	8,516,795	3,010,000	2,050,050	1.68
2019	26,041,257	(17,679,262)	8,361,995	1,610,000	1,904,100	2.38
2020	29,004,863	(18,272,183)	10,732,680	1,690,000	1,823,600	3.05
2021	30,932,101	(20,226,777)	10,705,324	1,775,000	1,739,100	3.05
2022	30,456,717	(18,728,462)	11,728,255	1,860,000	1,650,350	3.34
2023	27,436,132	(20,672,231)	6,763,901	1,950,000	1,557,350	1.93
2024 ⁽⁴⁾	31,948,084	(20,749,711)	11,198,373	2,050,000	1,459,850	3.19

Source: City of Brentwood Finance and Information Systems Department

Note: Details regarding the City's outstanding debt can be found in Note #6. Water revenues include operating revenues, interest income and developer impact fees. Operating expenses do not include depreciation or amortization expenses.

(1) The Water Revenue Refunding Bonds were issued in December 2014 to refund a portion of the Water Revenue Bonds, Series 2008; therefore, FY 2014/15 is the first reportable year and both bonds' debt service obligations are included. The obligation of the City to make such payments is a special obligation of the City payable solely from Adjusted Annual Net Water Revenues.

(2) Adjusted Annual Net Water Revenues is defined as Water income and revenue less maintenance and operation costs adjusted by any transfers to or from the Rate Stabilization Fund. In FY 2015/16 and FY 2016/17, \$893,839 and \$982,000 was transferred, respectively, from the Rate Stabilization Fund to meet the bond covenant debt coverage requirements.

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

(4) Excludes Non-Cash adjustments related to GASB requirements.

City of Brentwood

DEMOGRAPHIC AND ECONOMIC STATISTICS**LAST TEN CALENDAR YEARS**

(Unaudited)

Calendar Year	Population ⁽¹⁾	Personal Income (In Thousands) ⁽²⁾	Per Capita Personal Income	Median Age ⁽³⁾	School Enrollment	Unemployment Rate
2014	56,493	\$ 1,759,741	\$ 30,387	36.0	16,649	5.2%
2015	57,072	1,803,371	31,150	36.9	16,923	4.9%
2016	58,784	1,917,154	31,598	37.7	17,116	3.7%
2017	61,055	1,993,057	32,614	38.3	17,268	3.7%
2018	63,662	2,145,046	33,694	38.8	17,501	3.4%
2019	65,118	2,365,716	36,330	39.8	17,594	3.3%
2020	66,097	2,610,054	39,488	40.0	17,245	9.0%
2021	64,342	2,665,452	41,426	40.9	17,424	6.3%
2022	64,513	3,095,432	47,981	40.5	17,668	3.8%
2023	64,811	3,457,713	53,350	40.7	17,992	4.4%

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

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

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

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

City of Brentwood

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

(Unaudited)

Employer	2024			2015		
	No. Employees	Rank	Percent of Total City Employment	No. Employees	Rank	Percent of Total City Employment
Brentwood Union School District	1,026	1	6.09%	800-1,000	1	7.93%
Liberty Union High School District	797	2	4.73%	800-1,000	1	7.93%
City of Brentwood	518	3	3.08%	250-500	3	2.33%
Safeway Stores (2 stores)	380	4	2.26%	250-500	3	2.33%
Precision Cabinets	270	5	1.60%	150-250	5	1.94%
Thorpe Design, Inc. (fire sprinklers)	185	6	1.10%			
Winco Foods, Inc.	176	7	1.05%	150-250	5	1.94%
The Home Depot	150	8	0.89%	150-250	5	1.94%
Rodda Electric	132	9	0.78%			
Kohl's	92	10	0.55%	150-250	5	1.94%
BJ's Restaurant & Brewhouse	95	11	0.56%	100-250	5	1.94%
John Muir Health	97	12	0.58%	150-250	5	1.94%
Save Market Supermarket (Food Maxx)	61	13	0.36%			
Bill Brandt Ford	75	14	0.45%			
Town & Country's Roofing	73	15	0.43%			
Black Angus	70	16	0.42%			
Raley's Supermarket	68	17	0.40%	50-100	14	0.79%
Red Robin Gourmet Burgers	63	18	0.37%			
Brentwood Ace Hardware	68	19	0.40%			
Capital Builders Building Supply	55	20	0.33%			
Total Top 20 Employer Count	4,451					
Total City Employment	16,837					

Sources: City of Brentwood Economic Development Division, Esri Business Analyst, East Bay Economic Development Alliance

City of Brentwood

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

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government	34	34	35	35	37	37	37	38	42	42
Public Safety	83	85	95	95	95	106	106	107	107	107
Community Development	20	19	19	22	23	23	23	25	26	26
Engineering	14	14	14	14	14	14	13	13	14	14
Public Works	23	23	23	26	26	26	27	27	27	27
Parks and Recreation	24	25	24	25	26	27	27	27	29	29
Wastewater	18	18	19	20	24	24	24	25	25	25
Solid Waste	26	27	26	27	28	29	29	29	30	30
Water	26	26	26	27	27	28	29	29	29	29
Housing	2	2	2	2	2	2	2	2	2	2
Total ⁽¹⁾	270	273	284	293	302	316	316	321	330	330

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

Source: City of Brentwood Finance and Information Systems Department

City of Brentwood

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

(Unaudited)

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government										
Single-Family Dwelling Permits Issued	451	519	541	411	352	274	241	326	76	57
Accounts Payable Invoices Processed	12,023	13,364	13,625	12,463	12,222	12,044	10,624	11,536	12,124	12,170
Purchase Orders Issued	286	269	279	264	244	354	360	409	436	406
Checks Issued	14,299	15,764	15,844	15,133	14,753	14,129	13,593	14,959	16,109	16,262
Public Works										
Debris Collected (tons)	1,890	1,756	1,687	1,568	1,880	2,032	1,798	1,855	1,817	1,734
Streetlights Maintenance Requests	697	410	424	293	422	415	336	518	447	636
Police										
Physical Arrests (est.)	1,679	1,648	1,626	1,629	1,596	1,226	1,023	1,062	1,169	1,480
Calls for Service (est.)	39,934	40,661	44,417	50,300	51,777	51,867	46,042	48,744	49,990	50,253
Case Files Taken (est.)	6,133	5,925	6,335	6,396	6,217	5,870	5,891	6,189	6,028	5,842
Parks and Recreation										
Total Programs Offered (est.)	852	852	891	962	993	993	1,069	1,329	1,891	1,939
Refuse Collection										
Refuse Collected (tons per day)	97	102	110	114	119	114	118	125	127	121
Yard Waste (tons per day)	38	35	38	37	40	42	41	39	40	43
Recyclables Collected (tons per day)	23	25	26	25	30	29	30	30	31	29
Residential Services	17,245	17,802	18,310	18,806	19,329	19,884	20,285	20,533	20,634	20,555
Commercial Services	475	487	499	508	497	507	516	532	524	518
Water										
New Connections	467	475	527	470	353	304	321	223	185	133
Average Daily Production (millions of gallons)	10	7	8	9	9	10	11	10	9	9
Peak Daily Production (millions of gallons)	17	18	16	20	19	19	18	17	16	17
Number of Utility Customers	18,289	18,785	19,385	19,736	20,285	20,628	20,964	21,210	21,607	22,395
Wastewater										
New Connections	467	480	529	471	356	307	323	222	185	131
Average Daily Sewage Treatment (millions of gallons)	4	3	4	4	3	4	4	4	4	4

Source: Various City Departments

City of Brentwood

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

(Unaudited)

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	1	1	1	1	1	1	1	1	1	1
Patrol Vehicles	52	49	49	49	49	44	42	42	45	43
Parks and Recreation										
Developed Park Acreage	226	231	234	253	237	240	240	243	249	249
Play Areas	51	52	56	61	61	65	67	68	70	70
Multi-Use Trails (miles)	18	18	19	19	19	19	19	19	20	20
Multi-Use Ball and Soccer Fields	23	19	19	20	20	20	20	20	20	20
Picnic Tables	305	311	331	351	353	364	374	378	379	380
Refuse Collection										
Collection Trucks	16	16	17	17	18	19	19	19	21	22
Water										
Water Mains (miles)	284	287	302	324	345	347	348	352	354	356
Fire Hydrants	2,704	2,719	2,841	2,901	2,990	3,013	3,019	3,053	3,064	3,091
Number of Wells	7	7	7	7	7	7	6	6	6	6
Number of Reservoirs	6	6	6	6	6	6	6	6	6	6
Storage Capacity (millions of gallons)	19	19	19	19	19	19	19	19	19	19
Wastewater										
Sanitary Sewers (miles)	225	226	235	237	242	243	244	247	249	250
Lift Stations	2	2	2	2	3	3	3	3	3	3
Other Public Works										
Streets (miles)	192	192	192	192	192	192	192	192	192	192
Street Lights	5,957	6,691	6,693	7,403	7,592	7,645	7,740	7,740	7,741	7,411 ⁽¹⁾

Source: Various City Departments

(1) Data updated to only report street lights maintained by the City

City of Brentwood

General Information
(Unaudited)

Date of Incorporation:	January 21, 1948
Forms of Government:	General Law Council-Manager
Fiscal Year Begins:	July 1
Area of City:	14.83 Sq. Miles
Population as of January 2023:	64,513

Municipal Water System	
Number of Wells	6
Number of Reservoirs	6
Storage Capacity (gallons)	19 MG
Average Daily Consumption	9 MGD
Peak Daily Production	17 MGD
Number of Connections	21,607

Municipal Solid Waste	
Number of Residential Services	20,555
Number of Commercial Services	518

Parks and Recreation	
Developed Park Acreage	245.08 acres
Aquatic Complex	7.5 acres
Skate Park	0.50 acres
Play Areas	70
Sunset Park Athletic Complex	38 acres
Veterans Park	10.5 acres

Number of Full-time Equivalent Positions	Year-End
330	2024
330	2023
321	2022
316	2021
316	2020
302	2019
293	2018
284	2017
273	2016
270	2015

Parks Facilities	
BBQ Areas	34
Basketball Courts	15
Bocce Ball Courts	8
Gazebos	3
Horseshoe Courts	2
Multi-Use Ball and Soccer Fields	20
Multi-Use Trails	19.35 miles
Pickle ball Courts	4
Picnic Tables	380
Restrooms (Permanent)	9
Tennis Courts	2
Volleyball Courts	3

Public Schools	
Elementary	9
Intermediate	3
High School	2
Alternative High Schools	2

Miles of Streets	
Miles of Streets	192
Miles of Sanitary Sewers	250
Miles of Water Mains	356
Number of Street Lights	7,411 ⁽¹⁾

Police Protection	
Sworn Officers	72
Vehicles	43
Motorcycles	5

Municipal Wastewater System	
Sanitary Lift Stations	3
Number of Connections	21,559
Average Daily Flow	4.28 MGD

Fire Protection	
Contra Costa County Fire Protection District (CCCYPD)	
CCCYPD Stations Open in Brentwood	1
CCCYPD Firefighters Assigned to Brentwood	21
CCCYPD Stations	35
CCCYPD Firefighters	402

Source: Various City Departments, School/Fire Districts and State Department of Finance
(1) Data updated to only report street lights maintained by the City

**INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the City of Brentwood, California, as of and for the year ended June 30, 2024, and have issued our report thereon dated November 21, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We have also issued a separate Memorandum on Internal Control dated November 21, 2024, which is an integral part of our audit and should be read in conjunction with this report.

Purpose of this Report

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

A handwritten signature in black ink that reads "Mary & Associates". The signature is written in a cursive, flowing style.

Pleasant Hill, California
November 21, 2024